BOEING CO
Form DEF 14A
March 15, 2010
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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

THE BOEING COMPANY

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1) Amount Previously Paid:

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Notice of 2010 Annual Meeting and Proxy Statement

Chicago, Illinois

March 15, 2010

Dear Shareholders,

I am pleased to invite you to attend The Boeing Company s 2010 Annual Meeting of Shareholders on Monday, April 26, 2010 at 10:00 a.m., at The Field Museum, 1400 South Lake Shore Drive, Chicago, Illinois.

The annual meeting will begin with a report on our operations, followed by discussion and voting on the matters set forth in the accompanying notice of annual meeting and proxy statement and discussion of any other business matters properly brought before the meeting.

We are very pleased that Mr. David L. Calhoun, Chief Executive Officer of The Nielsen Company, Admiral Edmund P. Giambastiani, Jr., Seventh Vice Chairman of the U.S. Joint Chiefs of Staff, and Ambassador Susan C. Schwab, former U.S. Trade Representative, are new nominees for the Board this year.

Your vote is important. To make it easier for you to vote your shares, you have the choice of voting over the Internet, by telephone, or by completing and returning the enclosed proxy card. The proxy card describes your voting options in more detail.

Very Truly Yours,

W. James McNerney, Jr.

Chairman of the Board, President and

Chief Executive Officer

*****IMPORTANT CHANGE TO VOTING RULES*****

Due to changes to New York Stock Exchange voting rules, your broker can no longer vote your shares for the election of directors absent instructions from you. If you do not provide voting instructions, Boeing will face additional solicitation costs and your shares will not be voted or counted on several important matters. Please vote today using the enclosed proxy card or the other means described in the proxy statement.

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Notice of Annual Meeting of Shareholders

The Boeing Company s 2010 Annual Meeting of Shareholders will be held on Monday, April 26, 2010, beginning at 10:00 a.m., Central time, at The Field Museum, 1400 South Lake Shore Drive in Chicago, Illinois 60605-2496. Registration will begin at 8:30 a.m. The items of business are:

1) the election of twelve directors;
2) ratification of the appointment of our independent auditor; and
3) such shareholder proposals as are properly presented.

Holders of our common stock of record at the close of business on February 26, 2010 are entitled to vote at the annual meeting.

Your vote is important and we encourage you to vote your shares promptly, whether or not you plan to attend the annual meeting. Please see Frequently Asked Questions About Voting beginning on page 1 of the proxy statement for more information on how to vote your shares.

By Order of the Board of Directors,

Michael F. Lohr

Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting of Shareholders to be held on April 26, 2010: This Notice of Annual Meeting and Proxy Statement and the 2009 Annual Report are available at www.edocumentview.com/ba.

2010 Proxy Statement

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General Information

This proxy statement is issued in connection with the solicitation of a proxy on the enclosed form by the Board of Directors of The Boeing Company for use at the 2010 Annual Meeting of Shareholders. We will begin distributing this proxy statement, a form of proxy and the 2009 annual report on or about March 15, 2010.

Shares represented by a properly executed proxy will be voted at the annual meeting and, when instructions are given by the shareholder, will be voted in accordance with those instructions. If a proxy is executed and returned but no instructions are given, the shares will be voted according to the recommendations of the Board of Directors. The Board recommends a vote FOR Item Nos. 1 and 2 and AGAINST Item Nos. 3 through 7.

Frequently Asked Questions About Voting

Why is it so important that I vote my shares?

We value the input of our shareholders on questions facing the company. In addition, if you hold your shares through a broker, new NYSE rules this year preclude brokers from voting your shares absent your instruction. Your failure to vote this year will require us to incur additional solicitation costs. In addition, only if you vote can your voice be heard on important Boeing matters. **Whether or not you plan to attend the annual meeting, we encourage you to vote your shares promptly so that we can avoid additional costs.**

How may I vote my shares?

Beneficial Shareholders. If you hold your shares through a broker, bank or other holder of record, you are not a registered shareholder. In order to vote your shares, please refer to the materials forwarded by your broker, bank or other holder of record for instructions on how to vote the shares you hold as a beneficial shareholder.

Registered Shareholders. If you hold shares in your own name, you may vote by proxy before the annual meeting via the Internet at www.envisionreports.com/ba, by calling l-800-652-VOTE (8683) or by signing and returning a proxy card. Proxies submitted via the Internet or by telephone must be received by 10:00 a.m., Central time, on April 26, 2010.

