

BOEING CO  
Form DEF 14A  
March 16, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

(Rule 14a-101)

**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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March 16, 2012

Dear Fellow Shareholder,

You are cordially invited to attend The Boeing Company's 2012 Annual Meeting of Shareholders to be held on Monday, April 30, 2012, at 10:00 a.m., Central Daylight Time, at The Field Museum, 1400 South Lake Shore Drive, Chicago, Illinois.

The annual meeting will begin with a report on our operations, followed by consideration of the matters set forth in the accompanying notice of annual meeting and proxy statement.

We are extremely grateful for the valuable contributions of Mr. John F. McDonnell, who will retire at the meeting after more than 38 years of combined service on the Boards of Directors of The Boeing Company and the McDonnell Douglas Corporation, and Mr. John E. Bryson, who resigned from our Board of Directors in June after being nominated to serve as U.S. Secretary of Commerce. We are very pleased that Mr. Lawrence W. Kellner, President of Emerald Creek Group and former Chairman and Chief Executive Officer of Continental Airlines, is a new nominee for the Board this year.

Your vote is important. Please vote by internet, telephone or mail as soon as possible to ensure your vote is recorded promptly. Thank you for your ongoing support of The Boeing Company.

Very Truly Yours,

W. James McNerney, Jr.

*Chairman of the Board,*

*President and Chief*

*Executive Officer*

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**Notice of 2012 Annual Meeting of Shareholders**

The Boeing Company's 2012 Annual Meeting of Shareholders will be held on Monday, April 30, 2012, at 10:00 a.m., Central Daylight Time, at The Field Museum, 1400 South Lake Shore Drive in Chicago, Illinois 60605-2496. At the meeting, our shareholders will be asked to:

- 1) Elect the 11 directors named in the proxy statement;
  - 2) Approve, by advisory vote, named executive officer compensation;
  - 3) Ratify the appointment of our independent auditor for 2012;
  - 4) Consider such shareholder proposals as are properly presented at the meeting; and
  - 5) Transact such other business as may properly come before the meeting and any postponement or adjournment thereof.
- Holders of our common stock of record at the close of business on March 1, 2012 are entitled to vote at the annual meeting and any postponement or adjournment thereof.

**Your vote is important and we encourage you to vote your shares promptly, whether or not you plan to attend the meeting. You may vote by internet, telephone or mail. Please see Frequently Asked Questions about Voting beginning on page 1 of the proxy statement for more information on how to vote.**

By Order of the Board of Directors,

Michael F. Lohr

*Corporate Secretary*

March 16, 2012

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 30, 2012: This Notice of Annual Meeting and Proxy Statement and the 2011 Annual Report are available at [www.edocumentview.com/ba](http://www.edocumentview.com/ba).**

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### **General Information**

This proxy statement is issued in connection with the solicitation of proxies by the Board of Directors of The Boeing Company for use at the 2012 Annual Meeting of Shareholders and at any adjournment or postponement thereof. On or about March 16, 2012, we will begin distributing this proxy statement, a form of proxy and our 2011 annual report to shareholders entitled to vote at the meeting. Shares represented by a properly executed proxy will be voted in accordance with instructions provided by the shareholder.

### **Frequently Asked Questions about Voting**

#### **How does the Board of Directors recommend that I vote?**

The Board of Directors recommends that you vote:

FOR the election of each of the 11 director nominees named in this proxy statement (Item 1);

FOR the approval of named executive officer compensation (Item 2);

FOR the ratification of the appointment of Deloitte & Touche LLP as independent auditor for 2012 (Item 3); and

AGAINST each of the shareholder proposals (Items 4 through 7).

#### **Why is it so important that I promptly vote my shares?**

We value the input of our shareholders on important questions facing the Company. Regardless of the number of shares you hold and whether you plan to attend the annual meeting, we encourage you to vote your shares as soon as possible to ensure that your vote is recorded promptly and so that we can avoid additional solicitation costs.

#### **How may I vote my shares?**

*Beneficial Shareholders.* If you own shares through a broker, bank or other holder of record, you must instruct the holder of record how to vote your shares. In order to provide voting instructions to the holder of record of your shares, please refer to the materials forwarded by your broker, bank or other holder of record. Many brokers provide the option of voting by internet at [www.proxyvote.com](http://www.proxyvote.com) or by calling 1-800-454-8683. You will need your control number which can be found on the voting instruction form.

