

BOEING CO
Form DEF 14A
March 13, 2009
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

THE BOEING COMPANY

(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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March 13, 2009

Dear Shareholder:

I am pleased to invite you to attend The Boeing Company's 2009 Annual Meeting of Shareholders, which will be held on Monday, April 27, 2009, beginning at 10:00 a.m., Central time, in Chicago, Illinois. We will meet at The Field Museum, which is located at 1400 South Lake Shore Drive in Chicago.

Activities at the Annual Meeting will be limited to the items of business listed in the Notice of Annual Meeting of Shareholders. The following items of business will be presented:

- (1) election of nine directors;
- (2) vote on a management proposal to approve an amendment to The Boeing Company 2003 Incentive Stock Plan;
- (3) advisory vote on the appointment of the Company's independent auditor; and
- (4) vote on seven shareholder proposals, if they are presented.

Your vote is important. Whether or not you plan to attend the Annual Meeting in person, I urge you to complete the proxy card and return it promptly.

Very truly yours,

W. James McNerney, Jr.

Chairman of the Board, President and Chief Executive Officer

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THE BOEING COMPANY

Boeing Corporate Offices

100 North Riverside Plaza, Chicago, Illinois 60606

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE/TIME	Monday, April 27, 2009, 10:00 a.m., Central time. Registration will begin at 8:30 a.m. The Annual Meeting will begin at 10:00 a.m. and conclude at 12:00 p.m.
PLACE	The Field Museum, 1400 South Lake Shore Drive, Chicago, Illinois 60605-2496.
AGENDA	<ol style="list-style-type: none">1. Elect nine persons to the Board of Directors for one-year terms expiring in 2010.2. Vote on a management proposal to approve an amendment to The Boeing Company 2003 Incentive Stock Plan.3. Cast an advisory vote on the appointment of Deloitte & Touche LLP as independent auditor.4. Vote on shareholder proposal on cumulative voting.5. Vote on shareholder proposal on an advisory vote on named executive officer compensation.6. Vote on shareholder proposal on health care principles.7. Vote on shareholder proposal on disclosure of foreign military sales.8. Vote on shareholder proposal on independent lead director.9. Vote on shareholder proposal on future severance arrangements.10. Vote on shareholder proposal on disclosure of political contributions.11. Transact any other business properly brought before the meeting.
RECORD DATE	You can vote if you were a shareholder at the close of business on February 27, 2009.
MEETING ADMISSION	<p><i>Registered Shareholders.</i> An admission ticket is attached to your proxy card. If you received proxy materials via the Internet, you may print an admission ticket from the Internet Voting Site. Please bring the admission ticket with you to the meeting.</p> <p><i>Beneficial Shareholders.</i> Shareholders whose stock is held by a broker or bank (often referred to as holding in street name) should come to the beneficial shareholders table. <i>In order to be admitted, beneficial shareholders must bring account statements or letters from their brokers or banks showing that they owned Boeing stock as of February 27, 2009. In order to vote at the meeting, beneficial shareholders must bring legal proxies, which they can obtain only from their brokers or banks.</i></p> <p>In all cases, shareholders must bring photo identification to the meeting for admission.</p>
VOTING BY	<p><i>Registered Shareholders and Participants in Savings Plans.</i> Please vote:</p> <ol style="list-style-type: none">1. By Toll-Free Telephone: Call 1-800-652-VOTE (8683) to vote by phone;2. By Internet: Go to the Internet Voting Site at www.envisionreports.com/ba to vote on the Internet; or3. By Mail: Mark, sign, date and promptly mail the enclosed proxy card in the postage-paid envelope. Any proxy may be revoked at any time prior to its exercise at the meeting. <p><i>Beneficial Shareholders.</i> If your shares are held in the name of a broker, bank or other holder of record, follow the voting instructions you receive from the holder of record to vote your shares.</p>

By Order of the Board of Directors

Michael F. Lohr

Corporate Secretary

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Meeting of Shareholders to Be Held on April 27, 2009.**

This Proxy Statement and the 2008 Annual Report are available at:

www.edocumentview.com/ba

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THE BOEING COMPANY

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

Monday, April 27, 2009

This Proxy Statement is issued in connection with the solicitation of a proxy on the enclosed form by the Board of Directors of The Boeing Company for use at the Company's 2009 Annual Meeting of Shareholders. We will begin distributing this Proxy Statement, a form of proxy and the 2008 Annual Report on or about March 13, 2009.