The Boeing Company Voluntary Investment Plan Participants. If you are or were an employee and you have an interest in Boeing stock through participation in The Boeing Company Voluntary Investment Plan (the VIP), which is a 401(k) plan, you do not have actual ownership of the shares held in the VIP (the Plan Shares). The Plan Shares are registered in the name of the trustee. As a VIP participant, you have been allocated interests in the Plan Shares and may instruct the trustee how to vote those interests by submitting a proxy online, by telephone or by mail. However, you may not vote Plan Shares in person at the annual meeting. The number of shares of Boeing stock shown on your proxy card includes all registered shares and all Plan Shares in which you have an interest. In order to allow sufficient time for the trustee to tabulate the vote of the Plan Shares, your proxy instructions must be received by the trustee no later than 10:59 p.m., Central time, on April 21, 2010.

If you do not timely submit voting instructions, the trustee will vote your Plan Shares in accordance with the terms of the VIP, which means the Plan Shares will be voted in the same manner and proportion as the Plan Shares with respect to which voting instructions have been timely received, unless contrary to applicable law. If you return a signed proxy card that covers Plan Shares but do not indicate how you would like the proxy to be voted on the proposals listed on the card, you will be deemed to have instructed the trustee to vote in accordance with the recommendations of the Board of Directors.

How does the Board of Directors recommend that I vote?

The Board of Directors recommends that you vote:

FOR the Board s proposal to elect each of the twelve nominees to the Board of Directors (Item No. 1).

FOR the Board s proposal to ratify the appointment of Deloitte & Touche LLP as independent auditor for 2010 (Item No. 2).

AGAINST each of the shareholder proposals (Item Nos. 3 through 7).

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May I change or revoke my vote?

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

Registered Shareholders. Registered shareholders may change a properly executed proxy at any time before its exercise by:

- delivering written notice of revocation to the Corporate Secretary;
- delivering another proxy that is dated later than the original proxy; or
- attending the annual meeting and voting by ballot.

The Boeing Company Voluntary Investment Plan Participants. VIP participants may change a properly executed proxy at any time before 10:59 p.m., Central time, on April 21, 2010 by submitting a later dated proxy online, by telephone or by mail to the trustee. VIP participants cannot revoke their voting instructions in person at the annual meeting because the trustee will not be present.

What vote is required to approve each proposal?

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

Item No. 1: Election of Directors. The Board of Directors has adopted a majority vote standard in uncontested director elections. Because we did not receive advance notice under our By-Laws of any shareholder nominees for director, the 2010 election of directors is an uncontested election. To be elected in an uncontested election, a director nominee must receive more For votes than Against votes. Abstentions and broker non-votes will have no effect on the election of directors because only votes For or Against a nominee will be counted.

Item Nos. 2 through 7: Proposals other than the Election of Directors. With respect to each of the proposals other than the election of directors, shareholders may vote For or Against the proposal, or may abstain from voting. Delaware law requires the affirmative vote of the majority of shares present in person or by proxy and entitled to vote at the annual meeting for the approval of Item Nos. 2 through 7. A shareholder who signs and submits a proxy is present, so an abstention will have the same effect as a vote Against Item Nos. 2 through 7.

What are broker non-votes and why is it so important that I submit my voting instructions for shares I hold as a beneficial shareholder?

Under the rules of the NYSE, if a broker or other financial institution holds your shares in its name and you do not provide your voting instructions to them, that firm has discretion to vote your shares for certain routine matters. Item No. 2, the ratification of the appointment of our independent auditor, is a routine matter.

On the other hand, the broker or other financial institution that holds your shares in its name does not have discretion to vote your shares for non-routine matters. The election of directors (Item No. 1) and Item Nos. 3 through 7 are non-routine matters and the firm that holds your shares in its name may not vote on those items absent your instruction. When a firm votes a client s shares on some but not all of the proposals at the annual meeting, the missing votes are referred to as broker non-votes. Those shares will be included in determining the presence of a quorum at the annual meeting but are not considered present for purposes of voting on the non-routine items.

