PROXY PAPER

THE BOEING COMPANY

GLASS LEWIS

NYSE: **BA**

ISIN: **US0970231058**

MEETING DATE: 29 APRIL 2019

RECORD DATE: 28 FEBRUARY 2019

PUBLISH DATE: 10 APRIL 2019

COMPANY DESCRIPTION

The Boeing Company, together with its subsidiaries, designs, develops, manufactures, sales, services, and supports commercial jetliners, military aircraft, satellites, missile defense, human space flight and launch systems, and services worldwide.

INDEX MEMBERSHIP: S&P 100; DOW JONES INDUSTRIAL AVERAGE; DOW JONES COMPOSITE AVERAGE; RUSSELL 1000; S&P 500; RUSSELL 3000

SECTOR: INDUSTRIALS

INDUSTRY: AEROSPACE AND DEFENSE

COUNTRY OF TRADE: UNITED STATES

COUNTRY OF INCORPORATION: UNITED STATES

HEADQUARTERS: ILLINOIS

VOTING IMPEDIMENT: NONE

2019 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Election of Directors	FOR	**SPLIT**	
1.01	Elect Robert A. Bradway	FOR	**FOR**	
1.02	Elect David L. Calhoun	FOR	**FOR**	
1.03	Elect Arthur D. Collins, Jr.	FOR	**FOR**	
1.04	Elect Edmund P. Giambastiani, Jr.	FOR	**FOR**	
1.05	Elect Lynn J. Good	FOR	**FOR**	
1.06	Elect Nikki R Haley	FOR	**FOR**	
1.07	Elect Lawrence W. Kellner	FOR	**AGAINST**	• **Other unique issue**
1.08	Elect Caroline B. Kennedy	FOR	**FOR**	
1.09	Elect Edward M. Liddy	FOR	**FOR**	
1.10	Elect Dennis A. Muilenburg	FOR	**FOR**	
1.11	Elect Susan C. Schwab	FOR	**FOR**	
1.12	Elect Ronald A. Williams	FOR	**FOR**	
1.13	Elect Mike S. Zafirovski	FOR	**FOR**	
2.00	Advisory Vote on Executive Compensation	FOR	**FOR**	
3.00	Ratification of Auditor	FOR	**FOR**	
4.00	Shareholder Proposal Regarding Lobbying Report	AGAINST	**FOR**	• **Increased disclosure would allow shareholders to more fully assess risks presented by the Company's indirect lobbying activities**
5.00	Shareholder Proposal Regarding Excluding Share Repurchases in Executive Compensation	AGAINST	**AGAINST**	

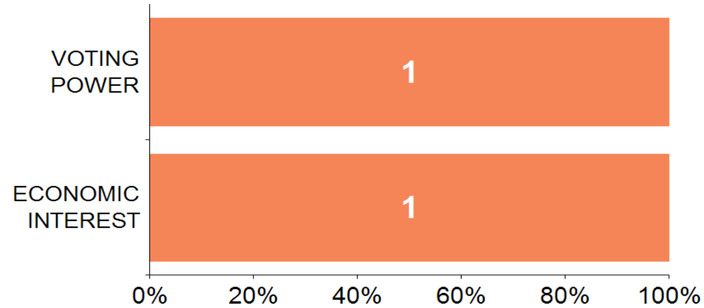
6.00	Shareholder Proposal Regarding Independent Board Chair	AGAINST	**FOR**	• **An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda**
7.00	Shareholder Proposal Regarding Proxy Access Bylaw Amendment	AGAINST	**AGAINST**	
8.00	Shareholder Proposal Regarding Retention of Shares Until Normal Retirement Age	AGAINST	**AGAINST**	

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1
SHARE CLASS	Common Shares
SHARES OUTSTANDING	564.5 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	0.10%
STRATEGIC OWNERS**	0.10%
FREE FLOAT	99.90%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 10-APR-2019



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	The Vanguard Group, Inc.	7.46%	United States	Traditional Investment Manager
2.	T. Rowe Price Group, Inc.	5.93%	United States	Traditional Investment Manager
3.	Newport Trust Company, Asset Management Arm	5.93%	United States	Bank/Investment Bank
4.	BlackRock, Inc.	5.83%	United States	Traditional Investment Manager
5.	State Street Global Advisors, Inc.	4.61%	United States	Traditional Investment Manager
6.	Capital Research and Management Company	4.19%	United States	Traditional Investment Manager
7.	FMR LLC	1.49%	United States	Traditional Investment Manager
8.	Jennison Associates LLC	1.38%	United States	Traditional Investment Manager
9.	Geode Capital Management, LLC	1.11%	United States	Traditional Investment Manager
10.	Janus Henderson Group plc	1.10%	United Kingdom	Traditional Investment Manager
11.	Northern Trust Global Investments	1.09%	United Kingdom	Traditional Investment Manager
12.	BNY Mellon Asset Management	0.87%	United States	Traditional Investment Manager
13.	Teachers Insurance and Annuity Association of America - College Retirement Equities Fund	0.83%	United States	Traditional Investment Manager
14.	UBS Asset Management	0.82%	Switzerland	Traditional Investment Manager
15.	Morgan Stanley, Investment Banking and Brokerage Investments	0.74%	United States	Bank/Investment Bank
16.	J.P. Morgan Asset Management, Inc.	0.58%	United States	Traditional Investment Manager
17.	Columbia Management Investment Advisers, LLC	0.54%	United States	Traditional Investment Manager
18.	American Century Investment Management Inc.	0.50%	United States	Traditional Investment Manager
19.	Merrill Lynch & Co. Inc., Banking Investments	0.47%	United States	Bank/Investment Bank
20.	Goldman Sachs Asset Management, L.P.	0.44%	United States	Traditional Investment Manager

*COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 10-APR-2019
**CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	N/A	25.00%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	1.00%[2]	1.00%[2]
VOTING POWER REQUIRED FOR WRITTEN CONSENT	N/A	N/A

[1]N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.
[2]SHAREHOLDERS MUST OWN THE CORRESPONDING PERCENTAGE OR SHARES WITH MARKET VALUE OF AT LEAST $2,000 FOR AT LEAST ONE YEAR.

COMPANY PROFILE

FINANCIALS

	1 YR TSR	3 YR TSR AVG.	5 YR TSR AVG.
BA	*11.5%*	*34.2%*	*21.9%*
S&P 500	*-4.4%*	*9.3%*	*8.5%*
PEERS*	*-7.6%*	*15.8%*	*12.5%*

MARKET CAPITALIZATION (MM USD)	183,143
ENTERPRISE VALUE (MM USD)	189,424
REVENUES (MM USD)	101,127

*ANNUALIZED SHAREHOLDER RETURNS. *PEERS ARE BASED ON THE INDUSTRY SEGMENTATION OF THE GLOBAL INDUSTRIAL CLASSIFICATION SYSTEM (GICS). FIGURES AS OF 31-DEC-2018. SOURCE: CAPITAL IQ*

EXECUTIVE COMPENSATION

CHANGE IN CEO PAY*	1 YR	3 YR	5 YR
	27%	*77%*	*1%*

**SOURCE: EQUILAR.*

SAY ON PAY FREQUENCY	*1 Year*	**P4P 2018**	*C*
GLASS LEWIS STRUCTURE RATING	*Fair*	**GLASS LEWIS DISCLOSURE RATING**	*Fair*
SINGLE TRIGGER CIC VESTING	*No*	**EXCISE TAX GROSS-UPS**	*No*
CLAWBACK PROVISION	*Yes*	**OVERHANG OF INCENTIVE PLANS**	*3.50%*

CORPORATE GOVERNANCE

ELECTION METHOD	*Majority w/ Resignation Policy*	**CEO START DATE**	*July 2015*
CONTROLLED COMPANY	*No*	**AVERAGE NED TENURE**	*8 years*
DUAL-CLASS VOTING	*No*	**% OF WOMEN ON BOARD**	*30.8%*
STAGGERED BOARD	*No*	**ALLOWS PROXY ACCESS**	*Yes*
COMBINED CHAIR/CEO	*Yes*	**VIRTUAL-ONLY MEETING**	*No*

ANTI-TAKEOVER MEASURES

POISON PILL	*No*
APPROVED BY SHAREHOLDERS/EXPIRATION DATE	*N/A; N/A*

AUDITORS

AUDITOR: DELOITTE & TOUCHE	**TENURE:** 85 YEARS
MATERIAL WEAKNESS(ES) IDENTIFIED IN PAST 12 MONTHS	*No*
RESTATEMENT(S) IN PAST 12 MONTHS	*No*

SASB MATERIALITY

PRIMARY SASB INDUSTRY: Aerospace & Defense

FINANCIALLY MATERIAL TOPICS:

- *Energy Management*
- *Data Security*
- *Fuel Economy & Emissions in Use-phase*
- *Business Ethics*
- *Hazardous Waste Management*
- *Product Safety*
- *Materials Sourcing*

CURRENT AS OF APR 10, 2019

ENVIRONMENTAL, SOCIAL & GOVERNANCE PROFILE

OVERALL ESG SCORE

Underperformer

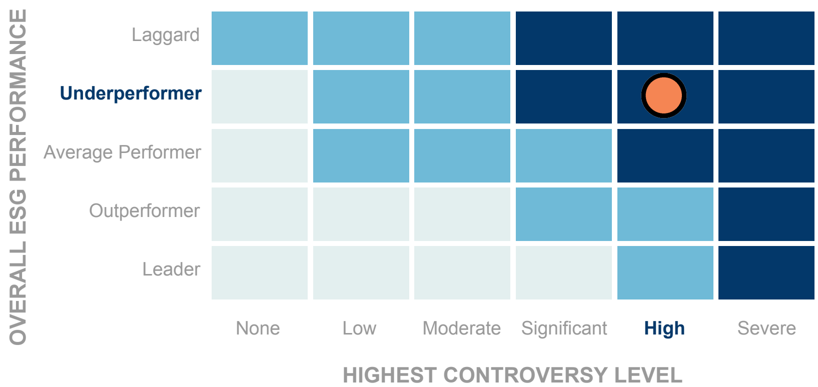
Comparative Industry: **Aerospace & Defense**

All data and ratings provided by: SUSTAINALYTICS

Data Received On: **April 01, 2019**

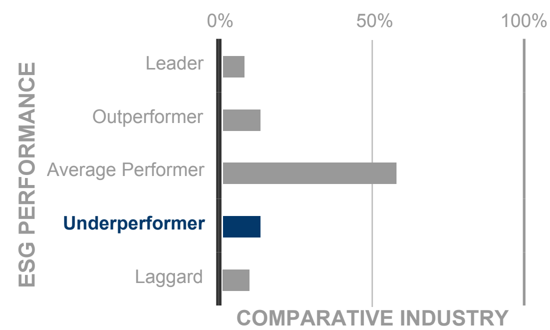
ESG RISK PROFILE

The graph below compares the Company's ESG performance to its involvement in controversies in order to provide an assessment of the Company's ESG risk profile.



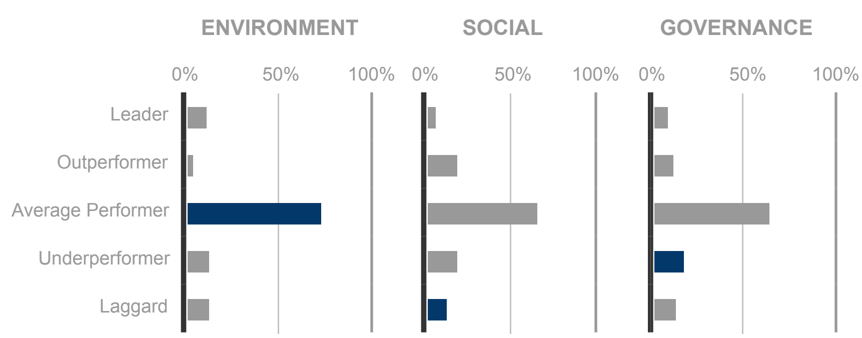
OVERALL ESG PERFORMANCE

The graph below indicates the percentage of companies in the comparative industry that fall within each ESG performance category.