PROXIES AND VOTING AT THE MEETING

Holders of Boeing stock at the close of business on February 27, 2009 are entitled to receive Notice of the Annual Meeting and to vote their shares at the Annual Meeting. As of that date, there were approximately 726,134,691 shares of common stock outstanding and approximately 699,792,744 of those shares were eligible to vote. (The shares held in the ShareValue Trust for the Company's ShareValue Plan are not entitled to vote, and shares issued in exchange for shares of Rockwell International Corporation or McDonnell Douglas Corporation that have not been exchanged are not eligible to vote.) There were 228,618 registered shareholders on the record date and approximately 705,761 beneficial shareholders whose shares were held in street name through a broker or bank.

Shares represented by a properly executed proxy will be voted at the Annual Meeting and, when instructions are given by the shareholder, will be voted in accordance with those instructions. If a proxy is executed and returned but no instructions are given, the shares will be voted according to the recommendations of the Board of Directors. The Board recommends a vote FOR Items 1, 2 and 3 and AGAINST Items 4 through 10.

The Board of Directors is not aware of any business that may properly be brought before the Annual Meeting other than those matters described in this Proxy Statement. However, the enclosed proxy card gives discretionary authority to persons named on the proxy card to vote the shares in their best judgment if any matters other than those shown on the proxy card are properly brought before the Annual Meeting.

How to Vote

Your vote is important and we appreciate your prompt attention to it. Registered shareholders can vote by telephone, the Internet or mail, as described below. If you are a beneficial shareholder (including as a participant in the Company's Voluntary Investment Plan (the "VIP") or the Company's BAO Voluntary Savings Plan (the "BAO VSP")), please refer to your proxy card or the information forwarded by your broker, bank or other holder of record to see what options are available to you.

Registered shareholders and participants in the VIP and BAO VSP may cast their vote by:

(1) Signing, dating and promptly mailing the proxy card in the enclosed postage-paid envelope;

(2)

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Accessing the Internet Voting Site at www.envisionreports.com/ba and voting by following the instructions provided on the website; or

(3) Calling 1-800-652-VOTE (8683) and voting by following the instructions provided on the phone line.

In order to vote via telephone or on the Internet, please have in front of you either your proxy card or, if you have consented to receive your materials electronically, your e-mail notification advising that materials are available online. A phone number and a website are contained on each of the documents. Upon entering either the phone number or the Internet address, you will be instructed on how to proceed. Proxies submitted by the Internet or telephone must be received by 10:00 a.m. Central time on April 27, 2009.

Proxy cards will be sent to those persons having interests in Boeing stock through participation in the stock funds of the following Company benefit plans (Plans):

(1) *The Boeing Company Voluntary Investment Plan*; and

(2) *BAO Voluntary Savings Plan*.

The Plans listed above are sponsored by Boeing and its subsidiaries for their employees.

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Shares of Boeing stock held in the Plans (Plan Shares) are registered in the name of the trustee. The participants do not have actual ownership of the Plan Shares and may not vote the Plan Shares directly at the Annual Meeting. However, Plan participants are allocated interests in the shares and may instruct the trustee how to vote such interests. The number of shares of Boeing stock shown on your proxy card includes all registered shares and Plan Shares. Plan Shares can be voted only by submitting proxy instructions, whether by telephone, the Internet or mailing in the printed proxy card; Plan Shares cannot be voted at the Annual Meeting and prior voting instructions cannot be revoked at the Annual Meeting. If you are a Plan participant, your proxy instructions must be received by the Plan trustee no later than 10:59 p.m., Central time, on April 22, 2009.

The trustee will cast Plan Share votes according to the participants' instructions. If voting instructions are not timely received, the trustee will vote the participants' Plan Shares in accordance with the terms of the Plans, which means shares will be voted in the same manner and proportion as the shares with respect to which voting instructions have been timely received, unless contrary to applicable law. If a participant returns a signed proxy card that covers Plan Shares, but does not indicate how he or she would like the proxy to be voted on the proposals listed on the card, the participant will be deemed to have instructed the trustee to vote in accordance with the recommendations of the Board of Directors.