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Election of Directors (Item No. 1)

At the 2010 Annual Meeting, 12 directors are to be elected for a one-year term. Each of the nominees currently serves as a Boeing director. Each director nominee in this uncontested election will be elected if he or she receives more For votes than Against votes. Each nominee elected as a director will continue in office until the 2011 Annual Meeting and until his or her successor has been duly elected and qualified or until his or her earlier resignation or removal. If any nominee becomes unable to serve, proxies will be voted for the election of such other person as the Board of Directors may designate, unless the Board chooses to reduce the number of directors.

The Governance, Organization and Nominating Committee of the Board of Directors, which we refer to as the GON Committee, is responsible for making recommendations to the Board concerning nominees for election as directors and nominees for Board vacancies. When assessing a director candidate s qualifications, the GON Committee considers the candidate s expertise (including international experience and industry background), independence, and integrity, as well as skills relating to operations, manufacturing, finance, marketing, technology and public policy. In addition, the GON Committee looks at the overall composition of the Board and how a candidate would contribute to the overall synergy and collaborative process of the Board. The GON Committee has not established specific minimum eligibility requirements for candidates other than integrity, the commitment to act in the best interests of all shareholders, requirements relating to age and ensuring that a substantial majority of the Board remains independent. Mr. Calhoun and Admiral Giambastiani were referred to the GON Committee by a third-party search firm, and Ambassador Schwab was recommended to the GON Committee by a nonemployee director. See our Corporate Governance Principles, which are set forth in Appendix 1 to this proxy statement, for additional information on the selection of director candidates.

In addition to the considerations described above, our Corporate Governance Principles mandate that the GON Committee consider diversity in its evaluation of candidates for Board membership. The Board believes that diversity with respect to factors such as background, experience, skills, race, gender and national origin is an important consideration in board composition. The GON Committee discusses diversity considerations in connection with each candidate, as well as on a periodic basis in connection with the composition of the Board as a whole. In addition, both the GON Committee and the Board conduct formal self-evaluations each year that include an assessment of whether the GON Committee and the Board have adequately considered diversity, among other factors, in identifying and discussing director candidates. The GON Committee believes that, as a group, the nominees below bring a diverse range of backgrounds, experiences and perspectives to the Board s deliberations.

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

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John H. Biggs

Age 73

Director since 1997

Former Chairman, President and Chief Executive Officer, Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Mr. Biggs served as Chairman and Chief Executive Officer of TIAA-CREF (national teachers pension fund) from January 1993 until November 2002. Mr. Biggs is a director of the National Bureau of Economic Research and the Pension Rights Center in Washington, D.C. and a trustee of Washington University in St. Louis and The Danforth Foundation. He is also a member of the Board of Emeriti and the Chairman of the Washington University Investment Management Company.

Mr. Biggs has served more than 12 years on our Board. Mr. Biggs is a recognized expert in U.S. corporate governance, having served as an Executive-in-Residence at New York University s Stern School of Business since 2005, where he has taught classes in corporate governance. Mr. Biggs also has significant experience with accounting and financial reporting and oversight matters. For example, in addition to the experience described above, Mr. Biggs served for five years on the Advisory Committee to the Public Company Accounting Oversight Board and as a trustee of the foundations overseeing the Financial Accounting Standards Board and the International Accounting Standards Committee. Mr. Biggs fellow directors have elected him as Chair of Boeing s Audit Committee due in part to his significant qualifications in this area, which also include prior service as Vice Chair of the JPMorgan Chase Audit Committee. The Board has determined that he is an audit committee financial expert as defined by SEC rules.

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

John E. Bryson

Age 66

Director since 1995

Senior Advisor, Kohlberg Kravis Roberts & Co. (KKR), Retired Chairman of the Board and Chief Executive Officer, Edison International. Mr. Bryson served as Chairman, President and CEO of Edison International (electric power generator and distributor), the parent company of Southern California Edison, from 1990 until 2008. Mr. Bryson is also on the boards of The Walt Disney Company and CODA Automotive. He is a trustee of the California Institute of Technology, a director of the W.M. Keck Foundation and The California Endowment, and chairman of the Pacific Council on International Policy.

