



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 broad diversity with respect to gender, race/ethnicity, background, experience, skills, and perspectives among its members. The Governance & Public Policy Committee also assesses the overall composition of the Board and whether a potential director candidate, including those recommended by shareholders

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 Governance & Public Policy 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 Governance & Public Policy 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 Governance & Public Policy Committee's evaluation and make final determinations with respect to the CEO's performance. The Compensation Committee shall, after consultation with the Aerospace Safety Committee and together 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 Governance & Public Policy 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 Governance & Public Policy Committee. Both the Governance & Public Policy Committee and the CEO shall deliver reports to the Board on succession planning, in each case at least annually. Working with the Governance & Public Policy 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 Governance & Public Policy 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 Governance & Public Policy 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-

Board Operations

Board Leadership Structure

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

Board and Committee Meetings

The Board ordinarily holds six scheduled meetings per year, and may meet more often as 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.

All members of the Aerospace Safety, Audit, Compensation and Governance & Public Policy Committees shall be independent as defined by Boeing's Director Independence Standards as well as satisfy all applicable laws, rules, or exchange listing standards. All

another standing committee in the event that the Chair of the Board also serves as chair of the Governance & Public Policy 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.

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 if they are not aware of material nonpublic information.