Revocation of Proxies

A registered shareholder may revoke a properly executed proxy at any time before its exercise by:

Delivering timely written notice of revocation to the Corporate Secretary;

Timely delivery of another proxy that is dated later than the original proxy;

Attending the Annual Meeting and giving notice of revocation to an Inspector of Election; or

Attending the Annual Meeting and voting by ballot.

Beneficial shareholders (including individuals with interests in Plan Shares) cannot revoke their voting instructions in person at the Annual Meeting because the actual shareholders of record, brokers, banks or the Plans' trustee, will not be present. Beneficial shareholders wishing to change their votes after returning voting instructions to their brokers, banks or the Plans' trustee should contact such record holder directly.

Vote Required

Vote Required for Quorum and Director Elections

The presence at the Annual Meeting, in person or by duly authorized proxy, of the holders of one-third of the outstanding shares of stock entitled to vote constitutes a quorum for the transaction of business. Each share of Boeing stock entitles the holder to one vote on each matter presented for shareholder action. The Board of Directors has adopted a majority vote standard in uncontested director elections. Because the Company did not receive advance notice under its By-Laws of any shareholder nominees for directors, the 2009 election of directors is an uncontested election. To be elected in an uncontested election, a director nominee must receive more For votes than Against votes. Abstentions will have no effect on the election of directors since only votes For or Against a nominee will be counted.

Effect of an Incumbent Director Not Receiving the Required Vote

Boeing is a Delaware corporation and, under Delaware law, if an incumbent director is not elected, that director remains in office until the director's successor is duly elected and qualified or until the director's death, resignation or retirement. To address this potential outcome, the Board has also adopted a director resignation and recusal policy in the Company's Corporate Governance Principles.

Under this policy, the Board of Directors will nominate for directors only those incumbent candidates who tender, in advance, irrevocable resignations, and the Board has obtained such conditional resignations from this year's nominees. The irrevocable resignations will be effective upon the failure to receive the required vote at any annual meeting at which directors are nominated for re-election and Board acceptance of the resignations. The Governance, Organization and Nominating Committee of the Board will recommend to the Board whether to accept or reject a

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tendered resignation. The Board will publicly disclose its decision within 90 days following certification of the shareholder vote. In addition, the director whose resignation is under consideration will not participate in the

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recommendation of the Governance, Organization and Nominating Committee with respect to the resignation. If the Board does not accept the resignation, the director will continue to serve until the next annual meeting and until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal. If the Board accepts the resignation, then the Board, in its sole discretion, may fill any resulting vacancy or may decrease the size of the Board.

Vote Required for Other Proposals

With respect to each of the proposals other than the election of directors (i.e., Items 2-10), shareholders may vote in favor of the proposal or against the proposal, or abstain from voting. The affirmative vote of the majority of shares present in person or by proxy and entitled to vote at the Annual Meeting is required under Delaware law for approval of Items 2-10. In addition to the Delaware law requirements, the rules of the New York Stock Exchange (NYSE) require approval by a majority of votes cast on Item 2, provided that the total votes cast on that proposal must represent over 50% in interest of all securities entitled to vote on the proposal.

A shareholder who signs and submits a ballot or proxy is present, so an abstention will have the same effect as a vote against Items 2-10.

Under the rules of the NYSE, if your broker holds your shares in its name, the broker is permitted to vote your shares on the election of directors and Item 3, even if it does not receive voting instructions from you. Items 2 and 4-10 are non-discretionary, meaning that brokers who hold shares for the accounts of their clients and who have not received instructions from their clients do not have discretion to vote on those items. When a broker votes a client's shares on some but not all of the proposals at the Annual Meeting, the missing votes are referred to as broker non-votes. Those shares will be included in determining the presence of a quorum at the Annual Meeting but are not considered present for purposes of voting on the non-discretionary items. **Because broker non-votes are not counted as votes cast under the NYSE approval requirements, they could have an impact on satisfaction of the NYSE requirement that the total votes cast on Item 2 represent over 50% in interest of all securities entitled to vote on that proposal. Therefore, if your broker holds your shares in its name, you are urged to provide your broker with voting instructions.**