*Registered Shareholders.* If you own shares that are registered in your name, you may vote by proxy before the annual meeting by internet at [www.envisionreports.com/ba](http://www.envisionreports.com/ba), calling 1-800-652-VOTE (8683) or signing and returning your proxy card. Proxies submitted by internet or telephone must be received by 10:00 a.m., Central Daylight Time, on Monday, April 30, 2012. If you return a signed proxy card but do not provide voting instructions for some or all of the matters to be voted on, your shares will be voted on all uninstructed matters in accordance with the recommendations of the Board of Directors.

*The Boeing Company Voluntary Investment Plan Participants.* If you have an interest in Boeing stock through participation in The Boeing Company Voluntary Investment Plan (the "VIP"), which is a 401(k) plan, you do not have actual ownership of the shares held in the VIP (the "Plan Shares"). The Plan Shares are registered in the name of the trustee. As a VIP participant, you have been allocated interests in the Plan Shares and may instruct the trustee how to vote those interests by submitting a proxy by internet at [www.envisionreports.com/ba](http://www.envisionreports.com/ba), calling 1-800-652-VOTE (8683) or signing and returning your proxy card. However, you may not vote Plan Shares in person at the annual meeting. The number of shares of Boeing stock shown on your proxy card includes all shares registered in your name and all Plan Shares in which you have an interest. In order to allow sufficient time for the trustee to tabulate the vote of the Plan Shares, your proxy instructions must be received no later than 10:59 p.m., Central Daylight Time, on Wednesday, April 25, 2012.

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If you do not timely submit voting instructions, the trustee will vote your Plan Shares in the same manner and proportion as the Plan Shares with respect to which voting instructions have been timely received, unless contrary to applicable law. If you return a signed proxy card that covers Plan Shares but do not provide voting instructions for some or all of the matters to be voted on, your shares will be voted on all uninstructed matters in accordance with the recommendations of the Board of Directors.

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### **May I change or revoke my vote?**

*Beneficial Shareholders.* Beneficial shareholders should contact their broker, bank or other holder of record for instructions on how to change their vote.

*Registered Shareholders.* Registered shareholders may change a properly executed proxy by delivering written notice of revocation to the Corporate Secretary; delivering another proxy by internet, telephone or mail that is dated later than the original proxy; or attending the annual meeting and voting by ballot.

*The Boeing Company Voluntary Investment Plan Participants.* VIP participants may change a properly executed proxy at any time before 10:59 p.m., Central Daylight Time, on Wednesday, April 25, 2012 by submitting a proxy that is dated later than the original proxy by internet, telephone or mail. VIP participants cannot change their voting instructions in person at the annual meeting because the trustee will not be present.

### **What vote is required to approve each proposal?**

Each share of Boeing stock entitles the holder to one vote on each proposal presented for shareholder action.

*Election of Directors (Item 1).* The Board of Directors has adopted a majority vote standard in uncontested director elections. Because we did not receive advance notice under our By-Laws of any shareholder nominees for director, this 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 and broker non-votes will have no effect on the election of directors.

*All Other Proposals (Items 2 through 7).* Shareholders may vote For or Against each of the other proposals, or may abstain from voting. Delaware law requires the affirmative vote of the majority of shares present in person or by proxy and entitled to vote at the annual meeting for the approval of Items 2 through 7. Votes on these items are advisory and therefore not binding on the Company. However, our Board of Directors will consider the outcome of these votes in its future deliberations. A shareholder who signs and submits a proxy is present, so an abstention will have the same effect as a vote Against Items 2 through 7. Broker non-votes, if any, will have no effect on Items 2 through 7.

### **What are broker non-votes ?**

If a broker or other financial institution holds your shares in its name and you do not provide voting instructions to it, New York Stock Exchange, or NYSE, rules allow that firm to vote your shares only on routine matters. Item 3, the ratification of the appointment of our independent auditor for 2012, is the only matter for consideration at the meeting that NYSE rules deem to be routine. For all matters other than Item 3, you must submit voting instructions to the firm that holds your shares if you want your vote to count on such matters. When a firm votes a client's shares on some but not all of the proposals, the missing votes are referred to as broker non-votes.

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**Election of Directors (Item 1)**

Upon the recommendation of our Governance, Organization and Nominating Committee, which we refer to as the GON Committee, our Board has nominated each of the 11 persons listed below to serve as director for a one-year term or until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal. Each of the nominees currently serves as a Boeing director. Mr. Kellner joined our Board in October 2011 and was referred to the GON Committee by one of our nonemployee directors. Each director nominee in this uncontested election will be elected if he or she receives more For votes than Against votes. If any nominee becomes unable to serve, proxies will be voted for the election of such other person as the Board of Directors may designate, unless the Board chooses to reduce the number of directors.