Mr. Bryson is our longest-serving director, and he brings to the Board a broad array of institutional knowledge and a historical perspective. Mr. Bryson has served on our Board for more than 15 years, and has participated as a member on all four of our principal standing committees. Based on his experience at Edison International and The Walt Disney Company, which is described above, Mr. Bryson is able to deliver important insights to our management and other directors on subjects ranging from executive compensation and corporate governance to corporate strategy and management oversight. As a result of his prior leadership responsibilities, management expertise and independence, Mr. Bryson s fellow directors have elected him to serve as Chair of Boeing s Compensation Committee. Finally, Mr. Bryson provides expert, independent advice to Boeing on energy, natural resources and environmental matters. His experience in this area includes his role as an initial founder of the Natural Resources Defense Council and current service on the Secretary General of the United Nations Advisory Group on Energy and Climate Change.

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

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David L. Calhoun

Age 52

Director since 2009

Chairman of the Executive Board and Chief Executive Officer of The Nielsen Company. Mr. Calhoun has served since 2006 as Chairman of the Executive Board and Chief Executive Officer of The Nielsen Company (marketing and media information). Previously, Mr. Calhoun served as Vice Chairman of General Electric Company and President & Chief Executive Officer, GE Infrastructure. Before that, Mr. Calhoun served as President and Chief Executive Officer of GE Transportation; President and Chief Executive Officer of GE Aircraft Engines; President and Chief Executive Officer of Employers Reinsurance Corporation; President and Chief Executive Officer of GE Lighting; and President and Chief Executive Officer of GE Transportation Systems. Mr. Calhoun also serves on the board of directors of Medtronic, Inc. and the National Underground Freedom Center. He is Co-Chairman of the Campaign for Virginia Tech.

Mr. Calhoun is one of our newest directors, and has proven to be an important contributor to Board deliberations on many matters. Mr. Calhoun provides insight and perspective on general strategic and business matters, stemming from his extensive executive and management experience with Nielsen and GE. Mr. Calhoun also has significant aerospace and aircraft industry expertise as evidenced by his leadership of GE s aircraft engines business. Finally, Mr. Calhoun serves on the audit committee of Medtronic, Inc. and has extensive financial and accounting skills, as a result of which the Board has determined that he is an audit committee financial expert as defined by SEC rules.

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

Arthur D. Collins, Jr.

Age 62

Director since 2007

Senior Advisor, Oak Hill Capital Partners, Retired Chairman of the Board, Medtronic, Inc. Mr. Collins served as Chairman of the Board of Medtronic, Inc. (medical device and technology) from April 2002 to August 2008. At Medtronic, Mr. Collins was also Chairman and Chief Executive Officer from May 2002 to August 2007, President and Chief Executive Officer from April 2001 to May 2002, President and Chief Operating Officer from August 1996 to April 2001, Chief Operating Officer from January 1994 to August 1996, and Executive Vice President of Medtronic and President of Medtronic International from June 1992 to January 1994. He was Corporate Vice President of Abbott Laboratories (health care products) from October 1989 to May 1992 and Divisional Vice President of Abbott from May 1984 to October 1989. Mr. Collins is also on the board of US Bancorp and Cargill, Inc. and a member of the Board of Overseers of The Wharton School at the University of Pennsylvania.

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

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

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Linda Z. Cook

Age 51

Director since 2003

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

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

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

William M. Daley

Age 61

Director since 2006

Vice Chairman and Head of the Office of Corporate Responsibility and Chairman of the Midwest Region for JPMorgan Chase & Co. Mr. Daley has served as Vice Chairman and Head of the Office of Corporate Responsibility for JPMorgan Chase & Co. (banking and financial services) and on its Operating Committee since June 2007. He has also served as Chairman of the Midwest Region for JPMorgan Chase & Co. and on its Executive Committee and International Committee since May 2004. He served as the U.S. Secretary of Commerce from January 1997 to June 2000. Mr. Daley served as President, SBC Communications, Inc. (diversified telecommunications) from December 2001 to May 2004. He was Vice Chairman of Evercore Capital Partners L.P. from January to November 2001. From June to December 2000, Mr. Daley served as Chairman of Vice President Albert Gore, Jr. s 2000 presidential election campaign. Mr. Daley is also on the board of Abbott Laboratories and served on the board of Boston Properties, Inc. from 2003 until 2007.