Expenses of Solicitation

All expenses for soliciting proxies will be paid by the Company, which has retained Georgeson Inc. (Georgeson), 199 Water Street, 26th Floor, New York, New York 10038, to aid in the solicitation of proxies, for fees of approximately \$12,000, plus additional expenses of approximately \$130,000. Proxies may be solicited by personal interview, mail and telephone. Georgeson has contacted brokerage houses, other custodians and nominees to ask whether other persons are the beneficial owners of the shares they hold in street name and, if that is the case, will supply additional copies of the proxy materials for distribution to such beneficial owners. The Company will reimburse such parties for their reasonable expenses in sending proxy materials to the beneficial owners of the shares.

Voting Results

The Company will announce preliminary voting results at the Annual Meeting. Final official results will be set forth in the Company's quarterly report on Form 10-Q for the quarter ended June 30, 2009 (available at www.sec.gov and www.boeing.com).

No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the Annual Meeting.

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ITEM 1. ELECTION OF DIRECTORS

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS

A VOTE FOR ALL NOMINEES.

The Board of Directors of the Company, pursuant to the By-Laws, has determined that the number of directors of the Company is nine.

Pursuant to the By-Laws, each director is elected annually to a one-year term. Each director nominee in this uncontested election will be elected if he or she receives more For votes than Against votes. Each nominee elected as a director will continue in office until his or her successor has been duly elected and qualified or until his or her death, resignation or retirement. If any nominee is unable to serve, proxies will be voted for the election of such person as shall be designated by the Board of Directors unless the Board chooses to reduce the number of directors serving on the Board.

The Board of Directors has proposed the nine nominees listed below for election as directors at the Annual Meeting with one-year terms expiring in 2010. Except as otherwise specified in a proxy, proxies will be voted for these nominees.

The Governance, Organization and Nominating Committee of the Board of Directors identifies and recommends to the Board the nominees to fill any vacancies on the Board and nominees to be proposed by the Board as candidates for election as directors. The Committee frequently works with a third-party search firm to identify potential candidates to sit on the Board. As discussed in further detail below on page 8, the Board has determined that each of the nominees for director meets the criteria for independence prescribed by the NYSE listing standards and has either no relationships with the Company (other than being a director and shareholder of the Company) or only immaterial relationships with the Company, except W. James McNerney Jr., who is not an independent director because he is President and Chief Executive Officer of the Company.

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NOMINEES FOR DIRECTOR

Name	Principal Occupation or Employment/Other Business Affiliations	Age	Director Since
John H. Biggs	<p>Former Chairman, President and Chief Executive Officer, Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Mr. Biggs served as Chairman and Chief Executive Officer of TIAA-CREF (national teachers pension fund) from January 1993 until November 2002. Mr. Biggs is not on the board of any public company in addition to The Boeing Company. Mr. Biggs is also a director of the National Bureau of Economic Research, a trustee of Washington University in St. Louis, The Danforth Foundation in St. Louis, The Santa Fe Opera and Pension Rights Center in Washington, D.C. He is also a member of the Board of Emeriti and the Chairman of the Washington University Investment Management Company. Mr. Biggs is Chair of the Audit Committee and a member of the Finance Committee.</p>	72	1997
John E. Bryson	<p>Retired Chairman of the Board, President and Chief Executive Officer, Edison International; Senior Advisor, Kohlberg Kravis Roberts & Co. Mr. Bryson served as Chairman of the Board, President and Chief Executive Officer of Edison International (electric power generator and distributor), the parent company of Southern California Edison, from 1990 until 2008. He is currently Senior Advisor at Kohlberg Kravis Roberts & Co. Mr. Bryson is on the board of The Walt Disney Company, a public company, in addition to The Boeing Company. He is also a trustee of the California Institute of Technology, a director of the W.M. Keck Foundation and The California Endowment and co-chair of Pacific Council on International Policy. Mr. Bryson is Chair of the Compensation Committee and a member of the Governance, Organization and Nominating Committee.</p>	65	1995
Arthur D. Collins, Jr.	<p>Retired Chairman of the Board, Medtronic, Inc. Mr. Collins served as Chairman of the Board of Medtronic, Inc. (medical device and technology company) from April 2002 through August 2008. At Medtronic, Mr. Collins was also Chairman and Chief Executive Officer from May 2002 to August 2007, President and Chief Executive Officer from April 2001 to May 2002, President and Chief Operating Officer from August 1996 to April 2001, Chief Operating Officer from January 1994 to August 1996, and Executive Vice President of Medtronic and President of Medtronic International from June 1992 to January 1994. He was Corporate Vice President of Abbott Laboratories (health care products) from October 1989 to May 1992 and Divisional Vice President of that company from May 1984 to October 1989. Mr. Collins is on the board of the following public company in addition to The Boeing Company: U.S. Bancorp. He is also on the board of Cargill, Inc., a private company, and a member of the Board of Overseers of The Wharton School at the University of Pennsylvania. Mr. Collins is a member of the Audit Committee and the Finance Committee.</p>	61	2007
Linda Z. Cook	<p>Executive Director Gas & Power, Royal Dutch Shell plc. Ms. Cook was appointed Executive Director of Royal Dutch Shell plc (oil, gas and petroleum) in 2005. Prior to that, she was Managing Director, Royal Dutch Petroleum Company, since August 2004. Previously, she served as President and Chief Executive Officer and a member of the Board of Directors of Shell Canada Limited from August 2003 until August</p>	50	2003