When assessing a director candidate's qualifications, the GON Committee considers the candidate's experience in areas such as operations, international business, manufacturing, finance, government, marketing, technology and public policy, as well as other factors such as independence, absence of conflicts of interest, diversity and age. As required by our Corporate Governance Principles, 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. The GON Committee also assesses the overall composition of the Board and whether a potential director candidate would contribute to the collaborative process of the Board. When evaluating the suitability of an incumbent director for re-election, the GON Committee also considers the ongoing contributions of the director to the Board. Our Corporate Governance Principles provide that no one may be nominated for election or otherwise be eligible for service on the Board if he or she would be 74 or older at time of election. In accordance with this provision of our Corporate Governance Principles, John F. McDonnell will retire at the end of his term upon the election of directors at the annual meeting. See our Corporate Governance Principles, which are set forth in Appendix 1 to this proxy statement, for additional information on the selection of director candidates.

The GON Committee considers diversity in its evaluation of candidates for Board membership and in its annual review of the composition of the Board as a whole. The Board believes that diversity with respect to background, experience and other factors as set forth in our Corporate Governance Principles is an important consideration in board composition. In addition, both the GON Committee and the Board conduct formal self-evaluations each year that include an assessment of whether the GON Committee and the Board have adequately considered diversity, among other factors, in identifying and discussing director candidates. The GON Committee believes that, as a group, the nominees listed below bring a diverse range of backgrounds, experiences and perspectives to the Board's deliberations.

Set forth below is information with respect to the nominees, including their principal occupation and business experience for at least the past five years, a summary of their specific experience, qualifications, attributes or skills that led to the conclusion that they are qualified to serve as a director, the names of other public companies for which they currently serve as a director or have served as a director within the past five years, their period of service as a Boeing director and their age as of March 16, 2012.

**Table of Contents****David L. Calhoun**

Age 54

Director since 2009

**Chief Executive Officer and Executive Director, Nielsen Holdings.** Mr. Calhoun has served as Chief Executive Officer of Nielsen Holdings N.V. (marketing and media information) since May 2010, as Executive Director of Nielsen Holdings N.V. since its initial public offering in January 2011 and as Chairman of the Executive Board and Chief Executive Officer of The Nielsen Company since September 2006. Previously, Mr. Calhoun served as Vice Chairman of General Electric Company and President and Chief Executive Officer of GE Infrastructure. Before that, Mr. Calhoun served as President and Chief Executive Officer of GE Transportation; President and Chief Executive Officer of GE Aircraft Engines; President and Chief Executive Officer of Employers Reinsurance Corporation; President and Chief Executive Officer of GE Lighting; and President and Chief Executive Officer of GE Transportation Systems. Mr. Calhoun also serves on the boards of Caterpillar Inc. and Medtronic, Inc. In February 2012, Medtronic announced in a filing with the SEC that Mr. Calhoun has chosen not to stand for re-election at its 2012 annual meeting.

Mr. Calhoun provides valuable insight and perspective on general strategic and business matters, stemming from his vast executive and management experience with Nielsen and GE. Mr. Calhoun also has significant aerospace, aircraft and high-technology industry expertise as evidenced by his leadership of GE's aircraft engines and transportation businesses, as well as his membership on Caterpillar's board. Mr. Calhoun's executive leadership in corporate governance matters at Nielsen and his service on Caterpillar's compensation committee enable him to serve a crucial role on our GON and Compensation Committees.

Mr. Calhoun is a member of the Compensation Committee and the Governance, Organization and Nominating Committee.

**Arthur D. Collins, Jr.**

Age 64

Director since 2007

**Senior Advisor, Oak Hill Capital Partners; Former Chairman and Chief Executive Officer, Medtronic.** Mr. Collins has served since April 2009 as Senior Advisor to Oak Hill Capital Partners (private equity). Previously, he served as Chairman of Medtronic, Inc. (medical device and technology) from April 2002 to August 2008. At Medtronic, Mr. Collins was also Chairman and Chief Executive Officer from April 2002 to August 2007, President and Chief Executive Officer from May 2001 to April 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 Abbott from May 1984 to October 1989. Mr. Collins also serves on the boards of Alcoa Inc., Cargill, Inc. and U.S. Bancorp. He is a member of the Board of Overseers of The Wharton School at the University of Pennsylvania.

