



## **Corporate Governance Principles**

*June 22, 2020*

The Board of Directors (the “Board”) of The Boeing Company (“Boeing” or the “Company”) has adopted the following corporate governance principles (the “Principles”) to assist the Board in the exercise of its responsibilities and, along with Boeing’s Certificate of Incorporation and By-Laws and charters of the committees of the Board, provide an effective framework for Boeing’s governance. The Board believes these Principles should be an evolving set of corporate governance guidelines, subject to review and modification by the Board from time to time in its discretion and in accordance with guidance from relevant regulatory and listing authorities.

Boeing’s business is conducted by its employees, managers and officers, led by the Chief Executive Officer (“CEO”), subject to the oversight of the Board. Directors’ basic responsibility is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its shareholders. The Board selects the CEO and works with the CEO to both elect/appoint other officers and ensure that the long-term interests of the Company and its shareholders are being served. The Board and the officers recognize that the long-term interests of the Company and its shareholders are advanced when they take into account the concerns of employees, customers, suppliers and communities.

### **Board Composition**

#### **Board Size**

In accordance with Boeing’s By-Laws, the Board determines, from time to time, the size of the Board and may fill any vacancies, including vacancies created as a result of any increase in the size of the Board, that occur between shareholder meetings. The Governance, Organization and Nominating (“GON”) Committee periodically evaluates and makes recommendations to the Board concerning the appropriate size of the Board based upon the needs of the Board and the availability of qualified candidates. The Board currently believes that the Board’s optimum size is between 10 and 14 members.

#### **Selection of Nominees**

The GON Committee reviews annually the skills and characteristics required of directors in light of the Board’s current composition, evolving business requirements, and the long-term interests of the Company and its shareholders. This assessment includes consideration of experience in areas that are relevant to Boeing’s global activities, such as engineering, manufacturing, safety, risk management, software, operations, finance, marketing, international business and affairs, government, and public policy, as well as other factors such as independence, diversity, age and absence of conflicts of interest. Any person who is an employee or director of a significant competitor or supplier of Boeing is not eligible for service for election as a director. Directors should have a reputation for personal and professional integrity, honesty and adherence to the highest ethical standards, and be committed to acting in the long-term interests of all shareholders. Boeing recognizes the value of diversity and the Board seeks diversity of background, experience, skills, and perspectives among its members. The GON Committee also assesses the overall composition of the Board and whether a potential director candidate, including those recommended by shareholders or otherwise nominated for election in accordance

with Boeing's By-Laws and applicable law, would contribute to the collaborative process of the Board. When evaluating the suitability of an incumbent director for re-election, the GON Committee, in consultation with the Chairman, shall also consider the ongoing contributions of the director to the Board, including attendance and participation at meetings and ongoing relevance of their skills and experience, as well as the results of both formal and informal assessments. No candidate shall be nominated for election or otherwise be eligible for service on the Board if he or she would be 74 or older at the time of election.

### **Independence**

At least 75% of the Board shall satisfy the New York Stock Exchange criteria for independence. The Board has adopted Director Independence Standards, which are available at [www.boeing.com/corp\\_gov/](http://www.boeing.com/corp_gov/), to assist it in determining director independence.

### **Annual Election of Directors**

The directors are elected annually by Boeing's shareholders at the annual meeting of shareholders. No candidate shall be nominated for election or otherwise be eligible for service on the Board unless and until such candidate has delivered an irrevocable resignation that would be effective upon (1) such director's failure to receive the required vote at the annual meeting of shareholders and (2) the Board's acceptance of such resignation.

If a director fails to receive the required vote at an annual meeting of shareholders, the GON Committee (or such other committee as the Board may appoint) shall make a recommendation to the Board as to whether to accept or reject the resignation previously tendered by such director, or whether other action should be taken. The Board shall act on the tendered resignation, taking into account the recommendation of such committee, and publicly disclose (by a press release, a filing with the Securities and Exchange Commission ("SEC") or other broadly disseminated means of communication) its decision regarding the tendered resignation within ninety days from the date of the certification of the election results. The director whose resignation is under consideration shall not participate in the recommendation of the committee or deliberations of the Board with respect to his or her resignation.

If a director's resignation is not accepted by the Board, the director shall continue to serve until the next annual meeting of shareholders or until his or her successor is duly elected and qualified, or his or her earlier resignation or removal. If a director's resignation is accepted by the Board, then the Board, in its sole discretion, shall fill any resulting vacancy or decrease the size of the Board.

### **Change of Primary Responsibility**

Any director who retires or resigns from his or her principal employment or who experiences a significant change in his or her primary responsibilities shall offer to resign from the Board. The GON Committee in each case shall consider the appropriateness of continued Board service and will recommend to the Board whether the resignation should be accepted.