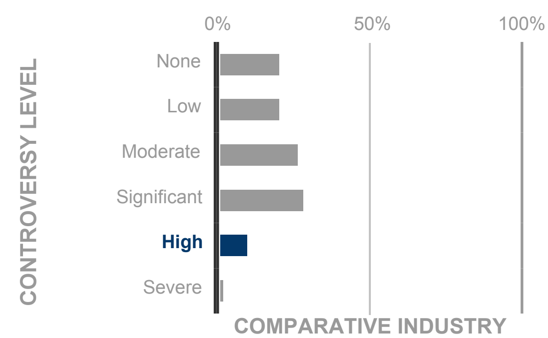
ESG PILLAR PERFORMANCE

For each pillar, the graph below indicates the percentage of companies in the comparative industry that fall within each ESG performance category. The governance pillar shown below is measured by Sustainalytics based on the Company's governance of sustainability issues.



HIGHEST CONTROVERSY LEVEL

The graph below indicates the percentage of companies in the comparative industry that fall within each controversy level.



Rows and categories shown in dark blue or bold represent the Company's category for the relevant assessment.

NOTEWORTHY CONTROVERSIES

SEVERE

Severe controversies are the most serious controversy level. They have the greatest negative impact on stakeholders and generate the greatest risk to a company's financial performance. Such controversies are highly exceptional. They indicate egregious practices and generally reflect a pattern of gross negligence, with the Company refusing to address the issue and/or concealing its involvement.

No severe controversies

HIGH

High-impact controversies are those that have major negative sustainability impacts and typically generate significant business risk to the Company. Such controversies are generally exceptions within an industry. They typically involve a pattern of negative events or impacts and indicate a lack of company preparedness to properly manage key sustainability issues.

Customer Incidents:

- **Quality and Safety**

SIGNIFICANT

Significant controversies have notable negative sustainability impacts and may generate business risk to the Company. Such controversies may be isolated or they may suggest a pattern, but they are generally not exceptional within an industry. However, they raise questions about whether a company's management systems are being implemented effectively and are able to address the issue in a satisfactory manner.

Operation Incidents:

- **Emissions,Effluents and Waste**

Society & Community Incidents:

- **Weapons**

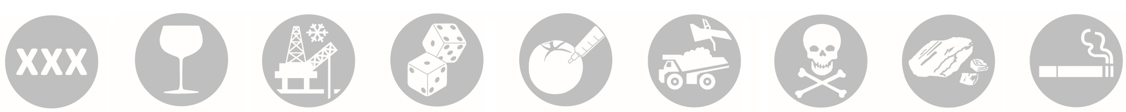
PRODUCT INVOLVEMENT*

Controversial Weapons

Range: N/A

The company is involved in the core weapon system, or components/services of the core weapon system that are considered tailor-made and essential for the lethal use of the weapon.

NO PRODUCT INVOLVEMENT



Adult Entertainment | Alcoholic Beverages | Arctic Drilling | Gambling | Genetically Modified Plants & Seeds | Oil Sands | Pesticides | Thermal Coal | Tobacco

*Range values represent the percentage of the Company's revenue. N/A is shown where Sustainalytics captures only whether or not the Company is involved in the product.

DISCLAIMER

COMPLETENESS, ACCURACY OR FITNESS FOR A PARTICULAR PURPOSE.
Please refer to the FAQ for further details about this page.

All data and ratings provided by:

SUSTAINALYTICS

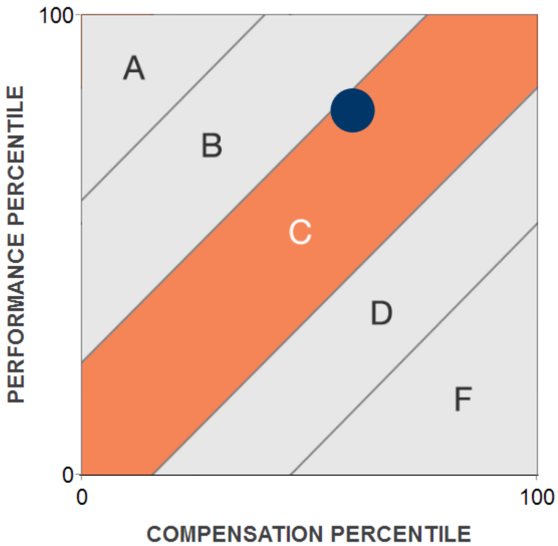
PAY-FOR-PERFORMANCE

The Boeing Company's executive compensation received a **C** grade in our proprietary pay-for-performance model. The Company paid more compensation to its named executive officers than the median compensation for a group of companies selected using Equilar's market based peer algorithm.The CEO was paid about the same as the median CEO compensation of these peer companies. Overall, the Company paid moderately more than its peers, but performed better than its peers.

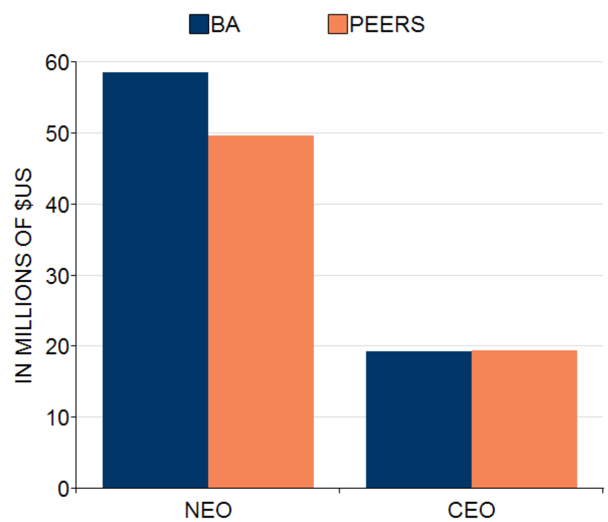
HISTORICAL COMPENSATION GRADE		
	FY 2018:	C
	FY 2017:	B
	FY 2016:	B

FY 2018 CEO COMPENSATION		
	SALARY:	$1,700,000
	GDFV EQUITY:	$7,103,126
	NEIP/OTHER:	$14,361,271
	TOTAL:	$23,164,397

FY 2018 PAY-FOR-PERFORMANCE GRADE



3-YEAR WEIGHTED AVERAGE COMPENSATION

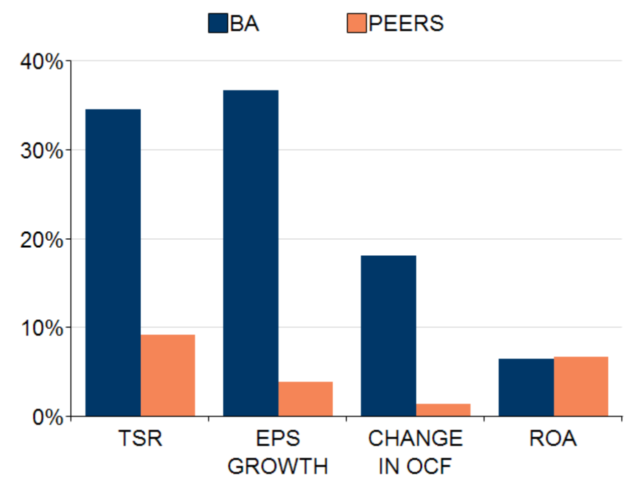


EQUILAR PEERS VS PEERS DISCLOSED BY COMPANY

EQUILAR	BA
United Technologies Corporation*	Raytheon Company
Lockheed Martin Corporation*	3M Company
Ford Motor Company*	Microsoft Corporation
Exxon Mobil Corporation*	Cisco Systems, Inc.
IBM*	Chevron Corporation
Caterpillar Inc.*	United Parcel Service, Inc.
AT&T Inc.*	
Verizon Communications Inc.*	
General Electric Company	
The Procter & Gamble Company*	
Johnson & Johnson*	
General Dynamics Corporation*	
Honeywell International Inc.*	
Northrop Grumman Corporation*	
Intel Corporation*	

**ALSO DISCLOSED BY BA*

SHAREHOLDER WEALTH AND BUSINESS PERFORMANCE



Analysis for the year ended 12/31/2018. Performance measures, except ROA and ROE, are based on the weighted average of annualized 1, 2, and 3 year data. Compensation figures are weighted average 3-year data calculated by Glass Lewis based on information disclosed by the Company and its peers in their proxy filings. For Canadian peers, equity awards are normalized using the grant date exchange rate and cash compensation data is normalized using the fiscal year average exchange rate.

Equilar peers are updated in January and July. Peer data is based on public information, as well as information provided to Equilar during its open submission periods. The "Peers Disclosed by Company" data is based on public information only. Glass Lewis may exclude certain peers from the Pay for Performance analysis based on factors such as trading status and/or data availability. For details of exclusion criteria, go to: www.glasslewis.com. For more information about Equilar peer groups, go to: www.equilar.com

BOEING 737 MAX 8 AIRCRAFT

On October 29, 2018, Lion Air Flight 610, fatally crashed in to the Java Sea 13 minutes after take off from Soekarno–Hatta International Airport in Jakarta, Indonesia, killed all 189 passengers and crew. The aircraft used was the Boeing 737 MAX 8 which the Company delivered to Lion Air in August 2018.

On November 28, 2019, The Komite Nasional Keselamatan Transportas ("KNKT"), or Indonesia's National Transportation Safety Committee released its preliminary report of its investigation of the incident. The KNKT disclosed in its findings that several factors contributed to the doomed flight, but notably it mentioned the faulty Angle of Attack sensors automatically engaged the plane's *Maneuvering Characteristics Augmentation System* ("MCAS") system causing pilots to attempt to override the system. The report mentions that the Company had already responded by issuing a Flight Crew Operation Manual Bulletin which instructed pilots how to operate the aircraft if the aforementioned sensors provided false information to the system.

On March 10, 2019 another Boeing 737 MAX 8 aircraft was involved in a fatal accident. The Ethiopian Airlines Flight 302 departing from Addis Ababa bore many similarities to the Lion Air crash; the aircraft was new and the incident happened within minutes of takeoff. The second accident of the same aircraft in two months prompted a worldwide grounding of the plane which continues to impact airlines until now.

On April 5, 2019 the Ethiopian Ministry of Transport released its preliminary findings of its investigation. It found that there was no pilot error and urged the manufacturer, the Company, to address the navigation system. Each aircraft was less than four months old and both shared similar flight profiles.

In response to the findings, Dennis Muilenburg, the Company's CEO, released a statement admitting, "[these] accidents were caused by a chain of events, with a common chain link being erroneous activation of the aircraft's MCAS function". As the Company works to resolve issues with the aircraft, Muilenburg announced that the company will slow production to 42 planes a month, down from the planned increase of 57 planes a month as stated in the Company's annual report.

REPUTATIONAL AND ECONOMIC IMPACT

In the weeks following the incident, various stakeholders began to question the reliability and trustworthiness of the aircraft. The Department of Transportation initiated an additional audit of the FAA's certification of the aircraft while the FAA faced scrutiny by the US Congress on its certification process and relationship with the Company. Garuda Indonesia, the national carrier of Indonesia, announced that it would cancel its $4.9 billion order for the 737 Max 8 plane. While several airlines, including US-based airlines Southwest and American Airlines, are waiting for directives from the FAA, many have begun canceling routes that were to be serviced by the aircraft. American Airlines, which operates 24 of these planes, have cut 1,200 flights which extends cancellations through June 30, 2019. Southwest Airlines has removed all 737 Max Aircraft from its schedule through June 7, 2019.

Several lawsuits have been filed against the Company by the families of the victims of both crashes. Additionally, shareholders and members of the Company's defined contribution plans are also filing lawsuits alleging "[the Company] failed to publicly disclose the problems inherent to the aircraft, which led to [the Company's] stock price being artificially inflated".