Mr. Collins provides guidance to our Board on a wide variety of general corporate and strategic matters based on his extensive executive and business experience. Mr. Collins brings the perspective of a member of several corporate boards, including as chair of U.S. Bancorp's governance committee and a member of Alcoa's audit committee. In addition, Mr. Collins' years of executive leadership at Medtronic allow us to benefit from his experience managing the operations of a large, global, high-technology company. In recognition of Mr. Collins' skills in corporate finance, strategic and accounting matters, the Board has elected Mr. Collins to serve as Chair of the Finance Committee and determined that he is an audit committee financial expert as defined by SEC rules.

Mr. Collins is Chair of the Finance Committee and a member of the Audit Committee.



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**Linda Z. Cook**

***Former Executive Director, Royal Dutch Shell.*** Ms. Cook served as Executive Director of Royal Dutch Shell plc (oil, gas and petroleum) from August 2004 to December 2009 with executive responsibilities for global natural gas, trading and technology. She also served as a member of the Royal Dutch Shell board of directors. Previously, she served as President and Chief Executive Officer and a member of the board of directors of Shell Canada Limited from August 2003 to August 2004. She served as Chief Executive Officer for Shell Gas & Power from January 2000 to July 2003. Ms. Cook also serves on the boards of Cargill, Inc., KBR, Inc. and Marathon Oil Corporation. She is a member of the Society of Petroleum Engineers, the Board of Trustees for the University of Kansas Endowment Association and the Advisory Board for the University of Texas Energy Institute.

Age 53

Director since 2003

Ms. Cook's extensive senior management and board experience at Royal Dutch Shell, and her extensive experience on other company boards, enables her to advise management on a wide range of strategic, financial and governance matters. Ms. Cook also has vast international business experience, which has proven to be valuable given Boeing's numerous relationships with non-U.S. suppliers and customers. Ms. Cook has an engineering background, and her expertise in this area is invaluable to the Board's deliberations with respect to project management and the many technical and high-technology aspects of our businesses. As a result of Ms. Cook's financial and accounting skills, the Board has determined that she is an audit committee financial expert as defined by SEC rules.

Ms. Cook is a member of the Audit Committee and the Finance Committee.

**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) since 1989. He was White House Chief of Staff from 1988 to 1989. Mr. Duberstein also serves on the boards of ConocoPhillips, Dell Inc., Mack-Cali Realty Corporation and The Travelers Companies, Inc.

Age 67

Director since 1997

Mr. Duberstein has been a member of our Board for more than 14 years and provides independent leadership to our Board as our Lead Director. In addition to having extensive knowledge of Boeing and its businesses, Mr. Duberstein brings to the Board a wide range of experience in U.S. government and international matters and as a member of other Fortune 500 boards. Mr. Duberstein's experience both in the highest levels of the U.S. government and as an outside strategic advisor allows him to advise the Board and senior management on key issues of corporate strategy, as well as a wide range of issues related to Boeing's government interactions. In recognition of Mr. Duberstein's skills in overseeing Boeing's corporate governance policies and practices as well as his overall leadership abilities, his fellow directors elected him both as Lead Director and as Chair of the Governance, Organization and Nominating Committee.

Mr. Duberstein is the Lead Director, Chair of the Governance, Organization and Nominating Committee and a member of the Compensation Committee.

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**Edmund P. Giambastiani, Jr.**

*Seventh Vice Chairman of the U.S. Joint Chiefs of Staff (2005-2007); Former NATO Supreme Allied Commander Transformation (2003-2005); Former Commander, U.S. Joint Forces Command (2002-2005).* Admiral Giambastiani is a career U.S. Navy nuclear submarine officer with extensive operational experience, including command at the submarine, squadron and fleet level. His staff experience includes service as Co-Chairman of the Defense Acquisition Board and Chairman of the Joint Requirements Oversight Council. Admiral Giambastiani also serves on the boards of Mercury Federal Systems and Monster Worldwide. He served on the boards of SRA International, Inc. from 2008 to 2010, Alenia North America, Inc. from 2008 to 2009 and QuinetiQ from 2008 to 2011.

Age 63

Director since 2009

During his distinguished U.S. military career of over 40 years, Admiral Giambastiani developed extensive operational and engineering experience that complements Boeing's high-technology business needs. Admiral Giambastiani has a wealth of experience with program development, program resourcing and other aspects of managing major U.S. armed forces acquisition programs. Each of these skills enables him to provide expert advice to senior management and his fellow directors on a range of technical and operational matters, including in his capacity as a member of the Special Programs Committee. Admiral Giambastiani also has extensive experience as a senior military leader in strategy development, which enhances the Board's strategic and management oversight resources.

