

The Boeing Company Voluntary Investment Plan (VIP)

Termination Guide

The Boeing Voluntary Investment Plan (VIP) offers you many options when you terminate your employment from Boeing and all its Affiliates and Subsidiaries (“Boeing”). This guide provides you with an overview of these options and the tax liabilities you may face. Because the tax laws are complex, you are urged to consult a tax advisor before selecting a distribution option.

When you leave employment with Boeing, you must make some decisions about your VIP account. In most cases, you can leave your money in the VIP. You also have the option to take your money out; the VIP offers a number of distribution options depending on your individual circumstances.

Before making any decisions, carefully read this guide along with the Special Tax Notice Regarding Plan Distributions, which can be found in the Library on the My Retirement Income website.

This document includes instructions to access your account online and by phone.

General facts about termination distribution options

When you leave employment

A Final Distribution Package will be sent to you a few days after your employment ends. In this package you will find a detailed explanation of the options available to you, such as leaving your account in the VIP, your distribution options and tax implications. You may also refer to the Summary Plan Description in the Library of My Retirement Income for more details.

Advantages of leaving your account in the VIP

- A large selection of investment funds across diversified asset classes
- Low investment fund fees due to institutional pricing for large 401(k) plans like the VIP
- Access to investment advice, low cost investment management and other planning tools
- Ability to consolidate your other retirement accounts in the VIP
- Flexible distribution options

Your options if your account balance is greater than \$1,000

- You may **leave your money in the VIP** if your account is over \$1,000:
 - If you leave your money in the VIP, you may also roll over other qualified retirement accounts into your VIP to consolidate your retirement savings in one place
 - If you have an outstanding loan, and you leave your money in the VIP, you may set up recurring repayments to avoid the tax consequences of defaulting your loan (you need to set this up right away after leaving employment)
- You may **take your money out** of the VIP with the following options:
 - Total lump sum distribution (paid to yourself, or as a rollover to an IRA or other qualified plan)
 - Partial distributions (paid to yourself, or as a rollover to an IRA or other qualified plan)
 - Installment payments
 - Annuity purchase

Distributions from your account will not be processed until 15 days after your termination in order to allow for trailing contributions from your last paycheck.

You are not required to take a distribution from your account until age 70 ½ when you must begin receiving Required Minimum Distributions (RMD). There is no action required on your part for an RMD, unless you wish to change your tax withholding.

Your distribution options if your account balance is \$1,000 or less

- You must take a lump sum distribution of your account, which you may elect to take as a cash distribution or as a direct rollover into an IRA or another qualified retirement plan.
- Your account will be automatically distributed to you approximately 90 days following your termination (or as soon as administratively possible thereafter), unless you request your distribution or rollover beforehand.

Your distribution options for Boeing Stock

If you have a balance in the Boeing Stock Fund, you may choose to have that portion of your account paid to you in cash or in-kind (shares of stock). If you elect in-kind, your Boeing Stock will be registered to you and a confirmation statement will be sent regular U.S. Mail to your address on file. Stock certificates will not be issued. In addition, under certain situations, an in-kind distribution of your Boeing Stock may offer tax advantages over a cash distribution. Please refer to the Summary Plan Description as well as the Boeing Stock Distribution FAQ document in the Library on My Retirement Income for more information.

Your distribution delivery options

When you request a distribution, you will be asked to elect a delivery option.

Your delivery options are:

- Regular U.S. mail
 - Mailed to your address on file 2-3 business days after your request
 - Please allow additional time for mail delivery from the East coast
- Expedited delivery
 - Sent via expedited mail to your address on file 2-3 business days after your request
 - A \$25 fee will be deducted from your account
- Direct deposit
 - Sent to your bank account on file 2-3 business days after your request
 - It may take additional time to post to your account, depending on your bank
 - Direct deposit is not available for rollover distributions

If you elect to roll over your distribution, the check will be made payable to your rollover institution and will be mailed to your address on file based on the delivery option you select.

If you request a distribution to be paid to yourself, a check will be made payable to you and mailed to your address on file based on the delivery option you select. Alternatively, you may set up direct deposit to the banking institution of your choice. See the steps below for instructions.

Direct deposit

You may elect direct deposit for any portion of your payment that is not rolled over. If you have direct deposit information on file, it will be automatically populated when you request your distribution online. If you do not have information on file or wish to deposit to a different account, enter your direct deposit information in the area provided. Please enter your bank information carefully. It is your responsibility to provide accurate information. Any errors in the data entered will cause a significant delay in receiving your payment.