1.00: ELECTION OF DIRECTORS

SPLIT

PROPOSAL REQUEST: Election of thirteen directors

ELECTION METHOD: Majority w/ Resignation Policy

RECOMMENDATIONS & CONCERNS:

AGAINST: **L. Kellner** (Other unique issue)

FOR: **D. Muilenburg** ; **R. Bradway** ; **D. Calhoun** ; **A. Collins, Jr.** ; **E. Giambastiani, Jr.** ; **L. Good** ; **N. Haley** ; **C. Kennedy** ; **E. Liddy** ; **S. Schwab** ; **R. Williams** ; **M. Zafirovski**

BOARD OF DIRECTORS

UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWNERSHIP**	AUDIT	COMP	GOV	NOM	E&S^	TERM START	TERM END	YEARS ON BOARD
✔	Dennis A. Muilenburg* ·*CEO* ·*Chair*	55	M	Insider 1	Not Independent	Yes						2015	2019	4
✔	Robert A. Bradway*	56	M	Independent	Independent	Yes	✔					2016	2019	3
✔	David L. Calhoun ·*Lead Director*	61	M	Independent 2	Independent	Yes		✔	C	C		2009	2019	10
✔	Arthur D. Collins, Jr.	71	M	Independent	Independent	Yes		C	✔	✔		2007	2019	12
✔	Edmund P. Giambastiani, Jr.	70	M	Independent	Independent	Yes	✔					2009	2019	10
✔	Lynn J. Good*	59	F	Independent	Independent	Yes	✔					2015	2019	4
✔	Nikki R Haley	47	F	Independent	Independent	No						2019	2019	0
⊖ ✔	Lawrence W. Kellner	60	M	Independent	Independent	Yes	C					2011	2019	8
✔	Caroline B. Kennedy	61	F	Independent	Independent	Yes	✔					2017	2019	2
✔	Edward M. Liddy	73	M	Independent	Independent	Yes		✔	✔	✔		2010	2019	9
✔	Susan C. Schwab	63	F	Independent	Independent	Yes	✔					2010	2019	9
✔	Ronald A. Williams	69	M	Independent	Independent	Yes	✔					2010	2019	9
✔	Mike S. Zafirovski	65	M	Independent	Independent	Yes		✔	✔	✔		2004	2019	15

C = Chair, * = Public Company Executive, ⊖ = Withhold or Against Recommendation

1. Chair, president and CEO.
2. Lead independent director.

***Percentages displayed for ownership above 5%, when available*
^Indicates board oversight responsibility for environmental and social issues. If this column is empty it indicates that the Company has not provided explicit disclosure concerning the board's role in overseeing environmental and social issues.

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Dennis A. Muilenburg	Yes	Yes	(1) Caterpillar Inc.
Robert A. Bradway	Yes	Yes	(1) Amgen Inc. C E
David L. Calhoun	Yes	No	(2) Caterpillar Inc.; Gates Industrial Corporation plc
Arthur D. Collins, Jr.	Yes	No	(2) U.S. Bancorp; Arconic Inc.
Edmund P. Giambastiani, Jr.	Yes	No	(2) Oppenheimer Funds; THL Credit, Inc.
Lynn J. Good	Yes	Yes	(1) Duke Energy Corporation C E
Nikki R Haley	N/A	No	None
Lawrence W. Kellner	Yes	No	(2) Marriott International, Inc.; Sabre Corporation C
Caroline B. Kennedy	Yes	No	None
Edward M. Liddy	Yes	No	(3) Abbott Laboratories; 3M Company; AbbVie Inc.
Susan C. Schwab	Yes	No	(3) FedEx Corporation; Caterpillar Inc.; Marriott International, Inc.
Ronald A. Williams	Yes	No	(2) American Express Company; Johnson & Johnson
Mike S. Zafirovski	Yes	No	(1) Stericycle, Inc.

C = Chair, E = Executive

MARKET PRACTICE

INDEPENDENCE AND COMPOSITION	BA*	REQUIREMENT	BEST PRACTICE
Independent Chair	No	No[1]	Yes[5]
Board Independence	92%	Majority[2]	66.7%[5]
Audit Committee Independence	100% ; Independent Chair	100%[3]	100%[5]
Compensation Committee Independence	100% ; Independent Chair	100%[2]	100%[5]
Nominating Committee Independence	100% ; Independent Chair	100%[2]	100%[5]
Percentage of women on board	31%	N/A[4]	N/A[4]
Directors' biographies	Proxy Statement		

** Based on Glass Lewis Classification*

1. *NYSE Listed Company Manual*
2. *Independence as defined by NYSE listing rules*
3. *Securities Exchange Act Rule 10A-3 and NYSE listing rules*
4. *No current marketplace listing requirement*
5. *CII*

Glass Lewis believes that boards should: (i) be at least two-thirds independent; (ii) have standing audit, compensation and nomination committees comprised solely of independent directors; and (iii) designate an independent chair, or failing that, a lead independent director.

GLASS LEWIS ANALYSIS

We believe it is important for shareholders to be mindful of the following:

BOARD AND COMMITTEE CHANGES

We note the following board changes, which have occurred since the publication of our last Proxy Paper:

DIRECTOR	ROLE	BOARD NOTES	COMMITTEE NOTES
Kenneth M. Duberstein	Independent Director	Retiring at annual meeting	Left: • Compensation • Governance and nominating
Nikki R. Haley	Independent Director	Appointed February 26, 2019	

NEW COMMITTEE TO REVIEW AIRPLANE DESIGN AND DEVELOPMENT

In a statement made on April 5, 2019, the Company's CEO, Dennis Muilenberg, asked the board to establish a committee to review the Company's policies and processes for the design and development of the airplanes the Company builds. The committee is expected to confirm the effectiveness of the Company's policies and processes for assuring the highest level of safety on the 737-MAX program, as well as the Company's other airplane programs, and to recommend improvements to the Company's policies and procedures.

The following directors have been appointed to the committee: Adm. Edmund P. Giambastiani, Jr. (Chair), Robert A. Bradway, Lynn J. Good, and Edward M. Liddy.

RECOMMENDATIONS

We recommend that shareholders oppose the election of the following nominee based on the following:

RISK MANAGEMENT CONCERNS STEMMING FROM 737 MAX 8

Director **KELLNER** is chair of the audit committee. According to the Company’s audit committee charter, the audit committee is responsible for, among other things, discussing with management the Company's policies, practices and guidelines regarding risk assessment and management, and reviewing the Company's compliance with its risk management processes. In making our recommendation, we thoroughly considered the role of the board in times of crisis and the responsibilities of each committee to anticipate and manage risk.

We recognize that the Company's response to the issues surrounding the 737 Max 8 aircraft is ongoing. However, as detailed in the Company Updates section of this report, the incidents have already had a substantial negative impact on the Company's sales and reputation. Considering the loss of lives in the accidents, the reputational harm to the Company, and the negative impact on future sales of the aircraft, we believe these incidents indicate a potential lapse in the board's oversight of risk management. We believe the audit committee should have taken a more proactive role in identifying the risks associated with the 737 Max 8 aircraft. As such, we believe shareholders would be best served with rotation at the board level of the Company's risk management function.

We recommend that shareholders vote:

AGAINST: Kellner

FOR: Bradway; Calhoun; Collins, Jr.; Giambastiani, Jr.; Good; Haley; Kennedy; Liddy; Muilenburg; Schwab; Williams; Zafirovski

The Company discloses the following biographical information for director Nikki R Haley, a new nominee to the board:

Nikki R Haley The Board has nominated Ambassador Haley to be elected to the Board of Directors at the 2019 Annual Meeting of Shareholders. Ambassador Haley would bring to the Board extensive experience in government and international affairs. During her distinguished career as a legislator, governor, and member of the President’s cabinet, Ambassador Haley has demonstrated strong leadership abilities, significant achievement in both domestic and foreign policy, and a commitment to a vibrant and sustainable U.S. industrial base. In addition, Ambassador Haley has a record of accomplishment in areas that are critical to Boeing’s long-term success, such as industrial policy, education, human rights, and international relations. The Board believes that these skills will strengthen the Board’s oversight of Boeing’s long-term business strategy as well as its relationships with its global customer base and other key stakeholders.

2.00: ADVISORY VOTE ON EXECUTIVE COMPENSATION

FOR

PROPOSAL REQUEST:	Approval of Executive Pay Package	**PAY FOR PERFORMANCE GRADES:**	**FY 2018** C **FY 2017** B **FY 2016** B
PRIOR YEAR VOTE RESULT (FOR):	92.8%	**RECOMMENDATION:**	FOR
STRUCTURE:	Fair		
DISCLOSURE:	Fair		

EXECUTIVE SUMMARY

SUMMARY ANALYSIS

The Company continued to adequately align executive pay with performance for the year under review. As a result, we believe shareholders can reasonably support the Company's executive pay program for fiscal 2018. Moving forward, we will closely monitor CEO pay trends as it continued to rise year-on-year in 2018 amid increased long-term incentive opportunities.

COMPENSATION HIGHLIGHTS

- STI: Performance-based; most recent awards paid out at above target.
- LTI: Performance-based and time-based; most recent PSU awards paid out at max, and most recent Performance Award paid out above target
- One-time: Retention awards granted during the past fiscal year.

SUMMARY COMPENSATION TABLE

NAMED EXECUTIVE OFFICERS	BASE SALARY	BONUS & NEIP	EQUITY AWARDS	TOTAL COMP
Dennis A. Muilenburg *Chairman, President and Chief Executive Officer*	$1,700,000	$13,076,350	$7,330,916	$23,392,187
Gregory D. Smith *Chief Financial Officer and Executive Vice President, Enterprise Performance and Strategy*	$1,032,462	$4,574,957	$2,550,173	$8,682,058
Leanne G. Caret *Executive Vice President, President and Chief Executive Officer, Boeing Defense, Space and Security*	$871,731	$2,564,413	$6,946,758	$10,727,525
Gregory L. Hyslop *Chief Technology Officer and Senior Vice President, Boeing Engineering, Test and Technology*	$601,663	$1,298,246	$6,131,208	$8,567,157
J. Michael Luttig *Executive Vice President and General Counsel*	$959,346	$4,325,735	$1,907,572	$7,810,598

CEO to Avg NEO Pay: 2.61: 1

CEO SUMMARY

	2018 DENNIS A. MUILENBURG	2017 DENNIS A. MUILENBURG	2016 DENNIS A. MUILENBURG
Total CEO Compensation	$23,392,187	$18,450,416	$15,066,290
1-year TSR	11.5%	94.7%	11.3%
CEO to Peer Median *	1.2:1	1.0:1	0.8:1
Fixed/Perf.-Based/Discretionary **	12.9% / 71.2% / 15.9%	15.8% / 67.1% / 17.1%	15.8% / 67.7% / 16.5%

* Calculated using Company-disclosed peers. ** Percentages based on the CEO Compensation Breakdown values.