Mr. Daley brings to our Board a wide range of experience in leadership positions in both the public and private sectors. His tenure as President Clinton s Secretary of Commerce enables Mr. Daley to share unique insights both with respect to Boeing s government relations and its extensive international trade operations. Given Boeing s extensive relationships with non-U.S. suppliers and customers, Mr. Daley s experience in international business matters is particularly valuable to the Board and senior management. Mr. Daley also has significant experience in the areas of governmental affairs, corporate charitable giving and global corporate citizenship. Finally, Mr. Daley s other board service, including as a member of the compensation committee of Abbott Laboratories, and experiences as former President of SBC Communications enable him to provide effective oversight of management and insight into a wide variety of strategic, corporate governance and financial matters.

Mr. Daley is a member of the Finance Committee and the Special Programs Committee.

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Kenneth M. Duberstein

Age 65

Director since 1997

Chairman and Chief Executive Officer, The Duberstein Group. Mr. Duberstein has served as Chairman and Chief Executive Officer of The Duberstein Group (consulting) since 1989. He was White House Chief of Staff in 1988 and 1989. Mr. Duberstein is also on the boards of ConocoPhillips, Mack-Cali Realty Corporation and The Travelers Companies, Inc. and served on the boards of Fannie Mae from 1998 until 2007 and Collegiate Funding Services, Inc. from 2004 until 2007.

Mr. Duberstein has been a member of our Board for more than 12 years, and since 2005 has provided independent leadership to our Board as our Lead Director. In addition to having extensive knowledge of Boeing and its businesses, Mr. Duberstein brings to the Board a wide range of experience both with respect to U.S. government and international matters and experience as a member of other Fortune 500 boards. Mr. Duberstein s extensive experience both in the highest levels of the U.S. government and as an outside strategic advisor allows him to advise the Board and senior management on key issues of corporate strategy, as well as a wide range of other issues directly related to Boeing s government interactions. In recognition of Mr. Duberstein s skills in overseeing Boeing s corporate governance policies and practices as well as his overall leadership abilities, his fellow directors elected him both as Lead Director and as Chair of Boeing s Governance, Organization and Nominating Committee.

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

Edmund P. Giambastiani, Jr.

Age 60

Director since 2009

Seventh Vice Chairman of the U.S. Joint Chiefs of Staff (2005-2007) and former NATO Supreme Allied Commander Transformation (2003-2005) and Commander, U.S. Joint Forces Command (2002-2005). Admiral Giambastiani is a career nuclear submarine officer with extensive operational experience, including command at the submarine, squadron and fleet level. His staff experience includes service as the co-Chairman of the Defense Acquisition Board and the Chairman of the Joint Requirements Oversight Council. He currently serves on the boards of Monster Worldwide, SRA International and QinetiQ Group PLC. He also served as the non-executive Chairman of Alenia North America, Inc. from January 2008 until September 2009.

Admiral Giambastiani is one of our newest directors, and is already providing key insights to senior management and our Board on a wide range of subjects. During his distinguished military career of over 40 years, Admiral Giambastiani developed extensive operational and engineering experience that fits well with Boeing s business needs. Admiral Giambastiani also has extensive experience with program development, program resourcing and other aspects of managing major U.S. armed forces acquisition programs. Each of these skills enables Admiral Giambastiani to provide expert advice to senior management and his fellow directors on a range of technical and operational matters. Admiral Giambastiani also has extensive strategy development experience and experience as a senior military leader, both of which enhance the Board s management oversight resources.

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

John F. McDonnell

Age 71

Director since 1997

Retired Chairman, McDonnell Douglas Corporation. Mr. McDonnell served as Chairman of McDonnell Douglas Corporation (aerospace) from 1988 until its merger with Boeing in 1997, and as its Chief Executive Officer from 1988 to 1994. He is Vice Chairman of the board of Washington University and of the Donald Danforth Plant Science Center.

Mr. McDonnell has served as a member of our Board and its four standing committees throughout his more than 12 years of Board service. Mr. McDonnell has unparalleled experience in and knowledge of the commercial and military aerospace industries. Mr. McDonnell provides the Board with a rare combination of historical industry perspective and an extensive understanding of the industry s current challenges and opportunities, both as an industry leader and experienced business person. Mr. McDonnell also has extensive senior management experience, which supports the Board s management oversight role as well as its commitment to oversee and direct corporate strategy.