## **Board Responsibilities**

### **Oversight Responsibilities**

The Board's oversight responsibilities include: (1) evaluating the CEO's performance and reviewing the Company's succession plan for the CEO and senior management; (2) reviewing the long-range business plans of the Company and monitoring performance relative to achievement of those plans; (3) advising management regarding long-range strategic issues and risks facing the Company; (4) overseeing management in the execution of its risk management responsibilities

and assessing the Company's overall approach to risk management; and (5) approving policies of corporate conduct that continue to promote and maintain the integrity of the Company. In addition, the Board shall be knowledgeable about the content and operation of Boeing's ethics and compliance program, and shall exercise oversight with respect to the program's implementation and effectiveness.

In discharging these responsibilities, the Board and its committees, as appropriate, shall have access to and are entitled to rely on the advice, reports and opinions of management and outside financial, compensation, legal or other advisors.

### **CEO Performance Evaluation**

The Board is responsible for evaluating the performance of the CEO. On an annual basis, the GON Committee shall review the CEO's business goals and objectives and evaluate the CEO's performance in light of those goals and objectives. The independent directors shall review the GON Committee's evaluation and make final determinations with respect to the CEO's performance. The Compensation Committee shall, in consultation with the other independent directors, make determinations with respect to the CEO's compensation based on the contents of the performance evaluation.

### **Succession Planning**

The Board believes that CEO selection and management succession are among its most important responsibilities, and the Board therefore works closely with senior management to ensure that effective plans for management succession are in place. As part of this process, the Board, in consultation with the GON Committee, shall review the Company's succession plans with respect to the CEO, and the CEO shall review the Company's succession plans with respect to other senior management with the GON Committee. Both the GON Committee and the CEO shall deliver reports to the Board on succession planning, in each case at least annually. Working with the GON Committee and senior management, the Board identifies the qualities and characteristics for the CEO and other senior management positions that reflect the Company's long-term strategy.

The GON Committee manages the process of identifying, evaluating and selecting CEO candidates, with the full participation of the independent directors. The Board and the CEO work closely with the GON Committee to identify and assist with the development of potential internal CEO and senior management candidates. The Board reviews at least annually an emergency succession plan. The CEO shall offer to resign from the Board effective when he or she no longer serves as CEO, except as otherwise set forth in Boeing's By-Laws.

### **Outside Board Memberships**

While the Company acknowledges the value of having directors and officers with significant experience in other businesses and activities, directors are expected to ensure that other commitments, including outside board memberships, do not interfere with their duties and responsibilities as members of the Company's Board. A director may not serve on the boards of more than three other public companies or, if the director is an active CEO or equivalent of another public company, on the board of more than one other public company. In addition, directors must notify the GON Committee before accepting an invitation to serve on the board of any other public company or other for-profit entity, and must not accept such service until being advised by the chair of the GON Committee that the GON Committee has determined that service on such other board would not create regulatory issues or potential conflicts of interest and would not conflict with Company policies.

The CEO and other elected officers of the Company must obtain the approval of the GON Committee before accepting an invitation to serve on the board of any other public company or other for-profit entity.

### **Confidentiality**

The proceedings and deliberations of the Board and its committees are confidential. Each director shall comply with the code of ethical business conduct for directors, pursuant to which each director must maintain the confidentiality of all information received in connection with his or her service as a director, except as required by applicable law.

### **Board Interaction with Stakeholders**

The CEO and other officers are responsible for establishing effective communications with the Company's stakeholders, including shareholders, employees, customers, suppliers, communities, governments, creditors and corporate partners. It is the policy of the Board that management speaks for the Company. The Chairman of the Board may, from time to time, meet or otherwise communicate with stakeholders and may elect to involve other directors in such meetings and communications.

The Board of Directors has established a process whereby shareholders and other interested parties can send communications to the Chairman to the nonemployee directors as a group, or to the Audit Committee. This process is described in detail at [www.boeing.com/corp\\_gov/contact\\_the\\_board.html](http://www.boeing.com/corp_gov/contact_the_board.html).

## **Board Operations**

### **Board Leadership Structure**

Each year following the annual meeting, the directors shall elect a Chairman from among the independent directors. In the event that a Chairman leaves the Board or ceases to be independent, the Board shall within a reasonable amount of time appoint a new Chairman from among the remaining independent directors.

### **Board and Committee Meetings**

The Board ordinarily holds six scheduled meetings per year, and may meet more often if necessary. Information and materials are generally distributed to the Board and its committees in advance of meetings, and directors are expected to review in advance any such materials in order to facilitate meaningful deliberation during each meeting. Directors are expected to attend all Board meetings and meetings of committees on which they serve and to devote the time needed to discharge their responsibilities properly. Absent extenuating circumstances, all directors shall attend the annual meeting of shareholders.