CEO COMPENSATION BREAKDOWN

FIXED	**Cash**		**$3.0M**
	Salary		$1.7M
	Benefits / Other		$1.3M
		Total Fixed	$3.0M

PERFORMANCE-BASED	**PSUs**		**$3.7M**
	Long-term Incentive Plan		$3.7M
	Target/Maximum	9,392 shares / 18,784 shares	
	Metrics	TSR	
	Performance Period	3 years	
	Additional Vesting / Deferral Period	-	
	Cash		**$5.4M**
	Short-term Incentive Plan		$5.4M
	Target/Maximum	$3.0M / $6.0M	
	Metrics	Revenue, Core EPS, Free Cash Flow, Individual Performance	
	Performance Period	1 year	
	Additional Vesting / Deferral Period	-	
	Performance Awards *		**$7.3M**
	Long-term Incentive Plan		$7.3M
	Target/Maximum	$7.3M / $14.7M	
	Metrics	Core EPS, Free Cash Flow, Revenue	
	Performance Period	3 years	
	Additional Vesting / Deferral Period	-	
		Total Performance-Based	$16.4M

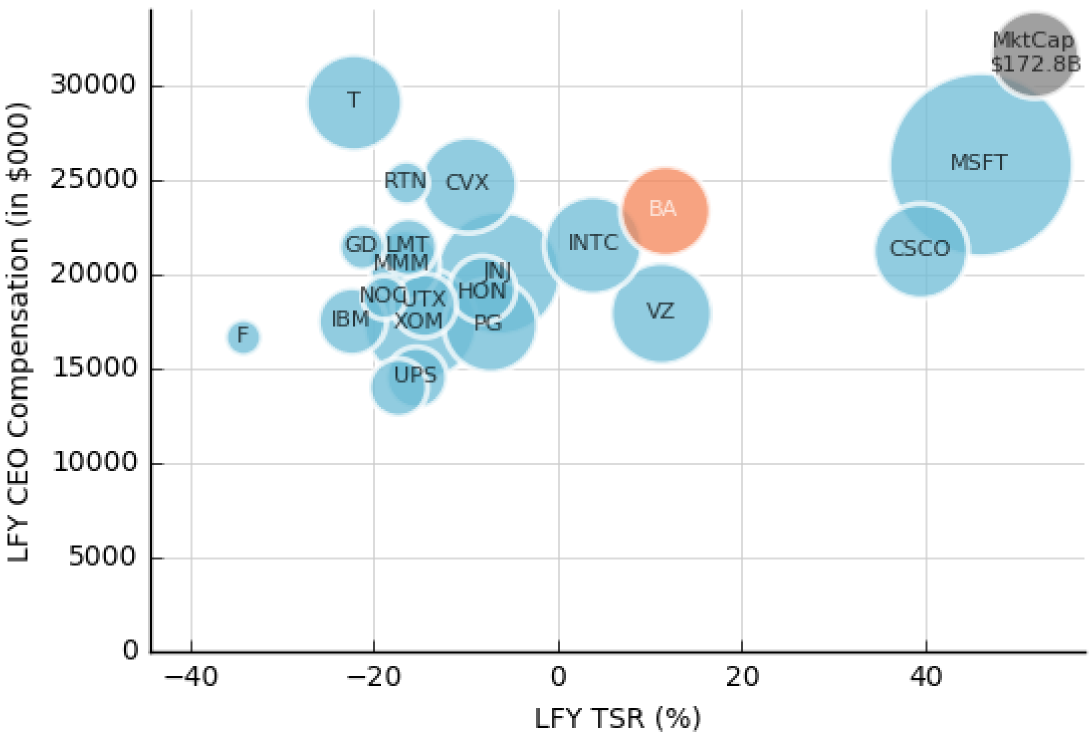
TIME-VESTING/ DISCRETIONARY	**RSUs**		**$3.7M**
	Long-term Incentive Plan		$3.7M
	Vesting / Deferral Period	3 years (cliff)	
		Total Time-Vesting/Discretionary	$3.7M

Awarded Incentive Pay	**$20.1M**
Total Pay Excluding change in pension value and NQDCE	**$23.1M**

PEER GROUP REVIEW [1 2 3 4]

The Company benchmarks NEO compensation to a peer group consisting of 20 companies. Total NEO compensation is targeted at the 50th percentile of the peer group.

	MARKET CAP	REVENUE	CEO COMP	1-YEAR TSR	3-YEAR TSR	5-YEAR TSR
75th PERCENTILE OF PEER GROUP	$210.6B	$120.6B	$21.5M	-7.0%	12.2%	14.0%
MEDIAN OF PEER GROUP	$107.1B	$68.8B	$19.7M	-15.3%	9.7%	9.3%
25th PERCENTILE OF PEER GROUP	$74.7B	$45.6B	$17.5M	-18.3%	3.4%	1.2%
COMPANY	$183.1B (56th %ile)	$101.1B (70th %ile)	$23.4M (80th %ile)	11.5% (87th %ile)	34.2% (Highest)	21.9% (94th %ile)



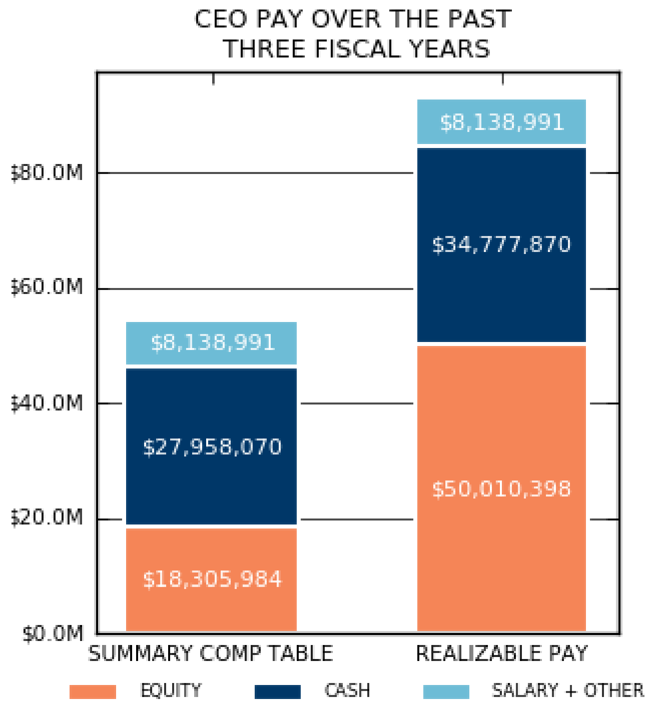
1 Market capitalization figures are as of fiscal year end dates. *Source: Capital IQ*

2 Annual revenue figures are as of fiscal year end dates. *Source: Capital IQ*

3 Annualized TSR figures are as of fiscal year end dates. *Source: Capital IQ*

4 Annual CEO compensation data based on the most recent proxy statement for each company.

REALIZABLE PAY [1]



1 Compensation data provided by Equilar, Inc. For additional information, please contact info@equilar.com.

EXECUTIVE COMPENSATION STRUCTURE - SYNOPSIS

FIXED

Base salaries did not increase significantly during the past fiscal year.

SHORT-TERM INCENTIVES

	STI PLAN
AWARDS GRANTED (PAST FY)	*Cash*
TARGET PAYOUTS	*$2,975,000 for the CEO and up to $1,136,888 for the other NEOs*
MAXIMUM PAYOUTS	*$5,950,000 for the CEO and up to $2,273,776 for the other NEOs*
ACTUAL PAYOUTS	*$5,432,350 for the CEO and up to $2,075,957 for the other NEOs*

Performance is measured over one year.

		FREE CASH FLOW	REVENUE	CORE EPS	INDIVIDUAL PERFORMANCE
METRICS		Absolute	Absolute	Absolute	Absolute
	Weighting	50%	25%	25%	Modifier (0% to 200%)
	Threshold Performance	N/D	N/D	N/D	N/A
	Target Performance	$12.8B	$97.0B	$14.00	N/A
	Maximum Performance	N/D	N/D	N/D	N/A
	Actual Performance	$13.6B	$100.8B	$15.51	N/A

LONG-TERM INCENTIVES

	LTI PLAN
AWARDS GRANTED (PAST FY)	*Performance Award, PSUs and RSUs*
TARGET PAYOUTS	*PSUs: 9,392 shares for the CEO and up to 3,267 shares for the other NEOs* *Performance Awards: $7,331,300 for the CEO and up to $2,550,000 for the other NEOs*
MAXIMUM PAYOUTS	*PSUs: 18,784 shares for the CEO and up to 6,534 shares for the other NEOs* *Performance Awards: $14,662,600 for the CEO and up to $5,100,000 for the other NEOs*
TIME-VESTING PAYOUTS	*RSUs: 10,150 shares for the CEO and up to 3,531 shares for the other NEOs*

PSU performance is measured over three years.

Performance award performance is measured over three years. Earned awards may be paid in cash or stock.

RSU awards vest over three years.

PSU grants are subject to an overall cap of 400% of grant date target value.

METRICS FOR PSUS

	TSR
	Relative to the peer group
Weighting	100%
Threshold Performance	20th %ile
Target Performance	Not clearly disclosed
Maximum Performance	91st %ile

METRICS FOR PERFORMANCE AWARDS

	FREE CASH FLOW	CORE EPS	REVENUE
	Absolute	Absolute	Absolute
Weighting	50%	25%	25%
Threshold Performance	N/D	N/D	N/D
Target Performance	N/D	N/D	N/D
Maximum Performance	N/D	N/D	N/D

ONE-TIME PAYMENTS

NEO	TYPE OF PAYMENT	AWARD	PERF. PERIOD	VESTING PERIOD	VALUE
Leanne G. Caret	Retention	RSUs	N/A	4 years	$5,416,950
Gregory L. Hyslop	Retention	RSUs	N/A	4 years	$5,416,950

RISK-MITIGATING POLICIES

CLAWBACK POLICY	*Yes - Expanded*
ANTI-HEDGING POLICY	*Yes*
STOCK OWNERSHIP GUIDELINES	*Yes - all NEOs*

SEPARATION & CIC BENEFITS

HIGHEST SEVERANCE ENTITLEMENT	*1x base salary*
CIC EQUITY TREATMENT	*Double-trigger acceleration*
EXCISE TAX GROSS-UPS	*No*

OTHER FEATURES

LFY CEO TO MEDIAN EMPLOYEE PAY RATIO *	*184:1*
SUSTAINABILITY METRICS	*No*
BENCHMARK FOR CEO PAY	*50th percentile*

* Highest disclosed, if applicable

GLASS LEWIS ANALYSIS

This proposal seeks shareholder approval of a non-binding, advisory vote on the Company's executive compensation. Glass Lewis believes firms should fully disclose and explain all aspects of their executives' compensation in such a way that shareholders can comprehend and analyze the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance.

PROGRAM FEATURES [1]

POSITIVE

- Alignment of pay with performance
- LTIP performance-based
- STIP performance-based
- STI-LTI payout balance
- No single-trigger CIC benefits
- Anti-hedging policy
- Enhanced clawback policy for NEOs
- Executive stock ownership guidelines for NEOs

NEGATIVE

- Insufficient disclosure of STIP and LTIP performance goals
- Significant overlap in metrics used under STIP and LTIP

[1] Both positive and negative compensation features are ranked according to Glass Lewis' view of their importance or severity

AREAS OF FOCUS

VARIABLE COMPENSATION

Overlapping Performance Conditions
The Company's short- and long-term incentive arrangements are based on similar metrics, which may allow for a high level of pay-out (or lack thereof) for performance against similar targets. We believe the best compensation policies are based on a variety of performance metrics, which better gauge a Company's overall financial health and performance. In this case, the significant degree of overlap in the metrics places considerable pressure on a narrow mix of results, increasing the risk that the incentive structure may drive potentially risky behavior.

DISCLOSURE

Performance Goals Not Disclosed for Long-Term Incentives
The Company has failed to provide a clear description of threshold, target and maximum goals under the LTI plan and the threshold and maximum goals for the STI plan. We believe clearly defined performance targets are essential for shareholders to fully understand and evaluate the Company's procedures for quantifying performance into payouts for its executives. In this case, we acknowledge that the Company discloses performance goals for earned awards in this year's proxy statement, mitigating our concerns to some extent.

ONE-TIME PAYMENTS

One-Off Awards
For the year in review, the Company granted certain NEOs supplemental awards outside of its normal incentive plans. We believe shareholders should generally be wary of awards granted outside of the standard incentive schemes, as such awards have the potential to undermine the integrity of a company's regular incentive plans, the link between pay and

performance or both. We generally believe that if the existing incentive programs fail to provide adequate incentives to executives, companies should redesign their compensation programs rather than make additional grants.