Admiral Giambastiani is a member of the Audit Committee, the Finance Committee and the Special Programs Committee.

**Lawrence W. Kellner**

*President, Emerald Creek Group; Former Chairman and Chief Executive Officer, Continental Airlines.* Mr. Kellner has served as President of Emerald Creek Group LLC (private equity) since 2010. Mr. Kellner served as Chairman and Chief Executive Officer of Continental Airlines, Inc. (commercial airline) from December 2004 to December 2009. Mr. Kellner joined Continental as Chief Financial Officer in 1995 and served as President and Chief Operating Officer from March 2003 to December 2004 and as President from May 2001 to March 2003, and was a member of the board of directors from May 2001 to December 2009. Mr. Kellner also serves of the boards of The Chubb Corporation and Marriott International, Inc.

Age 53

Director since 2011

Mr. Kellner is the newest member of our Board and brings to our Board his experience as the former CEO of one of the largest airline companies in the world, together with significant management, strategic and operational responsibilities in the global travel and leisure industries. Mr. Kellner also provides extensive knowledge in the fields of finance and accounting, gained principally from his background as Chief Financial Officer at Continental Airlines and American Savings Bank. The Board has determined that Mr. Kellner is an audit committee financial expert as defined by SEC rules.

Mr. Kellner is a member of the Audit Committee and the Finance Committee.

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**Edward M. Liddy**

*Age 66*

*Director since 2010*

*Partner, Clayton, Dubilier & Rice; Former Chairman and Chief Executive Officer, Allstate.* Mr. Liddy served as a partner at Clayton, Dubilier & Rice, LLC (private equity) from April to September 2008 and rejoined the firm in January 2010. At the request of the Secretary of the U.S. Department of the Treasury, Mr. Liddy served as Interim Chairman and Chief Executive Officer of American International Group, Inc. (insurance and financial services holding company) from September 2008 to August 2009. He served as Chairman of the Board of The Allstate Corporation (insurance) from January 1999 to April 2008. At Allstate, Mr. Liddy also served as Chief Executive Officer from January 1999 to December 2006 and as President and Chief Operating Officer from August 1994 to December 1998. Before joining Allstate, Mr. Liddy held a number of financial and operating positions at Sears, Roebuck and Co. before being named Chief Financial Officer in 1992. Mr. Liddy also serves on the boards of 3M Company and Abbott Laboratories and served on the boards of Boeing from 2007 to 2008 and The Goldman Sachs Group, Inc. from 2003 to 2008.

Mr. Liddy brings to our Board the benefits of his vast experience as a senior executive and board member of several Fortune 100 companies across a range of industries. Mr. Liddy's executive leadership experience at Allstate, American International Group and Sears, Roebuck and Co. enables him to provide our Board with valuable insights on corporate strategy, risk management, corporate governance and many other issues facing large, global enterprises. In addition, Mr. Liddy's service as Chief Financial Officer of Sears, Roebuck and Co., chair of the audit committee of Goldman Sachs and a member of the audit committee of 3M gives him particular expertise in accounting, corporate finance, and financial reporting. In recognition of this expertise, the Board has elected Mr. Liddy to serve as Chair of the Audit Committee and has determined that he is an audit committee financial expert as defined by SEC rules.

Mr. Liddy is Chair of the Audit Committee and a member of the Finance Committee.

**W. James McNerney, Jr.**

*Age 62*

*Director since 2001*

*Chairman, President and Chief Executive Officer, Boeing.* Mr. McNerney has served as Chairman, President and Chief Executive Officer of The Boeing Company since July 2005. Previously, he served as Chairman and Chief Executive Officer of 3M Company (diversified technology) from January 2001 to June 2005. 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 also serves on the boards of The Procter & Gamble Company and International Business Machines Corporation. He is Chair of the Business Roundtable and President Obama's Export Council.

Mr. McNerney serves a key leadership role on the Board, communicates management's perspective on important matters to the Board, and provides the Board with in-depth knowledge of each of Boeing's businesses, as well as industry and international challenges and opportunities. In addition to his extensive senior management experience at Boeing, 3M and GE, Mr. McNerney brings to the Board experience as the presiding director at Procter & Gamble and as a director at IBM. This extensive leadership experience on other Fortune 100 boards of directors and as a member of senior management teams enables Mr. McNerney to play a key role in all matters involving our Board, and positions him well to act not only as the Board's Chairman, but also as the principal intermediary between management and the independent directors of our Board.