### **Executive Sessions**

Nonemployee directors shall meet in executive session without management present following every regularly scheduled Board meeting, in order to discuss the performance of the CEO, review recommendations of the Compensation Committee concerning compensation for employee directors and other elected officers, and to consider such other matters as the participating directors deem appropriate. The nonemployee directors may meet without management present at such other times as requested by any nonemployee director.

### **Board and Committee Meeting Agendas**

The Chairman and relevant committee chairs, as appropriate, shall establish the agendas for Board and committee meetings in consultation with the CEO. Each director is free to suggest additional agenda items, and each director may raise at any Board or committee meeting subjects that are not on the agenda for that meeting.

### **Board Committees**

The Board has established the following standing committees to assist the Board in discharging its responsibilities:

- Aerospace Safety
- Audit
- Compensation
- Finance
- GON
- Special Programs

The GON Committee shall periodically review and make recommendations to the Board, after consultation with the Chairman of the Board, regarding the membership of each of the committees. The chairs and members of the six committees are rotated as appropriate. All members of the Audit, Compensation and GON Committees shall be independent as defined by Boeing's Director Independence Standards as well as satisfy all applicable regulatory requirements. All members of the Special Programs Committee shall possess applicable security clearances.

Each standing committee has a written charter, approved by the Board, which describes the committee's general authority and responsibilities. Shareholders may access a copy of each such committee charter at [www.boeing.com/corp\\_gov/](http://www.boeing.com/corp_gov/). The committee chairs report on the items discussed and actions taken at committee meetings to the Board following each committee meeting. Each standing committee shall review on an annual basis its charter and recommend appropriate revisions to the Board. The Board may, from time to time, establish and maintain additional committees.

The Audit Committee regularly meets in executive session with representatives of the Company's independent auditors. The Audit Committee also meets on a regular basis with the Company's vice president responsible for carrying out the internal audit function and the Company's vice president responsible for ethics and compliance programs. The Audit Committee shall report to the Board, no less than annually, with respect to the implementation and effectiveness of Boeing's ethics and compliance program to support the Board's oversight responsibility.

### **Director Orientation and Continuing Education**

Each new director must participate in a comprehensive orientation program, which shall include presentations by senior management on the Company's business units, strategic plans, significant financial, accounting and risk management issues, compliance programs and code of ethical business conduct.

Directors shall be provided at Board or committee meetings as appropriate with continuing education on subjects to assist them in discharging their duties. In addition, directors shall receive training on at least an annual basis in conjunction with regularly scheduled Board meetings on topics relating to corporate governance policies and roles and responsibilities of Board members.

The Board shall have the opportunity to conduct at least one annual on-site visit to a Boeing operating unit, familiarizing directors with the operations of that unit and facilitating direct interaction between directors and operating personnel as appropriate. All directors are also encouraged to attend, at the Company's expense, outside continuing education programs for directors. The Corporate Secretary shall assist directors in identifying such programs.

### **Evaluations**

The GON Committee shall oversee an annual evaluation of the Board to determine whether the Board and its committees are functioning effectively. Each director shall be requested to provide his or her assessment of the effectiveness of the Board. The results of the evaluation shall be reviewed and discussed with the Board. Each committee shall perform a similar annual evaluation. In addition, the Chairman of the Board and the chair of the GON Committee (or the chair of another standing committee in the event that the Chairman of the Board also serves as chair of the GON Committee) shall jointly review the performance of each director after soliciting feedback from the chair of any committee on which the director serves.

### **Access to Management and Independent Advisors**

The Company will provide each director with complete access to the management and employees of the Company. The Board invites executive officers and key managers to attend Board meetings to share their expertise with respect to matters before the Board. The Board and its committees shall at their discretion retain independent outside financial, compensation, legal or other advisors at the Company's expense.

### **Director Compensation**

The GON Committee shall periodically review and make recommendations to the Board concerning the form and amount of compensation and benefits for nonemployee directors. It is the policy of the Board that nonemployee director compensation should align directors' interests with the long-term interests of shareholders, fairly compensate directors for the work required on Boeing's behalf, and enable the Company to attract and retain outstanding director candidates with diverse backgrounds and experiences. The Board has determined that these goals are best met by providing, in addition to a cash retainer fee, a substantial portion of director compensation in the form of shares of Boeing stock or stock-equivalent units, which must be held until retirement or other termination of Board service. When recommending to the Board levels of compensation for nonemployee directors, the GON Committee shall consider the compensation levels at companies that serve as Boeing's benchmarks for executive compensation and shall engage independent compensation consultants, as appropriate.

Independent directors may not receive, directly or indirectly, any consulting, advisory or other compensatory fees from the Company. Directors who are employees of the Company do not receive any compensation for their service as directors.