2018 PAY FOR PERFORMANCE: C

As indicated by Glass Lewis' pay-for-performance model, the Company has sufficiently aligned executive pay and corporate performance for the year in review. At this point in time, Glass Lewis has not identified pay-for-performance issues with this Company that should be of substantial concern to shareholders.

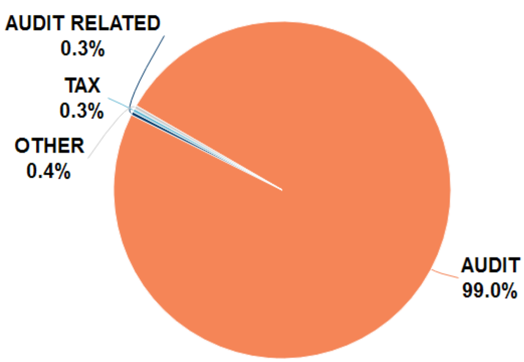
CONCLUSION

We recommend that shareholders vote **FOR** this proposal.

3.00: RATIFICATION OF AUDITOR

FOR

PROPOSAL REQUEST:	Ratification of Deloitte & Touche	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	97%	**FOR-**	No material concerns
BINDING/ADVISORY:	Advisory		
REQUIRED TO APPROVE:	Majority of votes cast		
AUDITOR OPINION:	Unqualified		



AUDITOR FEES

	2018	2017	2016
Audit Fees:	$30,300,000	$30,700,000	$28,000,000
Audit-Related Fees:	$100,000	$100,000	$400,000
Tax Fees:	$100,000	$100,000	$100,000
All Other Fees:	$100,000	$100,000	$100,000
Total Fees:	$30,600,000	$31,000,000	$28,600,000
Auditor:	Deloitte & Touche	Deloitte & Touche	Deloitte & Touche

Years Serving Company:	85
Restatement in Past 12 Months:	No
Alternate Dispute Resolution:	No
Auditor Liability Caps:	No
Lead Audit Partner:	Lawrence David Patrick

GLASS LEWIS ANALYSIS

The fees paid for non-audit-related services are reasonable and the Company discloses appropriate information about these services in its filings.

We recommend that shareholders vote **FOR** the ratification of the appointment of Deloitte & Touche as the Company's auditor for fiscal year 2019.

4.00: SHAREHOLDER PROPOSAL REGARDING LOBBYING REPORT

FOR

PROPOSAL REQUEST:	That the Company provide an annually updated report regarding its lobbying activities	**SHAREHOLDER PROPONENT:**	Not disclosed
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	24.4%	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- Increased disclosure would allow shareholders to more fully assess risks presented by the Company's indirect lobbying activities

GLASS LEWIS REASONING

- The Company provides little information concerning its lobbying activities, including its memberships in and payments to trade associations; and
- We believe that adoption of the requested reporting would benefit shareholders by allowing them to weigh the risks of the Company's political involvement and indirect political spending.

PROPOSAL SUMMARY

Text of Resolution: *Resolved, the shareholders of Boeing request the preparation of a report, updated annually, disclosing:*

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.

2. Payments by Boeing used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.

3. Boeing's membership in and payments to any tax-exempt organization that writes and endorses model legislation.

4. Description of management's and the Board's decision making process and oversight for making payments described above.

For purposes of this proposal, a "grassroots lobbying communication" is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. "Indirect lobbying" is lobbying engaged in by a trade association or other organization of which Boeing is a member.

Both "direct and indirect lobbying" and "grassroots lobbying communications" include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on Boeing's website.

Proponent's Perspective

- Full disclosure of the Company's direct and indirect lobbying activities and expenditures helps shareholders assess whether its lobbying is consistent with its expressed goals and is in the best interests of shareholders;
- The Company spent $137,675,000 from 2010 to 2017 on federal lobbying, and these figures do not include state lobbying, where the Company also lobbies but disclosure is uneven or absent;
- The Company's lobbying over state tax breaks has drawn attention;
- The Company's trade association involvement remains opaque;
- The Company does not disclose its memberships in, or payments to, trade associations, or the amounts used for lobbying;
- The Company prohibits its trade association payments from being used for political contributions, but this does not cover payments used for lobbying, which leaves a serious disclosure gap, as trade associations generally spend far more on lobbying than on political contributions;

Board's Perspective

- The Company has discussed the subject matter of this proposal with many of its largest shareholders, and the board's view with respect to this proposal was informed by those discussions;
- The proposal is unnecessary due to the transparency of the Company's lobbying expenditures and strong risk mitigation procedures;
- The Company regularly engages in public policy debates at the federal, state, and local levels, and the board requires that all such activities comply with applicable laws and regulations and the Company's high standards of ethical conduct;
- Consistent with the board's requirements, the Company has instituted full transparency into, and extensive oversight of, any political expenditures by the Company, and has implemented additional policies and procedures with respect to its lobbying and advocacy activities, including expenditures to trade associations;
- The Company files both quarterly and semi-annual federal

- Without disclosure and accountability, lobbying efforts could jeopardize the Company's reputation and business interests;
- The Company is on the board of the National Association of Manufacturers, which spent $79,550,014 on lobbying from 2010 to 2017 and helped found the Main Street Investors Coalition ("MSIC");
- MSIC has been described as "a Washington organization that purports to represent the little guy... And yet... The group is actually funded by big business interests that want to diminish the ability of pension funds and large 401(k) plans... to influence certain corporate governance issues;" and
- MSIC's advocacy objectives conflict with shareholder interests and the Company's MSIC affiliation poses reputational risks.

The proponent has provided additional information concerning its rationale for this proposal.

Lobbying Disclosure Act reports with Congress, which are publicly available, and detail the Company's lobbying expenditures, issues lobbied on, government entities lobbied, Company lobbyists, and expenditures of the Boeing Political Action Committee ("BPAC"), a voluntary, non-partisan, employee-sponsored political action committee, and the Company files similar reports when required at the state level;
- The Company posts complete information about federal, state, and local political expenditures by the Company and the BPAC, and the website also describes policies and procedures for Company political contributions, including board oversight procedures and other internal authorizations required before contributions may be made;
- The Company's executive vice president, government operations, reports regularly to the board on the Company's lobbying and other advocacy activities;
- The Company has not made any contributions from corporate funds to federal, state, or local candidates or political parties or ballot initiatives in the last seven years;
- The Company prohibits trade associations and other third-party organizations from using its funds for any election-related political expenditure;
- Information about the oversight of the Company's lobbying activities is available on its website;
- The Company's robust policies and procedures enhance shareholder value, minimize financial and reputational risk, and reflect its commitment to legal compliance, strong corporate governance, and high ethical standards;
- The 2018 CPA-Zicklin Index of Corporate Political Accountability and Disclosure lists the Company as a "trendsetter" for its exemplary efforts with respect to political transparency and accountability;
- During many discussions with its largest shareholders as part of the Company's regular engagement on governance issues, shareholders uniformly expressed satisfaction with the Company's level of disclosure and the rigor of its oversight in this area;
- The Company works with trade associations for many reasons unrelated to political or issue advocacy, and this proposal's mandatory reporting requirements would mislead shareholders and the public, and potentially undermine the Company's business strategies;
- The board supports the Company's involvement in trade, industry, and civic groups that provide technical, business, professional, and related expertise on matters critical to its success;
- Certain trade organizations may promote the Company's interests on matters of public policy, but their views may not always reflect the Company's views;
- It would be misleading to suggest that trade associations' lobbying activities were directed by the Company, or that the Company's dues were paid either partially or entirely to fund lobbying, and the disclosure sought by this proposal with respect to trade associations would purport to send just such a message; and
- The reporting sought by this proposal could reveal to the Company's competitors, for reasons wholly unrelated to political advocacy, sensitive aspects of the Company's corporate strategy.

GLASS LEWIS ANALYSIS

Companies should provide sufficient disclosure of the use of company funds for political purposes, including grants made to politically active trade associations in order to allow shareholders to evaluate the use of such grants as well as the oversight provided over the making of such grants. Shareholders should evaluate whether benefits of the additional disclosure outweighs the burden to the company.

We believe that companies should consider their exposure to risk stemming from making corporate political expenditures and the nature of board oversight over such spending. Informative disclosure and a robust board oversight of political contributions are important components of corporate accountability. In our view, a rigorous board oversight process can mitigate a company's legal, reputational, and financial risks by ensuring that donations are made in accordance with federal and state laws, consistent with a company's stated values, and will clearly lead to the protection or enhancement of long-term shareholder value.

Given the dramatic increase in overall political spending and the Citizens United Supreme Court decision, investors, spurred by risk concerns, are increasingly seeking more information from companies about their political activities. For detailed information on corporate political spending, including the history, relevant regulation, various ways companies contribute to political causes, and empirical evidence regarding such spending, please see Glass Lewis' *In-Depth: Corporate Political Spending*.

When evaluating whether the report requested would benefit shareholders, Glass Lewis reviews the following information: (i) whether the disclosure provided by the Company is accessible and meaningful; (ii) the level of oversight afforded to the Company's corporate political spending; (iii) how the Company's disclosure and oversight compares with that of its peers; and (iv) any risks to shareholder value as a result of the Company's corporate political spending.

COMPANY ANALYSIS

Company Name	The Boeing Company (NYSE: BA)	General Dynamics Corporation (NYSE: GD)	Lockheed Martin Corporation (NYSE: LMT)
Level of Oversight	States that its process for approving corporate political contributions in state and local elections and ballot initiatives requires the board to authorize a budget for such contributions and that such contributions would be made in accordance with the specific authority granted by the board. Further, its executive vice president, government operations reports regularly to the board on lobbying and other advocacy activities.	The board receives annual briefings on prior-year corporate-wide political spending.	The ethics and sustainability committee oversees advocacy efforts, government affairs activities, and political spending, receives reports from management on these matters, supervises the policies, and reviews the purposes and benefits of these activities.
Corporate Political Spending Policy	Yes	Yes	Yes
Direct Political Contributions Disclosure	States that since 2010, it has not made any contributions from corporate funds to state or local candidates or political parties. Also, it has not expended any corporate funds since 2011 in support of or opposition to ballot initiatives, or since 2012 for political contributions to section 527 entities. It also has not contributed and does not contribute corporate funds to Super PACs, or for electioneering communications or independent expenditures.	Provides an aggregate total for state and local contributions in 2017, and states that in April 2014 it instituted a policy to no longer make contributions to section 527 organizations.	Provides annual itemized lists of its corporate state political contributions and states that it does not provide funding to 527 organizations that are not registered as a federal or state political committee except the Democratic Governors Association and the Republican Governors Association and provides an itemized list of its contributions to these organizations.
	States that its policy is to prohibit outside organizations such as trade associations from using its funds for any election-related political expenditure and that it has requested and received written	Provides a partial list of trade associations to which it contributed over $50,000 in 2017, stating that for all of these large associations, the portions of dues attributable to lobbying did not exceed 30% of its 2017 dues. Further provides an aggregate total for 2017 trade	Provides an annually-updated listing

Indirect Political Contributions Disclosure / Trade Associations Memberships	assurance of adherence to that policy by its largest trade associations, but that it does use corporate resources to support its viewpoint on important public policy issues, including expenditures for external entities who advocate on its behalf. However, it does not appear to provide a listing of such external entities or provide information concerning the amounts paid for lobbying purposes to such entities.	association dues, comprising business development/customer-related dues greater than $5,000. States that it has not been a member of or made payments to any organization that writes and endorses model legislation, such as ALEC. Also provides total annual lobbying contributions for each of the last three years. Further states that in April 2014 it instituted a policy to no longer make contributions to 501(c)(4) groups.	of the portion of its payments (in ranges of $25,000) to trade associations to which it paid dues of $50,000 or more in a single year that were not deductible under Section 162(e)(1) of the Internal Revenue Code.
2018 CPA-Zicklin Score	90.0 (Trendsetter)	42.9 (Third Tier)	78.6 (Second Tier)

Overall, we find that the Company's practices are relatively aligned with its peers. All of the companies have board-level oversight of political spending and disclose corporate political spending policies. The Company has not made any direct political contributions in several years, whereas peer Lockheed Martin provides an itemized list and peer General Dynamics discloses the total it contributes annually. However, the Company lags both of its peers with respect to its indirect contributions disclosure, not listing trade associations to which it contributes, but stating instead that it prohibits those organizations from using its dues for election-related political expenditure, and remaining silent on the issue of how these funds use its money for lobbying purposes. Lockheed Martin, on the other hand, provides an itemized list of contributions to trade associations and General Dynamics provides a partial itemized list; both companies use $50,000 in dues payments as a threshold for disclosing these groups.