Please note that if you have banking information on file but are depositing to a different account, the new account information will be used for this payment only. To update your banking information on file, you must enter the new information through the Manage Direct Deposit transaction from the Request a Withdrawal section on the My Retirement Income website.

Tax withholding on your distribution

Withholding for non-rollover distributions includes the following:

- 20% of the taxable portion for federal income tax
 - Exceptions:
 - Installment payments made to you for a period of 10 years
 - Distributions of \$200 or less are not subject to federal income tax withholding
- State tax will be withheld depending on the state where you live
- Federal and state income tax is withheld at the time your non-rollover distribution is processed

For example, if you request a distribution of \$10,000, to be paid directly to yourself, \$2,000 will be sent to the

IRS as income tax withholding. Applicable state taxes will also be withheld, and the remaining net amount will be sent to you. If you live in a state with no income taxes, you will receive a check for \$8,000.

Aftertax contributions are not taxed at the time of distribution, but any earnings attributable to those contributions are subject to all taxes.

If you perform a direct rollover to a traditional IRA or another qualified retirement plan, there will be no withholding when your rollover is processed.

Likewise, no withholding is taken when you perform a rollover to a Roth IRA. However, any taxable money rolled over to a Roth IRA is considered a taxable distribution and you will be responsible to pay those taxes when you file your annual income tax return. The 10% early withdrawal penalty tax will not apply on a direct rollover to a Roth IRA. Please refer to the Special Tax Notice, found in the Library on My Retirement Income, to determine if you meet the requirements to rollover to a Roth IRA.

You are responsible for all taxes due on the taxable portion of your distribution. If the 20% withholding does not cover your tax liability, you may have to pay additional taxes and penalties when you file your annual income tax return.

Early withdrawal penalty

If you are under age 59 ½, taking money out of your account is normally considered an early withdrawal (some exceptions apply). Early withdrawals are generally subject to an additional 10% early withdrawal penalty tax on the taxable portion of distributions which are not rolled over. This penalty cannot be withheld at the time of distribution.

For example, if you are under age 59 ½ and take a \$10,000 distribution, in addition to owing applicable taxes, you might have to pay a \$1,000 early withdrawal penalty tax when you file your tax return.

The 10% early withdrawal penalty tax does not apply in the following circumstances:

- Distributions paid to participants who have terminated during or after the year they reach age 55
- Paid to a participant who has retired due to disability
- Used to pay certain defined medical expenses
- Other exceptions may apply; for a full list please review the Special Tax Notice

Special rules regarding spousal consent for certain merged accounts

Certain savings plans that have been merged into the VIP had assets that are subject to spousal consent rules (regardless of marital status). You can verify if your VIP account contains spousal consent money by accessing your account at My Retirement Income. Select Account Balance and then select Account Balance by type.

If you have spousal consent money, in order to process a distribution you and your spouse must complete and return a Spousal Consent Distribution form to the Boeing Retirement Service Center. Unmarried participants must certify on this form that they are not married. A copy of the form will be included in your Final Distribution Package which you must request on My Retirement Income under Request a Final Distribution.

Rollovers

If you distribute your VIP account as a rollover to a traditional IRA or qualified retirement plan, no income tax will be withheld from the distribution and no taxes or penalties will be due until you withdraw money from your new account/plan. Your money continues to grow tax-deferred.

If the rollover is to a Roth IRA, you must pay taxes on the taxable portion of the rollover; however there is no withholding at the time the rollover is processed. No taxes or penalties will be due when a later distribution is made from the Roth IRA as long as it is considered a qualified distribution. Please see more information about rollovers to Roth IRAs in the Special Tax Notice, found in the Library on My Retirement Income.

The aftertax portion of your account balance may also be eligible for rollover. You may choose to rollover to a traditional IRA, a Roth IRA or you may also split the aftertax portion by rolling the aftertax contributions (basis) to a Roth IRA and the taxable portion (earnings) to a traditional IRA, avoiding a tax event

altogether. In addition, you may also rollover your aftertax portion to another qualified retirement plan.

If you choose to roll over your distribution to an existing or new IRA with a financial institution or to another employer's qualified retirement plan, be sure the plan will accept rollovers of all money types in your account (pretax, aftertax, or Roth).

If a portion of your distribution includes Boeing stock certificates (an in-kind distribution), make sure the IRA or qualified retirement plan will accept the stock. A direct rollover of Boeing stock will be provided to your rollover institution through direct registration by Computershare and a confirmation statement will be mailed to your address on file. Ask your IRA financial institution or your employer's qualified retirement plan trustee to provide you with your new account number. For more information about how your shares will be registered, please refer to the Boeing Stock Distribution FAQ document in the Library on My Retirement Income.