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2004. Ms. Cook is a member of the Society of Petroleum Engineers and the China Development Forum. In October 2008, she was elected a Trustee of the University of Kansas Endowment Association. Ms. Cook is a member of the Audit Committee and the Finance Committee.

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Name	Principal Occupation or Employment/Other Business Affiliations	Age	Director Since
William M. Daley	Head of the Office of Corporate Social Responsibility and Chairman of the Midwest Region for JPMorgan Chase & Co. Mr. Daley has served as Head of Corporate Social Responsibility for JPMorgan Chase & Co. (banking and financial services) and on its Operating Committee since June 2007. He has also served as Chairman of the Midwest Region for JPMorgan Chase & Co. and on its Executive Committee and International Committee since May 2004. He served as the U.S. Secretary of Commerce from January 1997 to June 2000. Mr. Daley served as President, SBC Communications, Inc. (diversified telecommunications) from December 2001 to May 2004. He was Vice Chairman of Evercore Capital Partners L.P. from January to November 2001. From June to December 2000, Mr. Daley served as Chairman of Vice President Albert Gore's 2000 presidential election campaign. Mr. Daley is on the board of the following public company in addition to The Boeing Company: Abbott Laboratories. Mr. Daley is a member of the Finance Committee and the Special Programs Committee.	60	2006
Kenneth M. Duberstein	Chairman and Chief Executive Officer, The Duberstein Group. Mr. Duberstein has served as Chairman and Chief Executive Officer of The Duberstein Group (consulting firm) since 1989. He was White House Chief of Staff in 1988 and 1989. Mr. Duberstein is on the boards of the following public companies in addition to The Boeing Company: ConocoPhillips, Mack-Cali Realty Corporation and The Travelers Companies, Inc. Mr. Duberstein is the Lead Director, Chair of the Governance, Organization and Nominating Committee and a member of the Compensation Committee.	64	1997
John F. McDonnell	Retired Chairman, McDonnell Douglas Corporation. Mr. McDonnell served as Chairman of McDonnell Douglas Corporation (aerospace) from 1988 until its merger with Boeing in 1997, and as its Chief Executive Officer from 1988 to 1994. Mr. McDonnell is not on the board of any public company in addition to The Boeing Company. He is also a director of BJC Healthcare and of Barnes-Jewish Hospital and Vice Chairman of the Board of Washington University and of the Donald Danforth Plant Sciences Center. Mr. McDonnell is a member of the Compensation Committee and the Governance, Organization and Nominating Committee.	71	1997
W. James McNerney, Jr.	Chairman, President and Chief Executive Officer, The Boeing Company. Mr. McNerney has served as Chairman, President and Chief Executive Officer of The Boeing Company since July 1, 2005. Previously, he served four and a half years as Chairman and Chief Executive Officer of 3M Company (diversified technology). Beginning in 1982, he served in management positions at General Electric Company, his most recent being President and Chief Executive Officer of GE Aircraft Engines from 1997 to 2000. Mr. McNerney is on the board of the following public company in addition to The Boeing Company: The Procter & Gamble Company. He is also a member of various business and educational organizations. Mr. McNerney is Chair of the Special Programs Committee.	59	2001
Mike S. Zafirovski	Director, President and Chief Executive Officer, Nortel Networks Corporation. Mr. Zafirovski has served as Director, President and Chief Executive Officer of Nortel Networks Corporation (telecommunications) since November 2005. Previously, Mr. Zafirovski was Director, President and Chief Operating Officer of Motorola, Inc. (global communications) from July 2002 to January 2005, and remained a consultant to and a director of Motorola until May 2005. He served as Executive Vice President and President of the Personal Communications Sector of Motorola from June 2000 to July 2002. Prior to joining Motorola, Mr. Zafirovski spent 24 years with General Electric Company, where he served in management positions, his most recent being President and CEO of GE Lighting from July 1999 to May 2000. Mr. Zafirovski is not on the board of any public company other than The Boeing Company and Nortel Networks Corporation. Mr. Zafirovski is Chair of the Finance Committee and a member of the Audit Committee.	55	2004