737 MAX CONTROVERSY

The Company has very recently come under investigation after two of its 737 Max aircrafts were involved in fatal crashes. On October 29, 2018, Lion Air Flight 610 took off from Jakarta, Indonesia en route to Pangkal Pinang, Indonesia. The plane crashed 12 minutes after takeoff, with no survivors. Five months later, Ethiopian Airlines Flight 302 took off from Addis Ababa, Ethiopia on March 10, 2019, en route to Nairobi, Kenya, but crashed six minutes after takeoff, also resulting in no survivors. Specifically, the Company's political spending activities have come under media scrutiny as congressional investigators question how Boeing might have used its influence to get potentially faulty planes approved (Bart Jansen, John Fritze. "As Boeing Faces Scrutiny over the 737 Max 8, It Can Draw on High-Flying Influence Campaign." *USA Today*. March 16, 2019). Reportedly, targets of the Company's lobbying - Congress and the Federal Aviation Administration - supported efforts to delegate some safety-certification functions to the Company. Lawmakers are now questioning whether a new automated anti-stall system in the aircraft was properly vetted (Ted Mann, Siobhan Hughes. "Fast-Tracked Aircraft Certification, Pushed by Boeing, Comes Under the Spotlight." *The Wall Street Journal*. March 24, 2019).

RECOMMENDATION

While we recognize that the Company has met the minimum legal requirements for political expenditure disclosure, we believe the Company has not provided shareholders with sufficiently accessible disclosure regarding its indirect lobbying expenditures and that it should adopt more detailed disclosure to bring itself in line with its peers. Particularly given recent controversies concerning the Company's close ties to the government, we believe shareholders would benefit from improved lobbying disclosure. Given the nature of the Company's membership in trade organizations, we recognize disclosure of indirect political contributions and expenditures made with corporate funds may prove to be time-consuming and difficult. However, examining the use of such indirect contributions is essential to determining the effectiveness of such organizations in representing the Company's and shareholders' interests. We believe that given the potential negative repercussions from even small grants, such as those made by an association to which the Company has paid membership dues, providing improved disclosure would benefit shareholders by allowing them to weigh the risks of such donations.

We recommend that shareholders vote **FOR** this proposal.

5.00: SHAREHOLDER PROPOSAL REGARDING EXCLUDING SHARE REPURCHASES IN EXECUTIVE COMPENSATION

AGAINST

PROPOSAL REQUEST:	That the Company exclude the impact of share repurchases in metrics used for executive compensation programs	**SHAREHOLDER PROPONENT:**	Not disclosed
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We believe that the board generally has more and better information concerning a company's strategies and is thus in the best position to determine issues including the specifics of executive compensation plans and the execution of capital allocation strategies.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders of The Boeing Company (the "Company") urge the Compensation Committee of the Board of Directors to adopt a policy that financial performance metrics shall be adjusted, to the extent practicable, to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. The policy should be implemented in a way that does not violate existing contractual obligations or the terms of any plan.*

Proponent's Perspective

- Stock buybacks directly affect many of the financial ratios used as performance metrics for incentive pay of senior executives, such as increasing EPS, ROA, and ROE;
- While stock buybacks may boost stock prices in the short term, they can deprive companies of capital necessary for creating long term growth;
- Senior executives are responsible for improving the Company's operational performance, whereas the board is responsible for determining when stock buybacks are appropriate;
- Senior executives should not receive larger pay packages simply for reducing the number of shares outstanding;
- Executive pay should be aligned with operational results, not financial engineering;
- Stock buybacks reached record levels in 2018;
- According to data from S&P Dow Jones Indices, S&P 500 companies spent a combined total of $519.4 billion on stock repurchases and $419.77 billion on dividends in 2017, and together these combined totals of returned capital were equal to nearly 100% of reported earnings for S&P 500 companies in 2017;
- According to *The Economist*, "If firms are overdoing buy-backs and starving themselves of investment, artificially propped-up share prices will eventually tumble;"
- Large stock buybacks send "a discouraging message about a company's ability to use its resources wisely and develop a coherent plan to create value over the long term," Laurence Fink, chair and CEO of Blackrock, wrote in an April 14, 2015 letter to S&P 500 Index companies;
- The performance goals for the Company's annual incentive plan and long-term incentive program for senior executives include core EPS, a financial metric that can be inflated by stock buybacks; and
- The Company announced an $18 billion share buyback at the end of 2017, after spending over $9.2 billion buying back shares that year, meanwhile, only $3.2 billion was spent on research and development and $1.7 billion on capital expenditures in 2017.

Board's Perspective

- The Company's executive compensation strategy has long reflected a commitment to align the interests of the Company's executives with the interests of its shareholders;
- A key element of the Company's strategy is a mix of the following performance metrics: (i) total shareholder returns as compared to peers; (ii) free cash flow; (iii) revenue; (iv) core EPS; and (v) economic profit through 2018;
- Core EPS, the Company's sole performance metric potentially impacted by share repurchases, drives 25% of annual incentive award payouts and, for awards with performance periods ending in 2020 and beyond, 25% of the performance award portion of the Company's long-term incentive program;
- Core EPS drives less than 15% of total pay for the Company's NEOs;
- The compensation committee sets core EPS targets based on the Company's board-approved long-range business plan, which incorporates planned levels of share repurchases;
- Because of the Company's executive compensation program design, the impact of share repurchases on executive compensation is *de minimis*;
- Were this proposal adopted when the Company introduced core EPS as a performance metric, the Company's NEOs' compensation would have been approximately 1% *higher* in 2017 and unaffected in 2018 as compared to actual payouts, and as a result, the premise of this proposal, namely, that share repurchases increase pay for the Company's executives, is false;
- The Company's capital deployment strategy includes a long-standing commitment to return cash to shareholders through a combination of dividends and repurchases of common stock;
- The Company's board-approved long-range business plan incorporates planned levels of share repurchases;
- The board and compensation committee have an equally strong commitment to ensuring that the Company's executive compensation aligns executives' interests with the interests of shareholders, so the compensation committee has the discretion to adjust performance levels in certain instances;
- In 2018 the compensation committee adjusted core EPS for several factors, including the impact of lower than planned tax rates, the net impact of which was to *reduce* executives' pay;
- Detailed information regarding the compensation committee's

protocols for adjusting performance metrics and an explanation of all adjustments made for 2018 can be found in the Company's most recent proxy document;

- Adoption of this proposal would eliminate the compensation committee's discretion with respect to one category of potential adjustments, and would preclude the compensation committee from exercising its judgment to determine whether and to what extent share repurchases should be included in calculating core EPS; and
- Because adoption of this proposal would limit the compensation committee's discretion to ensure alignment between executive compensation and the Company's core operating performance, it is not in shareholders' best interests.

GLASS LEWIS ANALYSIS

In general, Glass Lewis does not believe shareholders should be directly involved in the design and negotiation of compensation packages. Such matters should be left to the board's wholly-independent compensation committee, which can be held accountable for its decisions through the election of directors. Further, shareholders have the opportunity to voice their approval or dissatisfaction with respect to Company's executive compensation policies, practice, and disclosure through a nonbinding, advisory vote on executive compensation.

In this case, the proponent is requesting that the Company adopt a policy that financial performance metrics be adjusted to exclude the impact of share repurchases when determining the amount or vesting of any senior executive incentive compensation grant or award. The proponent has neither provided any evidence that executives repurchased shares in order to receive higher levels of compensation, that the Company's repurchases damaged shareholder value, nor that the Company engaged in egregious, illegal, or detrimental capital allocation activities.

Further, we note the Company uses multiple performance metrics in both its short- and long-term incentive programs, limiting any incentive for executives to opportunistically repurchase solely to their benefit. Payout of the annual incentive plan is based on Company and individual performance, while Company performance metrics include: free cash flow (50%), core EPS (25%), and revenue (25%) (2019 DEF 14A, p.29). The Company's long-term incentive program includes performance awards, which are based on core EPS (25%), free cash flow (50%), and revenue (25%) measurements. Accordingly, we do not believe that the awards are excessively tied to EPS, and thus, subject to significant manipulation through the Company's use of buybacks.

Moreover, the exclusion of share buybacks for executive compensation purposes could disincentivize share buybacks, many of which benefit shareholders. Further, all share buybacks must be approved by the board, thus minimizing the risks that executives would carry out share repurchases solely for the purpose of gaming the metrics on which they are evaluated for compensation purposes.

Ultimately, we believe that the board generally has more and better information concerning a company's strategies and is thus in the best position to determine issues including the specifics of executive compensation plans and the execution of capital allocation strategies. As such, we do not believe that adoption of this proposal is warranted at this time.

We recommend that shareholders vote **AGAINST** this proposal.

6.00: SHAREHOLDER PROPOSAL REGARDING INDEPENDENT BOARD CHAIR

FOR

PROPOSAL REQUEST:	That the chair of the board be an independent director	**SHAREHOLDER PROPONENT:**	Not disclosed
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	25.2%	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR -
- An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda

GLASS LEWIS REASONING

- An independent chair is better able to oversee the executives of a company and set a pro-shareholder agenda without the management conflicts that a CEO or other executive insiders often face, leading to a more proactive and effective board of directors;
- Separation of the roles of chair and CEO eliminates the conflict of interest that inevitably occurs when a CEO is responsible for self-oversight; and
- The presence of an independent chair fosters the creation of a thoughtful and dynamic board that is not dominated by the views of senior management.

PROPOSAL SUMMARY

Text of Resolution: *Shareholders request our Board of Directors to adopt as a policy, and amend our governing documents as necessary, to require henceforth that the Chair of the Board of Directors, whenever possible, to be an independent member of the Board. The Board would have the discretion to phase in this policy for the next Chief Executive Officer transition, implemented so it does not violate any existing agreement.*

If the Board determines that a Chairman, who was independent when selected is no longer independent, the Board shall select a new Chairman who satisfies the requirements of the policy within a reasonable amount of time. Compliance with this policy is waived if no independent director is available and willing to serve as Chairman. This proposal requests that all the necessary steps be taken to accomplish the above.

Proponent's Perspective

- This proposal topic won majority support at five major U.S. companies in 2013, including 73% support at Netflix, and these five majority votes would have been still higher if all shareholders had access to independent proxy voting advice;
- An independent chair is best positioned to build up the strategic planning capabilities of the Company's directors while the CEO addresses the challenging day-to-day issues facing the company;
- The roles of chair and CEO are fundamentally different and should be held by two directors, a CEO and a chair who is completely independent of the CEO and the Company;
- Important day-to-day issues facing the Company are the $2 billion in losses on the KC-46 Air Force tanker aircraft before the first aircraft is delivered and the 737 MAX Lion Air crash potentially due in part to faulty anti-stall protections;
- The Company's strategic plan that was aggressively directed against the Bombardier CSeries airliner backfired and resulted in Airbus, a much more formidable competitor than Bombardier, taking over the CSeries program and renaming it as the Airbus A220;
- There are strategic decisions on how to best compete with companies such as Northrop Grumman, Lockheed Martin, and Blue Origin on three future major defense programs without incurring major long-term losses, namely: (i) the next generation of ground-based ICBMs replacing the Minuteman (potentially a $62-$100 billion program); (ii) the Future Vertical Lift program, in which the new helicopter may replace the Sikorsky Blackhawk and Boeing Apache fleets; and (iii) development of the Air Force's next-generation Evolved Expendable Launch Vehicle; and
- An independent chair is best positioned to build up the strategic planning capabilities of the Company's directors while the CEO addresses the challenging day-to-day issues facing the Company.

