

POL-2
Issue Date
January 26, 2009

Ethical Business Conduct

Purpose/Summary

This policy and related procedures set the standards of ethical business conduct and compliance required of all business operations and employees. This policy applies to all employees of The Boeing Company.

Supersedes

August 4, 2008

Applies To

All Boeing

Maintained By

Senior Vice President, Office of Internal Governance

Authority Reference

Policy [POL-1](#), "Delegation of Authority to Authorize Business Transactions and Agreements, and to Commit Company Resources"

Approved By

Wanda K. Denson-Low
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Summary of Changes to the Title Page

The Issue Date and Supersedes date have changed. This revision reflects modification to Section 2 eliminating reference to the Ethics and Business Conduct Committee, adding reference to the Boeing Executive Council, and clarifying the role of the Vice President, Ethics and Business Conduct.

1. Requirements

Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with the company's values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, and communities and among employees. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee's behalf by anyone outside the company.

2. Responsibilities

All employees must sign and abide by the Boeing Code of Conduct, which requires that they understand the code, and ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy and the related procedures.

To support the requirement for complete and accurate financial records and reporting, all employees of the Finance organization have an additional Code of Conduct for Finance.

In addition, the Board of Directors of The Boeing Company has adopted a Code of Ethical Business Conduct that complies with the standards set forth in the New York Stock Exchange's corporate governance rules.

The Boeing Executive Council, including the Senior Vice President, Office of Internal Governance, is responsible for ensuring that appropriate policies and

procedures exist to help employees comply with Boeing expectations of ethical business conduct.

The Boeing Company, via the Vice President of Ethics and Business Conduct, will administer ethics and compliance programs to promote its commitment to integrity and values as set forth in the Boeing Values (see Exhibit "A") and Code of Conduct (see Exhibit "B") and to ensure compliance with laws, rules, and regulations. These programs will inform employees of company policies and procedures regarding ethical business conduct and help them to resolve questions and to report suspected violations. Managers are responsible for supporting implementation of ethics and business conduct programs, and monitoring compliance to the company's values and ethical business conduct guidelines through such programs. An Ethics Executive shall be assigned by the Vice President of Ethics and Business Conduct to each major Business Unit to support that Unit's activities for ensuring employee compliance with Boeing's ethics and compliance program. Managers are responsible for creating an open and honest environment in which employees feel comfortable in bringing issues forward. Retaliation against employees who raise genuine concerns will not be tolerated.

3. References and Related Procedures

The following procedures implement this policy.

Boeing Procedure [PRO-3](#), "Ethics and Business Conduct Program"

Boeing Procedure [PRO-4](#), "Proper Marketing Practices"

Boeing Procedure [PRO-5](#), "Proper Marketing Practices – Marketing to the U.S. Government"

Boeing Procedure [PRO-6](#), "Offering of Business Courtesies"

Boeing Procedure [PRO-7](#), "Conflict of Interest"

Boeing Procedure [PRO-8](#), "Acceptance of Business Courtesies"

Boeing Procedure [PRO-9](#), "Proper Relationships With Suppliers"

Boeing Procedure [PRO-10](#), "Proper Use of Company, Customer, and Supplier Resources"

Boeing Procedure [PRO-12](#), "Buying and Selling Securities - Insider Trading"

Boeing Procedure [PRO-4825](#), "Recruiting and Hiring Current and Former Government Employees - Conflict of Interest"

4. Application to Subsidiaries

Subsidiaries, subject to [PRO-6470](#), “Legal Entities,” will follow this Policy and the associated compliance procedures by Subsidiary Board Resolution as set forth below:

- A. **Fully Integrated Subsidiaries:** Those corporations or companies for which employee services, processes, and financial accounting are the same as for the Boeing Business Units identified in [POL-1](#) to which the subsidiary reports, shall adopt all Procedures published under the authority of this POLICY.
- B. **US Based (Government and Commercial) Subsidiaries:** Those United States corporations or companies that are not fully integrated into the Boeing Business Units identified in [POL-1](#) shall assure that there are processes in place for compliance with the following:
 - 1. The Boeing Company’s Code of Conduct and an Ethics Program with the following minimum requirements: Ethics and Business Conduct Guidelines Booklet (or equivalent), Ethics Training, Reporting Mechanisms with anonymous capability, and a Monitoring Process and
 - 2. Other laws and regulations applicable to their business activities.
- C. **Non-US Based Subsidiaries:** Those corporations or companies which are not Fully Integrated Subsidiaries, which are located outside the continental United States, and which do not do business with the U.S. Government, shall assure that there are processes in place for compliance with the following:
 - 1. The Boeing Company’s Code of Conduct and an Ethics Program with the following minimum requirements: Ethics and Business Conduct Guidelines Booklet (or equivalent), Ethics Training, Reporting Mechanisms preferably with anonymous capability, and a Monitoring Process, and,
 - 2. Other laws and regulations applicable to their business activities, and
 - 3. For jurisdictional or conflicts of law issues, please coordinate with the Boeing Attorney assigned to your subsidiary.

EXHIBIT A

VALUES

In all our relationships we will demonstrate our steadfast commitment to:

Leadership

We will be a world-class leader in every aspect of our business—in developing our team leadership skills at every level; in our management performance; in the way we design, build, and support our products; and in our financial results.

Integrity

We will always take the high road by practicing the highest ethical standards, and by honoring our commitments. We will take personal responsibility for our actions, and treat everyone fairly and with trust and respect.

Quality

We will strive for continuous quality improvement in all that we do, so that we will rank among the world's premier industrial firms in customer, employee and community satisfaction.

Customer Satisfaction

Satisfied customers are essential to our success. We will achieve total customer satisfaction by understanding what the customer requires and delivering it flawlessly.

People Working Together

We recognize our strength and our competitive advantage is and always will be – people. We will continually learn, and share ideas and knowledge. We will encourage cooperative efforts at every level and across all activities in our company.

A Diverse and Involved Team

We value the skills, strengths, and perspectives of our diverse team. We will foster a participatory workplace that enables people to be involved in making decisions about their work.

Good Corporate Citizenship

We will provide a safe workplace and protect the environment. We will promote the health and well-being of Boeing people and their families. We will work with our communities by volunteering our time and talent; and by financially supporting education and other worthy causes.

Enhancing Shareholder Value

Our business must produce a profit, and we must generate superior returns on the assets entrusted to us by our shareholders. We will ensure our success by satisfying our customers and increasing shareholder value.

EXHIBIT B**The Boeing Company
Code of Conduct**

The Boeing Code of Conduct outlines expected behaviors for all Boeing employees. Boeing will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable laws and regulations. In conducting its business, integrity must underlie all company relationships, including those with customers, suppliers, communities and among employees. The highest standards of ethical business conduct are required of Boeing employees in the performance of their company responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, reputation or otherwise cause embarrassment to the company.

Employees will ensure that

- They do not engage in any activity that might create a conflict of interest for the company or for themselves individually.**
- They do not take advantage of their Boeing position to seek personal gain through the inappropriate use of Boeing or non-public information or abuse of their position. This includes not engaging in insider trading.**
- They will follow all restrictions on use and disclosure of information. This includes following all requirements for protecting Boeing information and ensuring that non-Boeing proprietary information is used and disclosed only as authorized by the owner of the information or as otherwise permitted by law.**

- They observe that fair dealing is the foundation for all of our transactions and interactions.
- They will protect all company, customer, and supplier assets and use them only for appropriate company-approved activities.
- Without exception, they will comply with all applicable laws, rules, and regulations.
- They will promptly report any illegal or unethical conduct to management or other appropriate authorities (i.e., Ethics, Law, Security, EEO).

Every employee has the responsibility to ask questions, seek guidance and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.