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BOARD MEMBERSHIP AND DIRECTOR INDEPENDENCE

The Company's business affairs are managed under the direction of the Board of Directors. Directors meet their responsibilities by participating in meetings of the Board and Board committees on which they sit, through communications with our Chief Executive Officer and other officers, by reviewing materials provided to them, and by visiting our offices and plants.

During 2008, the Board of Directors met eight times, having six regular meetings and two special meetings. The committees of the Board, including the Special Programs Committee, but excluding the single-member Stock Plan Committee discussed below, held a total of 36 meetings. Each incumbent director attended at least 83% of the meetings of the Board and the committees on which he or she served. Each director is expected to attend the Company's annual meeting of shareholders. Last year, all of the directors attended the annual meeting of shareholders. The Company's Corporate Governance Guidelines contain a provision that directors are expected to attend the annual meeting of shareholders.

The Board of Directors has adopted the Director Independence Standards set forth below to assist in determining whether a director does not have material relationships with the Company and thereby qualifies as independent. Shareholders may also access a copy of these standards on the Company's website at www.boeing.com/corp_gov/. The Director Independence Standards are based on the NYSE independent director listing standards. The Company's Corporate Governance Principles require that at least 75% of the Board be independent under the NYSE listing standards or be nonemployee directors.

To be considered independent the Board of Directors must make an affirmative determination, by a resolution of the Board as a whole, that the director being reviewed has no material relationship with the Company other than as a director, either directly or indirectly (such as a partner, shareholder or executive officer of another entity that has a relationship with the Company). In each case, the Board broadly considers all relevant facts and circumstances.

A director will not be deemed to be independent if:

- (a) the director is, or in the last three years was, employed by the Company or any of its direct or indirect subsidiaries;
- (b) an immediate family member of the director is, or in the last three years was, employed by the Company as an executive officer;
- (c) the director, or an immediate family member of the director, is a current partner of a firm that is the Company's internal or external auditor or within the last three years has been a partner or employee of such a firm and personally worked on the Company's audit within that time;
- (d) the director is a current employee of the Company's internal or external auditor;
- (e) an immediate family member of the director is a current employee of the Company's internal or external auditor and personally works on the Company's audit;
- (f) the director, or an immediate family member of the director, received more than \$120,000 over a twelve-month period in direct compensation from the Company within the last three years, other than director and committee fees and pensions or other forms of deferred compensation, so long as such compensation is not contingent on continued service;
- (g) the director is, or within the last three years was, employed as an executive officer of another company where any of the Company's current executives serve or served on that company's compensation committee;
- (h) an immediate family member of the director is, or within the last three years was, employed as an executive officer of another company where any of the Company's current executives serve or served on that company's compensation committee;

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(i) the director is an executive officer or an employee of a company that makes payments to or receives payments from the Company for property or services in an amount that exceeds in any of the last three fiscal years \$1 million or 2% of that company's consolidated gross revenues, whichever is greater; or

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(j) an immediate family member of the director is an executive officer of a company that makes payments to or receives payments from the Company for property or services in an amount that exceeds in any of the last three fiscal years \$1 million or 2% of that company's consolidated gross revenues, whichever is greater.