Board's Perspective

- The Company has discussed the subject matter of this proposal with many of its largest shareholders, and the board's view with respect to this proposal was informed by those discussions;
- The board should be able to select its leadership structure based on what will best serve shareholders' interests under the circumstances, not pursuant to an inflexible policy established in advance;
- Each board must take great care in establishing its leadership structure, and the Company's board takes this responsibility very seriously, and thus should be able to consider all appropriate options, including asking the CEO or another non-independent director to serve as chair alongside an independent lead director;
- The Company's chair role has at various times been performed by an independent director, the then-serving CEO, and a former CEO;
- The board's leadership structure is reviewed on at least an annual basis by the independent directors in executive session based on all relevant factors;
- The independent members of the board make an annual determination as to which board member is best equipped to serve as chair;
- The board understands that views differ on whether, as a general matter, boards are best served with an independent chair, however, the board is not aware of clear evidence demonstrating that splitting the CEO and chair roles is good for all companies in all circumstances;
- Most shareholders with whom the Company discussed this topic echoed the board's view, telling the Company that there is no "one-size-fits-all" answer to this question, and that absent extenuating circumstances each board is best equipped to make decisions regarding its preferred leadership structure;

- It is critical that the board choose its own leadership structure, provided that at all times there is strong independent oversight of management and, absent an independent chair, meaningful leadership from an independent lead director, and independent board, with robust, well-defined duties;
- Information on how the Company's board determines what leadership structure is best for the Company at any given time is found in the Company's most recent proxy document;
- The Company’s strong independent lead director role, combined with other governance features, already provides the management oversight and independent leadership requested by this proposal;
- The Company's independent directors periodically review the ongoing responsibilities of the independent lead director;
- The Company has had extensive discussions with shareholders to ensure that the lead director’s duties reflect investors’ expectations;
- The board has assigned the following responsibilities to the independent lead director: (i) approve board meeting agendas and, in consultation with the chair and the nonemployee directors, approve board meeting schedules to ensure there is sufficient time for discussion of all agenda items; (ii) approve the type of information to be provided to directors for board meetings; (iii) preside at all meetings at which the chair is not present, including executive sessions of the nonemployee directors, and apprise the chair of the issues considered; (iv) serve as liaison between the chair and the independent directors; (v) be available for consultations and direct communication with shareholders; (vi) call meetings of the nonemployee directors when necessary and appropriate; and (vii) perform such other duties as the board may from time to time designate;
- The Company's current independent lead director performs the following duties in addition to the duties traditionally assigned to the role: (i) speaks with the CEO before and after each stated meeting of the Board to review presentation materials, address matters discussed during executive sessions of the Board’s independent directors, and/or discuss important strategic matters; and (ii) meets regularly with members of senior management other than the CEO;
- The board has taken the following steps to ensure independent oversight of the Company and management and to hold both the board and management accountable for Company performance;
- The Company's independent directors meet without management present following every stated board meeting;
- Each independent director, including the lead director, participates directly in CEO and other elected officer succession planning activities, including one-on-one and/or two-on-one meetings with succession candidates and other Company senior executives;
- Each of the Company's nonemployee directors has direct access to members of management;
- 12 of the Company's 13 current directors are independent under both NYSE Listing Standards and the Company's internal guidelines and its director nominees upon election would have an average tenure of approximately 7 years;
- Each member of the Company's four principal standing committees is an independent director, and each such committee meets regularly in executive session without members of management present and with their respective independent consultants and advisors;
- Independent directors review the CEO’s performance and establish the CEO’s compensation through processes overseen by the compensation and GON committees;
- The board and its committees may and do retain outside legal, financial, or other advisors, as appropriate;
- Shareholders may communicate with the independent lead director, the nonemployee directors as a group, or the audit committee, as described on the Company's website;
- Information on the particular qualities of the Company's chair and why he is best suited to serve as chair at this time is found in the Company's most recent proxy statement;
- The Company's independent directors collectively bring to the board vast senior government and business leadership experience, aerospace expertise, and other critical skills, and individually have demonstrated the willingness to think and act independently on behalf of shareholders;
- The Company's shareholders are best served by maintaining the current board leadership structure, and the Company's safeguards ensure that the board provides independent and effective leadership of management;

- In 2018 the Company generated record revenues, operating earnings, margins, EPS, cash flow, and commercial aircraft deliveries; and
- The Company's shareholders have shared in its success, as evidenced by the Company's Dow Jones Industrial Average-leading TSR during 2016-2018 (141.8%) and 2014-2018 (168.8%).

GLASS LEWIS ANALYSIS

Glass Lewis believes that the appointment of a chair of the board who is independent of management, i.e. not also serving as CEO, is nearly always preferable to having a single individual lead both the board and the executive team. We view an independent chair as better able to oversee the executives of the Company and set a pro-shareholder agenda without the inherent conflicts that a CEO or other executive insiders face. This, in turn, leads to a more proactive, responsive and effective board of directors.

For more information on empirical evidence concerning the separation of chair and CEO, please see Glass Lewis' *In-Depth: Independent Board Chair*.

We recognize that the board has an independent lead director with the following responsibilities:

- Approving board meeting agendas;
- In consultation with the chair and the nonemployee directors, approving board meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- Approving the type of information to be provided to directors for board meetings;
- Presiding at all meetings at which the chair is not present, including executive sessions of the nonemployee directors (which are held after every board meeting), and apprising the chair of the issues considered;
- Serving as liaison between the chair and the independent directors;
- Being available for consultation and direct communication with the Company’s shareholders;
- Calling additional meetings of the nonemployee directors when necessary and appropriate; and
- Performing such other duties as the board may from time to time designate.

Furthermore, the Company's current independent lead director performs the following additional duties:

- Speaks with the CEO before and after each stated meeting of the board to review presentation materials, address matters discussed during executive sessions of the board’s independent directors, and/or discuss important strategic matters;
- Ensures that the board’s governance policies are responsive to shareholder concerns, including with respect to matters such as proxy access, succession planning, and limits on outside board memberships for directors; and
- Meets regularly with members of senior management other than the CEO.

Finally, the independent lead director also is responsible for performing any additional duties as the other independent directors may request—whether related to succession planning leadership (with respect to CEO succession and developing second- and third-level leaders), regularly scheduled meetings with the CEO, risk oversight, meeting with investors, or long-term enterprise strategy.

(2019 DEF 14A, pp. 12-13)

We recognize that the Company has appointed a lead independent director and has listed the duties and responsibilities of the position, providing some independent board leadership to balance the power of the combined chair and CEO. However, we ultimately believe vesting a single person with both executive and board leadership concentrates too much responsibility in a single person and inhibits independent board oversight of executives on behalf of shareholders. We believe adopting a policy requiring an independent chair may therefore serve to protect shareholder interests by ensuring oversight of the Company on behalf of shareholders is led by an individual free from the insurmountable conflict of overseeing oneself. We believe that this resolution is reasonably crafted and that shareholders should support this proposal.

We recommend that shareholders vote **FOR** this proposal.

7.00: SHAREHOLDER PROPOSAL REGARDING PROXY ACCESS BYLAW AMENDMENT

AGAINST

PROPOSAL REQUEST:	That the Company amend its bylaws to allow an unlimited group of shareholders owning 3% of shares to nominate directors	**SHAREHOLDER PROPONENT:**	Not disclosed
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We believe that the Company's current proxy access provision is reasonable and that it mirrors what has become standard market practice; and
- We do not believe that the proponent has demonstrated that the Company's current bylaw provision unnecessarily restricts shareholders.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Stockholders ask the board of directors to amend its proxy access bylaw provisions and any associated documents, to include the following change for the purpose of decreasing the average amount of Company common stock the average member of a nominating group would be required to hold for 3-years to meet the ownership requirement to form a nominating group:*

No limitation shall be placed on the number of stockholders that can aggregate their shares to achieve the 3% of common stock required to nominate directors under our Company's proxy access provisions.

Proponent's Perspective

- Proxy access for shareholders enables shareholders to put competing director candidates on the Company's ballot to see if they can get more votes than some of management's director candidates;
- A competitive election is good for everyone;
- Adoption of this proposal can help ensure that the Company's management will nominate directors with outstanding qualifications in order to avoid giving shareholders a reason to exercise their right to use proxy access;
- Even if the 20 largest public pension funds were able to aggregate their shares, they would not meet the current 3% criteria for a continuous 3 years at most companies according to the Council of Institutional Investors;
- This proposal addresses the situation that the Company now has, in that proxy access is afforded potentially to only the largest shareholders who are the least unlikely shareholders to make use of it;
- Since no group of shareholders at any U.S. company has yet to make use of proxy access, it is important to make sure that the current limitation of 20 shareholders is not a deterrent to shareholders using proxy access;
- A more practical proxy access right would give the Company's directors more of an incentive to oversee the management of the following three new military contracts that were won with low bids that come with added risk: (i) MQ-25 unmanned carrier-based tanker aircraft; (ii) T-X advanced jet trainer aircraft; and (iii) MH-139 Air Force support helicopter; and
- Management oversight on military contracts is especially important given the $2 billion in losses on the KC-46 Air Force tanker aircraft, which is merely a derivative of the Boeing 767, a 1980 design, and by contrast, the MQ-25 and the T-X are challenging new designs.

Board's Perspective

- Adoption of this proposal is not in the best interests of the Company's shareholders;
- In December 2015, the board adopted a proxy access bylaw after a detailed review of the SEC's prior proposed regulations in this area and the proxy access provisions of other companies, as well as after extensive dialogue with shareholders;
- Before adopting a proxy access bylaw, the Company asked shareholders which terms and conditions of a proxy access bylaw would be important to them, and these discussions focused in nearly equal measure on the potential benefits of a proxy access bylaw and the protections investors sought to minimize the risks that proxy access could pose;
- The Company's proxy access bylaw allows groups of up to 20 shareholders holding an aggregate of 3% of the Company's stock for at least three years to have their candidate included in the Company's proxy statement;
- The 20 shareholder limit protects shareholders by ensuring that proxy access is not driven by a large number of shareholders, none of which having a significant economic stake in the Company, and many of which may be driven by narrow, special interests;
- The 20 shareholder limit protects shareholders by relieving the Company of the significant administrative burden of having to review and verify eligibility information for an unlimited amount of shareholders, many of whom may be driven by narrow, special interests rather than the long-term interests of the Company; and
- After extensive consultation with shareholders prior to adopting the Company's proxy access bylaw, the Company concluded that its existing aggregation limit protects it adequately from risks, while at the same time ensuring broad access to the proxy access right.

GLASS LEWIS ANALYSIS

In December 2015, the Company amended its bylaws to include a proxy access provision. This bylaw amendment allows a group of up to 20 shareholders owning 3% of the Company's securities for 3 years to nominate 20% of the board. This bylaw amendment represents what, over the last several years, has become standard market practice. Further, we find no especially problematic language in the text of the bylaw or restrictive features that would not allow large, long-term shareholders to be able to use this governance feature.

Ultimately, we believe that the Company's current proxy access provision is reasonable and that it mirrors what has become standard market practice. Further, we do not believe that the proponent has demonstrated that the Company's current bylaw provision unnecessarily restricts shareholders. As such, we do not believe that adoption of this provision is necessary at this time.

We recommend that shareholders vote **AGAINST** this proposal.