Mr. McNerney is Chair of the Special Programs Committee.



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**Susan C. Schwab**

*Professor, University of Maryland School of Public Policy; Former U.S. Trade Representative.* Ambassador Schwab has been a Professor at the University of Maryland School of Public Policy since January 2009 and a strategic advisor to Mayer Brown, LLP (global law firm) since March 2010. Ambassador Schwab served as U.S. Trade Representative from June 2006 to January 2009 and as Deputy U.S. Trade Representative from October 2005 to June 2006. Prior to her service as Deputy U.S. Trade Representative, Ambassador Schwab served as President and Chief Executive Officer of the University System of Maryland Foundation from June 2004 to October 2005, as a consultant for the U.S. Department of Treasury from July 2003 to December 2003 and as Dean of the University of Maryland School of Public Policy from July 1995 to July 2003. Ambassador Schwab also serves on the boards of Caterpillar Inc. and FedEx Corporation.

Age 56

Director since 2010

Ambassador Schwab brings unique global and governmental perspectives to the Board's deliberations. Ambassador Schwab's extensive experience leading large international trade negotiations positions her well to advise her fellow directors and our senior management on a wide range of key issues facing Boeing through its relationships with non-U.S. companies and governments. Ambassador Schwab's experience in the U.S. government also allows her to advise Boeing on the many challenges and opportunities that relate to government relations. As a result of Ambassador Schwab's prior business experience and current service on other Fortune 100 corporate boards, including as a member of the compensation committee of FedEx Corporation, she brings expertise to the Board on a wide range of strategic, operational, corporate governance and compensation matters.

Ambassador Schwab is a member of the Audit Committee and the Finance Committee.

**Ronald A. Williams**

*Former Chairman and Chief Executive Officer, Aetna.* Mr. Williams served as Chairman of Aetna Inc. (managed care and health insurance) from October 2006 until April 2011, having previously served as Chief Executive Officer from February 2006 until November 2010, President from May 2002 until July 2007 and Executive Vice President and Chief of Health Operations from March 2001 until May 2002. Following his retirement in April 2011, he provided consulting services to Aetna until February 2012. Mr. Williams also serves on the boards of American Express Company and Johnson & Johnson and is chairman of the board of Emergency Medical Services Corporation.

Age 62

Director since 2010

Mr. Williams brings to our Board significant leadership, operations and management experience from his tenure at Aetna, including as Chairman and Chief Executive Officer. With more than 25 years of experience in the health care industry, Mr. Williams provides valuable insight into the health insurance and employee benefits industry. In addition, his service as chairman of the audit and risk committee of American Express has enhanced his expertise in the areas of financial reporting, internal controls and risk management for large, complex companies, which led to the Board's determination that he is an audit committee financial expert as defined by SEC rules.

Mr. Williams is a member of the Audit Committee, the Finance Committee and the Special Programs Committee.

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**Mike S. Zafirovski**

Age 58

Director since 2004

*Senior Advisor, The Blackstone Group; Former President and Chief Executive Officer, Nortel.* Mr. Zafirovski has served as Senior Advisor to The Blackstone Group (private equity) since October 2011. Previously, Mr. Zafirovski served as Director, President and Chief Executive Officer of Nortel Networks Corporation (telecommunications) from November 2005 to August 2009. Prior to that, 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 (mobile devices) of Motorola from June 2000 to July 2002. Prior to joining Motorola, Mr. Zafirovski spent nearly 25 years with General Electric Company, where he served in management positions, including 13 years as President and Chief Executive Officer of five businesses in the consumer, industrial and financial services arenas, his most recent being President and Chief Executive Officer of GE Lighting from July 1999 to May 2000. Mr. Zafirovski also serves as chairman of the board of DJO Global, Inc. and as a member of the board of Apria Healthcare Group Inc.

Mr. Zafirovski provides guidance to our Board on a wide variety of strategic and business matters based on his vast experience leading high-technology enterprises with significant international operations. Mr. Zafirovski's executive leadership at Nortel, Motorola and GE enable him to provide unique perspectives on strategic planning, technology development, manufacturing, and security and financial matters. Mr. Zafirovski has emphasized corporate governance and quality leadership teams throughout his career, which is particularly valuable given his service as a member of our Governance, Organization and Nominating Committee.