An immediate family member includes a director's spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who shares such director's home; however, it does not include stepchildren who do not share a stepparent's home or the in-laws of such stepchildren.

The Board of Directors has determined that the following relationships are not considered to be material and would not impair a director's independence:

(a) the director's service as an employee of an organization that has purchased property or services from the Company, or provided property or services for the Company, if (i) payments for such property or services have not exceeded the greater of \$1 million or 1% of that organization's, or the Company's, consolidated gross revenues in each of the past three fiscal years and (ii) the director is not compensated directly or indirectly as a result of this relationship other than that the payments add to the revenue of either the organization or the Company, or

(b) the director's service as an executive officer of a tax-exempt or charitable organization if, within the preceding three years, the Company's discretionary contributions to the organization (other than employee and director matching contributions under the Gift Match Program) in any single fiscal year, in the aggregate, have not exceeded the greater of \$1 million or 2% of that organization's consolidated gross revenues.

The Board of Directors will review all commercial and charitable relationships of directors on an annual basis. The mere ownership of a significant amount of stock is not in and of itself a bar to an independence determination but rather one factor to consider.

Whether directors meet these categorical independence tests will be reviewed and will be made public annually prior to their standing for re-election to the Board of Directors. For relationships not covered by these guidelines, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, shall be made by the directors who themselves satisfy the independence guidelines.

The Board of Directors has reviewed the relationships between the Company and each of its directors and has determined that John H. Biggs, John E. Bryson, Arthur D. Collins, Jr., Linda Z. Cook, William M. Daley, Kenneth M. Duberstein, John F. McDonnell, and Mike S. Zafirovski are independent under the NYSE independent director listing standards and the Company's Director Independence Standards and have either no relationships with the Company (other than being a director and shareholder of the Company) or only immaterial relationships with the Company. W. James McNerney, Jr. is not an independent director because he is President and Chief Executive Officer of the Company. The Company makes payments to or receives payments from the companies that employ Ms. Cook, Mr. Daley and Mr. Zafirovski, and the company that previously employed Mr. Bryson, in amounts that fall below the categorical independence standards described above.

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COMMITTEE MEMBERSHIP

Pursuant to the By-Laws, the Board of Directors has established the following standing committees: Audit; Compensation; Governance, Organization and Nominating; Finance; and Special Programs. All the members of each of these standing committees other than the Special Programs Committee meet the criteria for independence prescribed by the NYSE. Membership of the standing committees is determined at the organizational meeting of the Board held in conjunction with the Annual Meeting. Adjustments to committee assignments may be made as of that date or such other date as the Board deems appropriate.

Membership of each committee is as follows, with committee chairpersons listed first.

Audit	Compensation	Governance, Organization and Nominating
John H. Biggs Arthur D. Collins, Jr. Linda Z. Cook Mike S. Zafirovski	John E. Bryson Kenneth M. Duberstein John F. McDonnell	Kenneth M. Duberstein John E. Bryson John F. McDonnell

Finance	Special Programs
Mike S. Zafirovski John H. Biggs Arthur D. Collins, Jr. Linda Z. Cook William M. Daley	W. James McNerney, Jr. William M. Daley

The Board of Directors has adopted a written charter for each committee. Shareholders may access a copy of each committee's charter on the Company's website at www.boeing.com/corp_gov/. A summary of the duties and responsibilities of each committee is set forth below. In addition, the Board has established a Stock Plan Committee comprised of the Chairman of the Board. The Board has authorized the Compensation Committee to delegate certain of its responsibilities to the Stock Plan Committee, as described below under the Compensation Committee section on page 11.

