

TENTATIVE AGREEMENT
LETTER OF UNDERSTANDING NO. 26
RELATING TO EMPLOYEE INCENTIVE PLAN
(Engineering and Technical Units)

Eligible employees covered by this Agreement ~~and on the active payroll as of December 1, 2005 or thereafter~~ may participate in The Boeing Company Employee Incentive Plan (“EIP”) for the duration of this Agreement as set forth below and subject to this Letter of Understanding and the terms of the EIP. ~~Eligible employees will accrue Daily Earnings beginning January 1, 2005. The first payment will be calculated based on financial performance for fiscal year 2005 and will be paid in accordance with the EIP.~~

Employees will be eligible to participate in accordance with the governing provisions of the EIP as set forth in the official plan document. In the event of any conflict between this Letter of Understanding and the official EIP plan document, the official EIP plan document will prevail in every case.

The Board of Directors of the Company reserves the right to amend, modify, or terminate the EIP in its sole discretion. All terms and conditions of the EIP, as it may be amended or modified, will apply.

The Company shall not be required or obligated to provide any information to the Union that the Company determines to be proprietary or confidential, including but not limited to information regarding cost, pricing, and/or other financial information or data. Any information regarding cost, pricing, and/or other financial information or data will be provided at the Company’s discretion if the Company deems it necessary or appropriate for Union review. If the Company so determines that such information should be released, the Union and/or its representatives may necessarily be required to execute a confidentiality agreement before such information is released. Any information that is released to the Union and/or its representatives will be held confidential and shall not be utilized by the Union and/or its representatives for any purposes that do not directly relate to the EIP.

Nothing in this Letter of Understanding or employee participation in the EIP will be subject to the grievance and arbitration procedure of Article 3.

Dated: December 2, 2005~~8~~

**Society of Professional Engineering
Employees in Aerospace**

The Boeing Company

By _____

By _____

Dated _____

Dated _____