### **Additional Matters**

#### **Ethics and Conflicts of Interest**

Boeing expects all directors, officers and employees to act ethically at all times and adhere to the policies comprising the Company's codes of ethical conduct. Boeing has adopted a code of ethical business conduct for directors as well as a code of conduct for all employees. All finance employees are subject to an additional code of conduct. Copies of these codes are available at [www.boeing.com/corp\\_gov/](http://www.boeing.com/corp_gov/). Only the Board, based upon the recommendation of the GON Committee, may grant a waiver of any code of conduct provision for a director or executive

officer and any such waiver shall be promptly disclosed. In addition to complying with the code of ethical business conduct and all other applicable company policies, directors shall promptly inform the Chairman of the Board or the chair of the GON Committee if an actual or potential conflict of interest arises. Directors shall recuse themselves from any discussion or decision affecting their personal, business or professional interests. The Company shall not, directly or indirectly, extend or maintain credit, arrange for or renew an extension of credit in the form of a personal loan to or for any director or executive officer.

### **Hedging, Pledging and Trading Restrictions**

Directors and executive officers (1) are prohibited from trading, or enabling any other person to trade, in Boeing securities while aware of material nonpublic information, (2) must obtain permission from the Corporate Secretary prior to trading Boeing securities, (3) may only trade in Boeing securities only during the twelve business days generally beginning on the third business day following public earnings announcements and (4) are prohibited from trading in “puts” and “calls” and engaging in short sales of, or hedging, pledging or monetization transactions (such as zero-cost collars) involving, Boeing securities.

### **Director and Senior Executive Stock Ownership Requirements**

In order to further align the interests of nonemployee directors with the long-term interests of shareholders, each nonemployee director should beneficially own by the end of his or her third year as a director stock or stock equivalents with a value equal to three times the annual board cash retainer fee and by the end of his or her sixth year as a director stock or stock equivalents with a value equal to five times the annual board cash retainer fee. For these purposes, the value of stock shall be determined based on the trailing one-year average closing stock price. The GON Committee annually reviews nonemployee directors’ ownership relative to the stock ownership requirements, and makes recommendations as appropriate.

The Board has also established stock (including stock equivalents) ownership requirements for senior executives. The ownership requirements should be attained within five years of becoming a senior executive and are based on a multiple of base salary: CEO six times base salary, executive vice presidents four times base salary, senior vice presidents three times base salary and vice presidents one or two times base salary depending on executive grade. The Compensation Committee annually reviews officers’ ownership relative to the stock ownership requirements, and makes recommendations as appropriate.

### **Policy on Adoption of Shareholder Rights Plans**

Boeing does not have a shareholder rights plan and has no present intention to adopt one. Subject to its continuing fiduciary duties, which may dictate otherwise depending on the circumstances, the Board shall submit the adoption of any future rights plan to a vote of the shareholders. Any shareholder rights plan adopted without shareholder approval shall be approved by a majority of the independent directors. If the Board adopts a rights plan without prior shareholder approval, the Board shall, within one year, submit the plan to a vote of the shareholders, redeem the plan, or cause the plan to expire. Any plan submitted to a shareholder vote and not approved shall immediately terminate.

### **Clawback Policy**

The Board shall, in all appropriate circumstances, require reimbursement of any annual incentive payment, long-term incentive payment, or other incentive payment (each, an “Incentive Payment”) to an executive officer where: (1) the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of Company

financial statements filed with the SEC; (2) the Board determines the executive officer engaged in intentional misconduct that caused or substantially caused the need for the substantial restatement; and (3) a lower payment would have been made to the executive officer based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover from the individual executive officer the amount by which the individual executive officer's incentive payments for the relevant period exceeded the lower payment that would have been made based on the restated financial results. For purposes of this policy, the term "executive officer" means any officer who has been designated an executive officer by the Board. The Compensation Committee shall also have the discretion, in all appropriate circumstances, to require reimbursement of any Incentive Payment to any executive who has engaged in fraud, bribery, or illegal acts like fraud or bribery, or knowingly failed to report such acts of an employee over whom such officer had direct supervisory responsibility. In addition, the Compensation Committee shall, in consultation with the Aerospace Safety Committee, have the discretion to require reimbursement of any Incentive Payment to any executive who has violated, or engaged in negligent conduct in connection with the supervision of someone who violated, any Company policy, law, or regulation that has compromised the safety of any of the Company's products or services and has, or reasonably could be expected to have, a material adverse impact on the Company, the Company's customers or the public. The Compensation Committee also may direct the Company, where appropriate, to disclose the circumstances surrounding any recoupment made under this policy where not otherwise required by applicable regulation.

#### **Review of Principles**

The GON Committee periodically shall review these Principles and recommend changes to the Board, as appropriate. In addition, each director may at any time suggest changes to these Principles for consideration by the GON Committee.