



From: Doug Kight
Sent: Thursday, August 28, 2008
Subject: IAM negotiations update – BEST AND FINAL OFFER

****This message is being sent by Doug Kight, vice president of Human Resources, to all managers and HR employees in Washington, Oregon and Kansas ****

IAM negotiations update – BEST AND FINAL OFFER

After more than four months of listening to the union and our employees and responding to their top priorities, today we presented our [best and final offer](#). It is an outstanding offer that generates over the next three years 11 percent wage increases with the potential for an additional 3 percent from Cost of Living Adjustments; provides a lump-sum payment of 6 percent or \$2,500, whichever is greater; increases pension to an industry-leading \$80 pension multiplier; and provides improvements to an excellent benefits plan that provides medical, dental and vision coverage at low costs.

This offer also includes a \$2,500 ratification bonus available only if employees vote to ratify the contract on or before Sept. 3. Combined with the lump-sum payment, this could provide every IAM-represented employee with a minimum of \$5,000 in cash payments.

As promised, a full version of the contract will be available later today on our Web site, www.boeing.com/2008negotiations.

We've said that we would present a best and final offer, before the Labor Day weekend that rewards our employees for their hard work and the success they've helped create – one that enables them to provide for their families and prepare for a comfortable retirement. And we've delivered on what we promised. I'm proud to stand behind it.

Actions for managers:

- Encourage your employees to use the [Pay & Benefits calculator](#) during their shift and be sure to try it out for yourself. It's a great tool that shows an individual employee how great this offer is for them.
- Be available for questions or conversations about the offer. You are credible leaders and your employees respect your opinion.
- Watch for an invitation to attend a webcast tomorrow where I will talk about the offer and answer your questions. Please participate during the webcast or view the archive. After you've done that, please schedule time to share the archived video of the webcast with your teams.
- Encourage employees to carefully study the proposal over the next few days, review it with their families and vote in their best interest on Sept. 3.

Thank you for your leadership throughout this process and your support of our offer.

Doug