8.00: SHAREHOLDER PROPOSAL REGARDING RETENTION OF SHARES UNTIL NORMAL RETIREMENT AGE

AGAINST

PROPOSAL REQUEST:	That executives hold a significant portion of shares acquired through equity pay programs until reaching normal retirement age	**SHAREHOLDER PROPONENT:**	Not disclosed
BINDING/ADVISORY:	Precatory		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority of votes cast

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- The Company has share ownership and compensation guidelines that sufficiently encourage long-term focus and help align executive and shareholder interests; and
- Severely restricting executives' ability to exercise a significant portion of equity awards until normal retirement age may hinder the ability of the compensation committee to attract and retain executive talent.

PROPOSAL SUMMARY

Text of Resolution: *Resolved: Shareholders of The Boeing Company ("Company") urge the Compensation Committee of the Board of Directors ("Committee") to adopt a policy requiring that senior executives retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age. For the purpose of this policy, normal retirement age shall be defined by the Company's qualified retirement plan that has the largest number of plan participants.*

Shareholders recommend the Committee adopt a share retention percentage requirement of at least 25 percent of net after-tax shares awarded. The policy should prohibit hedging transactions for shares subject to this policy which are not sales but reduce the risk of loss to the executive. This policy shall supplement any other share ownership requirements that have been established for senior executives, and should be implemented so as not to violate the Company's existing contractual obligations or the terms of any compensation or benefit plan currently in effect.

Proponent's Perspective

- Equity-based compensation is an important component of senior executive compensation at the Company;
- While the use of equity-based compensation for senior executives should be encouraged, it is concerning that the Company's senior executives are generally free to sell shares received from equity compensation plans;
- This proposal seeks to better link executive compensation with long-term performance by requiring meaningful retention of shares senior executives receive from the Company's equity compensation plans;
- Requiring senior executives to hold a significant percentage of shares obtained through equity compensation plans until they reach retirement age, regardless of when the CEO actually retires, will better align the interests of executives with the interests of shareholders and the Company;
- The Company's current share ownership guidelines for senior executives do not go far enough to ensure that the Company's equity compensation plans continue to build stock ownership by senior executives over the long-term;
- Requiring senior executives to only hold shares equal to a set target loses effectiveness over time, and after satisfying these target holding requirements, senior executives are free to sell all the additional shares they receive in equity compensation;
- The Company's share ownership guidelines require its CEO to hold shares equal to six times base salary, equal to $10.1 million in 2017, but the Company granted its CEO equity awards with total grant date fair value of $5.7 million in 2017 and $5.2 million in 2016, enabling him to satisfy the ownership requirement in just two years;
- Without stronger retention requirements, the CEO is generally free to sell any additional equity awards granted; and

Board's Perspective

- The Company already requires its senior executives to own significant amounts of the Company's stock throughout the term of their employment;
- The Company's minimum ownership requirements for executives are based on pay grade and range from one times base salary for certain vice presidents to six times base salary for the CEO;
- The compensation committee annually reviews officers' ownership relative to their requirements, and may adjust the cash/equity mix of an executive's compensation if needed;
- Many of the Company's senior executives own the Company's stock at levels far in excess of their requirements;
- The CEO owns more than five times as many shares as are required pursuant to the stock ownership requirements;
- Executive officers must hold all newly-vested stock until their minimum stock ownership has been satisfied;
- The Company prohibits executives from reducing their economic exposure to the Company's stock through hedging transactions;
- The Company's policies already ensure that executives' interests are aligned with those of shareholders;
- The Company's executive compensation program already emphasizes long-term equity ownership by executives, which is the best way to create incentives for management to build sustained shareholder value;
- The Company devotes a significant portion of its executive compensation to incentive-based equity awards, which do not vest until three years after the grant date;
- The Company's restricted stock units reward long-term value creation because the units do not vest until the third anniversary of the grant date and increase in value only to the extent the price of the Company's stock increases;
- The Company's performance-based restricted stock units pay out

- Requiring executives to retain a portion of all annual stock awards provides incentives to avoid short-term thinking and to promote long-term shareholder value.

in shares of its stock based on the Company's TSR over the three-year performance period relative to a group of peer companies;
- The Company's performance awards pay out only upon achievement of the Company's long-term financial performance goals;
- The Company's executive compensation policies emphasize stock ownership and drive strong performance by its *current* executives;
- By imposing unnecessary restrictions on former executives, the proposal would make the Company's compensation packages less competitive, but with no associated benefit to the Company; and
- The Company requires that its senior executives own significant amounts of Company stock, but also believes that ownership requirements should apply when the executive is actually able to drive shareholder value.

GLASS LEWIS ANALYSIS

Glass Lewis believes that executives should be encouraged to retain shares granted under companies' executive compensation programs to ensure they act in the best long-term interests of shareholders. However, Glass Lewis does not believe shareholders should be directly involved in the design and negotiation of compensation packages. Such matters should be left to the board's compensation committee, which can be held accountable for its decisions through the election of directors. While we believe shareholders should be afforded the opportunity to cast a nonbinding vote on executive compensation, we generally do not believe shareholders should support the implementation of specific compensation restrictions. This proposal seeks to grant shareholders a role in the setting of executive compensation policy, which we believe is a task more appropriately exercised by the board.

In this case, the Company maintains the following share ownership guidelines:

- CEO: six times base salary;
- Executive Vice Presidents: 4 times base salary;
- Senior Vice Presidents: 3 times base salary; and
- Vice Presidents: one or two times base salary based on executive grade.

(2019 DEF 14A, p.35)

In addition, the Company has adopted a hedging policy. Specifically, the Company states that directors and executive officers 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, Company securities. Glass Lewis believes that share ownership and compensation guidelines, such as these, sufficiently encourage long-term focus and help to align executive and shareholder interests.

While we strongly support the linking of executive pay to the creation of long-term sustainable shareholder value, we do not believe that proposals such as this one are the most effective or desirable way to induce change at target companies. Rather, we believe that severely restricting executives' ability to exercise such a significant portion of equity awards until normal retirement age may hinder the ability of the compensation committee to attract and retain executive talent. Otherwise qualified and willing candidates may be dissuaded from employment at the Company if they believe that their compensation could be dramatically affected by financial results completely unrelated to their own personal performance or tenure at the Company. Further, as contemplated under the terms of this proposal, executives could be forced to wait for decades to realize the gains from their equity grants depending on the age of the executive and the determination of what constitutes normal retirement age. As such, we do not believe that supporting this proposal serves the best interests of shareholders at this time.

We recommend that shareholders vote **AGAINST** this proposal.

COMPETITORS / PEER COMPARISON

	THE BOEING COMPANY	UNITED TECHNOLOGIES CORPORATION	FORD MOTOR COMPANY	EXXON MOBIL CORPORATION
Company Data (MCD)				
Ticker	BA	UTX	F	XOM
Closing Price	$369.04	$133.56	$9.30	$83.00
Shares Outstanding (mm)	564.5	862.3	3,989.5	4,234.8
Market Capitalization (mm)	$208,316.4	$115,173.1	$37,102.5	$351,488.6
Enterprise Value (mm)	$214,597.4	$156,831.1	$184,338.5	$392,976.6
Latest Filing (Fiscal Period End Date)	12/31/18	12/31/18	12/31/18	12/31/18
Financial Strength (LTM)				
Current Ratio	1.1x	1.1x	1.2x	0.8x
Debt-Equity Ratio	33.77x	1.12x	4.28x	0.19x
Profitability & Margin Analysis (LTM)				
Revenue (mm)	$101,127.0	$66,501.0	$160,338.0	$279,332.0
Gross Profit Margin	19.4%	25.1%	9.3%	31.7%
Operating Income Margin	11.7%	13.3%	2.8%	7.7%
Net Income Margin	10.3%	7.9%	2.3%	7.5%
Return on Equity	985.4%	15.6%	10.3%	10.9%
Return on Assets	6.4%	4.8%	1.1%	3.9%
Valuation Multiples (LTM)				
Price/Earnings Ratio	20.7x	20.5x	10.1x	17.0x
Total Enterprise Value/Revenue	2.1x	2.4x	1.1x	1.4x
Total Enterprise Value/EBIT	18.1x	17.8x	41.7x	18.2x
Growth Rate* (LTM)				
5 Year Revenue Growth Rate	3.1%	3.3%	1.8%	-6.5%
5 Year EPS Growth Rate	24.5%	2.5%	-20.7%	-7.9%
Stock Performance (MCD)				
1 Year Stock Performance	14.4%	8.8%	-16.8%	10.9%
3 Year Stock Performance	188.6%	31.8%	-25.9%	-0.3%
5 Year Stock Performance	190.9%	15.4%	-42.2%	-14.8%

Source: Capital IQ

MCD (Market Close Date): Calculations are based on the period ending on the market close date, 04/09/19.
LTM (Last Twelve Months): Calculations are based on the twelve-month period ending with the Latest Filing.
*Growth rates are calculated based on a compound annual growth rate method.
A dash ("-") indicates a datapoint is either not available or not meaningful.

VOTE RESULTS FROM LAST ANNUAL MEETING APRIL 30, 2018

Source: 8-K (sec.gov) dated May 1, 2018

RESULTS

NO.	PROPOSAL	FOR	AGAINST/WITHHELD	ABSTAIN	GLC REC
1.1	Elect Robert A. Bradway	98.10%	1.12%	0.78%	For
1.2	Elect David L. Calhoun	95.84%	2.72%	1.44%	For
1.3	Elect Arthur D. Collins, Jr.	96.95%	2.27%	0.78%	For
1.4	Elect Kenneth M. Duberstein	96.08%	3.17%	0.75%	For
1.5	Elect Edmund P. Giambastiani, Jr.	98.12%	1.12%	0.76%	For
1.6	Elect Lynn J. Good	98.20%	1.10%	0.70%	For
1.7	Elect Lawrence W. Kellner	98.19%	1.06%	0.75%	For
1.8	Elect Caroline B. Kennedy	97.37%	1.90%	0.74%	For
1.9	Elect Edward M. Liddy	97.23%	1.99%	0.78%	For
1.10	Elect Dennis A. Muilenburg	97.26%	1.39%	1.35%	For
1.11	Elect Susan C. Schwab	97.39%	1.92%	0.69%	For
1.12	Elect Ronald A. Williams	97.68%	1.56%	0.76%	For
1.13	Elect Mike S. Zafirovski	96.37%	2.81%	0.82%	For
2.0	Advisory Vote on Executive Compensation	92.77%	6.05%	1.18%	For
3.0	Ratification of Auditor	96.96%	2.47%	0.57%	For

SHAREHOLDER PROPOSALS*

NO.	PROPOSAL	FOR	AGAINST	GLC REC
4.0	Shareholder Proposal Regarding Lobbying Report	24.38%	75.62%	Against
5.0	Shareholder Proposal Regarding Right to Call a Special Meeting	37.33%	62.67%	For
6.0	Shareholder Proposal Regarding Independent Board Chair	25.19%	74.81%	For
7.0	Shareholder Proposal Regarding Board Size	7.73%	92.27%	Against

*Abstentions excluded from shareholder proposal calculations.

APPENDIX

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/issuer/ for information and contact directions.

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LEAD ANALYSTS

Governance:	Compensation:	Shareholder Proposals:
Crystal Milo	Maria Vu	Courteney Keatinge Max Darrow

EQUILAR PEERS VS PEERS DISCLOSED BY COMPANY

EQUILAR	BA
United Technologies Corporation*	United Parcel Service, Inc.
Lockheed Martin Corporation*	Chevron Corporation
Ford Motor Company*	Cisco Systems, Inc.
Exxon Mobil Corporation*	Microsoft Corporation
IBM*	3M Company
Caterpillar Inc.*	Raytheon Company
AT&T Inc.*	
Verizon Communications Inc.*	
General Electric Company	
The Procter & Gamble Company*	
Johnson & Johnson*	
General Dynamics Corporation*	
Honeywell International Inc.*	
Northrop Grumman Corporation*	
Intel Corporation*	

**ALSO DISCLOSED BY BA*