Mr. Zafirovski is a member of the Compensation Committee and the Governance, Organization and Nominating Committee.

**YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE**

**FOR EACH OF THE ABOVE NOMINEES FOR ELECTION AS DIRECTOR.**

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### **Corporate Governance**

#### **Corporate Governance Principles**

The Board of Directors has adopted policies and procedures to ensure effective governance of the Company. Our corporate governance materials, including our Corporate Governance Principles, the charters of each of the Board's standing committees, our Director Independence Standards and our codes of conduct for directors, finance employees and all employees, as well as information regarding securities transactions by our directors and officers, may be viewed in the corporate governance section of our website at [www.boeing.com/corp\\_gov/](http://www.boeing.com/corp_gov/). We will also provide written copies of any of the foregoing without charge upon written request to the Office of the Corporate Secretary, Boeing Corporate Offices, 100 North Riverside Plaza, MC 5003-1001, Chicago, Illinois 60606-1596.

The GON Committee periodically reviews our Corporate Governance Principles and proposes modifications to the principles and other key governance practices for adoption by the Board. A copy of our Corporate Governance Principles is included in Appendix 1 to this proxy statement.

#### **Board Composition, Responsibilities and Leadership Structure**

The Board of Directors is responsible for overseeing the affairs of the Company. During 2011, the Board held eight meetings, and the five standing committees held a total of 33 meetings. Each director attended more than 88% of the meetings of the Board and the committees on which he or she served during 2011, and average attendance at these meetings exceeded 97%. Absent extenuating circumstances, directors are required to attend our annual meetings of shareholders, and all but one director then serving attended our 2011 Annual Meeting. Following the retirement of Mr. McDonnell and upon the election of directors at the 2012 Annual Meeting, the Board will be reduced to 11 directors.

We do not have a policy requiring that our Chief Executive Officer, or any other member of management, serve as Chairman of the Board. The Board has determined that the appropriate leadership structure for the Board at this time is for Mr. McNerney, our President and Chief Executive Officer, to serve as Chairman of the Board, while also selecting a Lead Director currently, Mr. Duberstein to provide independent leadership. Our Lead Director is elected annually by a majority of the independent directors upon a recommendation from the GON Committee. Our Lead Director presides over executive sessions of the nonemployee directors following every regularly scheduled Board meeting (which sessions are not attended by management) and advises the Chairman, in consultation with the other nonemployee directors, as to Board schedules and agendas. The Board has also determined that our Lead Director shall be available to consult with shareholders and call meetings of the nonemployee directors when appropriate. The independent directors believe that our President and Chief Executive Officer's in-depth knowledge of each of our businesses and the competitive challenges each business faces, as well as his extensive experience as a director and senior member of management at other Fortune 100 companies, make him the director best qualified to serve as Chairman. The Board may subsequently decide, however, to change its leadership structure. See our Corporate Governance Principles, which are set forth in Appendix 1 to this proxy statement, for additional information on the leadership structure of the Board.

#### **Board Committees**

The Board has five standing committees. Each committee operates under a charter that has been approved by the Board. A copy of each committee charter is posted in the corporate governance section of our website at [www.boeing.com/corp\\_gov/](http://www.boeing.com/corp_gov/). The biographical information of each of our directors beginning on page 4 includes the standing committees on which he or she serves. Mr. McDonnell, who will retire at this meeting, serves as Chair of the Compensation Committee and is a member of the GON Committee. The Board also has established a Stock Plan Committee composed of the Chairman, to which the Compensation Committee may delegate certain of its responsibilities.

#### **Audit Committee**

The Audit Committee met 11 times in 2011. The Audit Committee oversees our independent auditor and accounting and internal control matters. Its principal responsibilities include oversight of:

the integrity of our financial statements;

our compliance with legal and regulatory requirements;

our independent auditor's qualifications and independence;

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the performance of our internal audit function;

the performance of our independent auditor; and

our risk assessment and risk management processes.

The Audit Committee also prepares the Audit Committee Report included on page 54 of this proxy statement.

The Audit Committee is composed entirely of directors who satisfy NYSE director independence standards and our Director Independence Standards, as well as additional independence standards applicable to audit committee members established pursuant to applicable law. The Board has determined that each Audit Committee member is financially literate as defined by NYSE listing standards, and that Ms. Cook and Messrs. Collins, Kellner, Liddy and Williams are audit committee financial experts as defined by the rules of the Securities and Exchange Commission (SEC).