You should also ask how the direct rollover should be made payable (for example ABC Corporation 401(k), for the benefit of John Doe). You will need to provide this either online or to the Boeing Retirement Service Center when you request a rollover from your account.

Please be sure to read the Special Tax Notice for further details on taxation rules and your options.

Installment payments

If your account balance is greater than \$1,000 at termination, you may elect to have your distribution paid to you in periodic installment payments. Installment distributions may be specified as a number of years up to 10 or as a fixed dollar amount. All installment payments can be paid monthly, quarterly, semi-annually, or annually.

You may stop your installment payments at any time. Once they have been stopped, installment payments may not be restarted. Once installment payments have been started you cannot request a change to the amount or frequency of the payments. However, if you request an additional partial withdrawal after installments have been started, this may cause the amount of your payment to change, based on the account balance remaining after the distribution.

Installment payments will automatically be sent by check to your mailing address on file or sent to your bank account via direct deposit, depending on the delivery option you selected.

Annuity options

An annuity is a long-term contract between an insurance company and an individual, or an individual and his or her spouse or partner. The individual pays a one-time premium payment to the insurance company in return for monthly payments guaranteed by the insurance company. The insurance company converts the assets into a stream of guaranteed monthly income payments for the rest of an individual's life or for a specific fixed period of time.

You have several annuity options available from your VIP through the Hueler Income Solutions platform. To learn more, select Lifetime Income Options on My Retirement Income, or call 1-866-473-2016 and request "VIP Annuity".

You may also review your options at a glance on the VIP Lifetime Income Options document in the Library on My Retirement Income.

Annuity options with spousal consent money

Annuities purchased with spousal consent money are calculated differently than other money types, and may offer better pricing in certain situations. You can verify if your VIP account contains spousal consent money by accessing your account at My Retirement Income. Select Account Balance and then select Account Balance by type. This will show all money types in your account. Spousal Consent money will be a separate type if you have it. For annuity purchases with spousal consent money you will need to complete the Annuity Request Form found in the Forms section of the Library on My Retirement Income. For all annuity purchases, call 1-866-473-2016, enter your BEMSID and password and request "VIP Annuity".

Outstanding VIP loan

If you terminate with an outstanding VIP loan

Once your employment is terminated, you may set up recurring monthly VIP loan payments by direct debit from your bank account until your loan is scheduled to be paid off. Your loan will be re-amortized to a monthly payment frequency and you will receive the new monthly payment amount with payment instructions from the Boeing Retirement Service Center soon after your employment has ended.

Actions that can cause your loan to default

Your VIP loan will default the earlier of:

- The date you take a full distribution from the VIP, elect installment payments, or request an annuity for your entire account balance; you must leave a balance in the VIP if you want to continue to make monthly loan payments
- Your failure to make a payment within 90 days from the last loan payment
- Your VIP loan is not paid in full within 30 days after your scheduled payoff date

Important: If you do not repay your outstanding VIP loan balance before the earlier of the above dates, your loan(s) will be defaulted. The outstanding amount of your loan(s) will be reported as a taxable distribution from your VIP account on Internal Revenue Service Form 1099-R, subject to taxes and IRS penalties.

Please see the Loan Guide found in the Library of My Retirement Income. The Loan Guide provides instructions on how to make loan repayments after you have left employment and the types of repayments that are accepted.

Electing a distribution

To obtain additional information or request a distribution:

On the Boeing Web: Log on to *my.boeing.com*. Visit TotalAccess > Total Compensation > My Retirement Benefits > Manage My Retirement Income

On the World Wide Web: Log on to *www.boeing.com/express* using your BEMSID and your Boeing TotalAccess password. Visit TotalAccess > Total Compensation > My Retirement Benefits > Manage My Retirement Income

Once on the My Retirement Income website, review the options available to you under the Request a Withdrawal menu.

To speak with the Boeing Retirement Service Center:

Call Boeing TotalAccess at 1-866-473-2016. When prompted, enter your BEMSID and TotalAccess password. Request "Savings". Hearing-impaired callers should use the relay service offered through their telephone service provider.

Retirement Service Center Representatives are available from 9 a.m. to 9 p.m. Eastern time (6 a.m. to 6 p.m. Pacific time, 7 a.m. to 7 p.m. Mountain time, 8 a.m. to 8 p.m. Central time). If you need assistance with your BEMSID or TotalAccess password, please contact Boeing TotalAccess.

Remember that you must wait 15 calendar days from the date of your termination before you can request a full distribution or rollover of your Boeing Savings Plan account.

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