Audit Committee

11 meetings in 2008

The primary purposes of the Audit Committee are to assist the Board of Directors in oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the independent auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and the independent auditor. The Committee has the authority to make inquiries and obtain information from the Senior Vice President, Office of Internal Governance; the Senior Vice President, General Counsel; and the Vice President, Corporate Audit to support the Board's oversight of the Company's ethics and compliance program and to obtain advice and assistance from outside legal, accounting or other advisors as deemed necessary to perform its duties and responsibilities.

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The charter of the Audit Committee requires that the Committee be comprised of at least three directors, all of whom are not employed by the Company and meet the applicable independence and financial literacy requirements of the NYSE. At least one member must be an audit committee financial expert and have accounting or related financial management expertise as required by the Securities and Exchange Commission (SEC). The Board of Directors has determined that all of the Committee members Mr. Biggs (Chair), Mr. Collins, Ms. Cook and Mr. Zafirovski are audit committee financial experts and have accounting or related financial management expertise and, furthermore, are independent and financially literate. The Committee meets regularly in executive session. The Company's Senior Vice President, Office of Internal Governance and Vice President, Corporate Audit attend all meetings of the Committee. The Committee may invite to its meetings any other member of management, including the Chief Executive Officer, and such other persons as it deems appropriate in order to carry out its duties and responsibilities. In addition, all members of the Committee must be available to meet with the Company's Senior Vice President, Office of Internal Governance, Senior Vice President, General Counsel, and Vice President, Corporate Audit outside regularly scheduled meetings, as needed.

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The Audit Committee:

Appoints, retains, compensates, evaluates and terminates, if necessary, the independent auditor and presents its conclusions with respect to the independent auditor to the Board;

Reviews and pre-approves both audit and non-audit services provided by the independent auditor;

Reviews and advises on the selection and removal of the Vice President, Corporate Audit;

Reviews and recommends changes to and approves the internal audit charter;

Reviews, on an annual basis, a formal written report prepared by the independent auditor describing internal quality control procedures and any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with such issues, and delineating all relationships relevant to audit independence between the independent auditor and the Company;

Discusses with management or the independent auditor, as appropriate, the matters required to be discussed under applicable legal, regulatory and NYSE requirements relating to the conduct of the audit or quarterly review;

Reviews with the independent auditor, internal auditors and members of senior management the adequacy and effectiveness of the Company's financial controls and financial reporting processes;

Meets periodically or at least annually with management, the Vice President, Corporate Audit and the independent auditor in separate executive sessions;

Meets to review and discusses with management and the independent auditor, prior to filing, the Company's quarterly and annual reports filed with the SEC and certifications required by the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditor;

Reviews and discusses earnings press releases with management and financial information and earnings guidance provided to analysts and ratings agencies;

Prepares a report and other additional information required for inclusion in the annual proxy statement;

Reviews the charter of the Audit Committee on an annual basis and recommends to the Board of Directors changes to the charter as appropriate;

Receives reports, at least annually, on the Company's compliance with its risk management processes, audit activities and trends, and, at least semi-annually, reports on pending internal investigations of alleged or potentially significant violations of laws, regulations or Company policies;

Reviews management's assessment of compliance with laws, regulations and Company policies relative to payments to individuals or organizations retained as foreign sales consultants;

Meets with the Senior Vice President, Office of Internal Governance to review the Company's ethics and business conduct programs and the Company's compliance with the principles of the Defense Industry Initiative on Business Ethics and Conduct;

Reviews significant pending and threatened litigation, the status of advancement of expenses to employees involved in Company-related legal proceedings, and related indemnification;

Sets clear hiring policies compliant with laws and regulations for employees and former employees of the independent auditor;

Establishes and maintains procedures for receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters;

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Establishes and maintains procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

Conducts an annual self-assessment relative to the purpose, duties and responsibilities of the Committee outlined in its charter;

Reports annually to the Board regarding execution of the Committee's duties and responsibilities as well as any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, or the performance of the internal audit function;

Presents to the Board such comments and recommendations as the Committee deems appropriate and performs such other duties as may be assigned by the Board or deemed appropriate by the Committee within the context of the Committee's charter; and

Reports at least annually to the Board regarding the implementation and effectiveness of the Company's ethics and compliance programs to support the Board's oversight responsibility.