## **Compensation Committee**

The Compensation Committee met seven times in 2011. The Compensation Committee oversees our executive and equity compensation programs. Its principal responsibilities include:

annually reviewing and approving the salary, incentive awards, equity-based awards and any other long-term incentive awards for our CEO and other corporate officers elected by the Board;

reviewing employment and severance agreements, change-in-control provisions affecting compensation, and special or supplemental arrangements such as supplemental retirement benefits, if any, and perquisites for elected officers;

reviewing and approving corporate goals and objectives relevant to CEO compensation and evaluating the CEO's performance in light of those goals and objectives (in each case, together with the GON Committee) and, together with the other independent directors, determining and approving the CEO's compensation based on such evaluation;

reviewing, approving and monitoring compliance with stock ownership requirements applicable to our CEO and other senior executives;

reviewing periodic reports on our compensation programs as they affect all employees, including management's assessments as to whether risks arising from such programs are reasonably likely to have a material adverse effect on the Company; and

approving and overseeing all incentive compensation plans and other equity-based plans and approving, or recommending to the Board to approve, changes to such plans.

The Compensation Committee also prepares the Compensation Committee Report included on page 33 of this proxy statement. The Compensation Committee is composed entirely of directors who satisfy NYSE director independence standards and our Director Independence Standards.

## **Finance Committee**

The Finance Committee met six times in 2011. The Finance Committee's principal responsibilities include reviewing and, where appropriate, making recommendations to the Board with respect to:

proposed dividend actions, stock splits and repurchases, and issuances of debt or equity securities;

strategic plans and transactions, including mergers, acquisitions and divestitures, as well as joint ventures and other equity investments;

customer financing activities;

our funding plans and funding plans of our subsidiaries;

our significant financial exposures, contingent liabilities and major insurance programs;

our credit agreements and short-term investment policies; and

employee benefit plan trust investment policies, administration and performance.

In addition, the Finance Committee is responsible for managing risks related to our capital structure, significant financial exposures, major insurance programs and our employee pension plan policies and performance and regularly evaluates financial risks associated with such programs.

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The Finance Committee is composed entirely of directors who satisfy NYSE director independence standards and our Director Independence Standards.

### **Governance, Organization and Nominating Committee**

The GON Committee met six times in 2011. The GON Committee's principal responsibilities include:

making recommendations to the Board concerning the organization, leadership, structure, size and composition of the Board, as well as the compensation and benefits of nonemployee directors;

identifying and recommending to the Board candidates who are qualified to become directors under the criteria set forth in our Corporate Governance Principles;

assessing the independence of directors on an annual basis and making recommendations to the Board with respect to such assessments;

overseeing the annual performance evaluation process for the Board;

monitoring and reviewing at least annually the performance of our CEO and plans for senior management succession;

monitoring compliance with stock ownership requirements for directors;

considering possible conflicts of interest of directors and officers; and

reviewing corporate governance developments and, where appropriate, making recommendations to the Board on corporate governance. The GON Committee works with a third-party search firm to identify potential candidates to serve on the Board. The GON Committee is composed entirely of directors who satisfy NYSE director independence standards and our Director Independence Standards.

### **Special Programs Committee**

The Special Programs Committee met three times in 2011. The Special Programs Committee reviews Company programs that the U.S. government has designated as classified for purposes of national security.

### **Risk Oversight**

Senior management is responsible for day-to-day management of risks facing Boeing, including the creation of appropriate risk management policies and procedures. The Board is responsible for overseeing management in the execution of its responsibilities and for assessing the Company's approach to risk management. As part of its responsibilities in this area, the Board and its standing committees regularly review material strategic, operational, financial, compensation and compliance risks with senior management. For example, our Senior Vice President, Office of Internal Governance reports to the Audit Committee on a regular basis with respect to compliance with our risk management policies. The Audit Committee is responsible for discussing our overall risk assessment and risk management practices. The Audit Committee also performs a central oversight role with respect to financial and compliance risks, and reports on its findings at each regularly scheduled meeting of the full Board after meeting with our Senior Vice President, Office of Internal Governance, Vice President, Corporate Audit and our independent auditor, Deloitte & Touche LLP. The Compensation Committee considers risk in connection with its design of compensation programs, and has engaged an independent compensation consultant to provide assistance in mitigating compensation-related risk. For more

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information on the Board's oversight of risks relating to our compensation practices, see Executive Compensation Compensation and Risk on page 34. In addition, the Finance Committe