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

W. James McNerney, Jr.

Age 60

Director since 2001

Chairman, President and Chief Executive Officer, The Boeing Company. Mr. McNerney has served as Chairman, President and Chief Executive Officer of The Boeing Company since July 1, 2005. Previously, he served four and a half years as Chairman and Chief Executive Officer of 3M Company (diversified technology). Beginning in 1982, he served in management positions at General Electric Company, his most recent being President and Chief Executive Officer of GE Aircraft Engines from 1997 to 2000. Mr. McNerney is on the boards of The Procter & Gamble Company and IBM. He is also a member of various business and educational organizations.

Mr. McNerney serves a key leadership role on the Board, provides the Board with an in-depth knowledge of each of Boeing s businesses, industry, challenges and opportunities, and communicates management s perspective on important matters to the Board. In addition to his extensive senior management experience at both Boeing and elsewhere, Mr. McNerney brings to the Board experience as an independent director of other Fortune 100 companies, including service as Presiding Director of Procter & Gamble and as a member of the audit committee of IBM. This extensive leadership experience enables Mr. McNerney to play a key role in all matters involving our Board, and positions him well to act not only as the Board s Chair, but also as the principal intermediary between management and the independent directors of our Board.

Mr. McNerney is Chair of the Special Programs Committee.

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Susan C. Schwab

Age 54

Director since 2010

Professor, University of Maryland School of Public Policy. Ambassador Schwab served as U.S. Trade Representative from June 2006 to January 2009 and as Deputy U.S. Trade Representative from October 2005 to June 2006. Prior to her service as Deputy U.S. Trade Representative, Ambassador Schwab served as President and Chief Executive Officer of the University System of Maryland Foundation from June 2004 to October 2005, as a consultant for the U.S. Department of Treasury from July 2003 to December 2003 and as Dean of the University of Maryland School of Public Policy from July 1995 to July 2003. Ambassador Schwab also serves on the boards of Caterpillar Inc. and FedEx Corporation and served on the boards of Calpine Corporation from 1997 to 2005, Adams Express Company from 2000 to 2005 and Petroleum Resources Corp. from 2000 to 2005.

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

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

Mike S. Zafirovski

Age 56

Director since 2004

Former President and Chief Executive Officer, Nortel Networks Corporation. Mr. Zafirovski served as Director, President and Chief Executive Officer of Nortel Networks Corporation (telecommunications) from November 2005 through August 2009. Previously, Mr. Zafirovski was Director, President and Chief Operating Officer of Motorola, Inc. (global communications) from July 2002 to January 2005, and remained a consultant to and a director of Motorola until May 2005. He served as Executive Vice President and President of the Personal Communications Sector (mobile devices) of Motorola from June 2000 to July 2002. Prior to joining Motorola, Mr. Zafirovski spent nearly 25 years with General Electric Company, where he served in management positions, including 13 years as President and CEO of five businesses in the industrial and financial services arenas, his most recent being President and CEO of GE Lighting from July 1999 to May 2000.

Mr. Zafirovski provides independent guidance to the Board on a wide variety of general strategic and business matters based on his vast experience leading enterprises with significant international operations. Mr. Zafirovski s leadership at Nortel and Motorola also allows him to provide unique perspectives on high-technology and security matters. Mr. Zafirovski also has an extensive background in financial services industry leadership, which provides the Board with key expertise in financial matters. Mr. Zafirovski has a track record of emphasizing strong corporate governance and quality leadership teams throughout his career, which is particularly valuable given his service as a member of our Governance, Organization and Nominating Committee.

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

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE

FOR EACH OF THE ABOVE NOMINEES FOR ELECTION AS DIRECTORS.

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Corporate Governance

Corporate Governance Principles

The Board of Directors has adopted policies and procedures to ensure effective governance of the company. Our corporate governance materials, including our Corporate Governance Principles (which are set forth in Appendix 1 to this proxy statement), the charters of each of the standing committees of the Board, our Director Independence Standards, our codes of conduct for directors, finance employees and all employees and information regarding securities transactions by our directors and officers, may be viewed in the corporate governance section of our website at www.boeing.com/corp_gov/. We will also provide any of the foregoing information in print without charge upon written request to the Office of the Corporate Secretary, Boeing Corporate Offices, 100 North Riverside Plaza, MC 5003-1001, Chicago, Illinois 60606-1596.

The GON Committee reviews our Corporate Governance Principles on a regular basis and proposes modifications to the principles and other key governance practices as warranted for adoption by the Board.

Board Composition, Responsibilities and Leadership Structure

The Board of Directors is responsible for overseeing the affairs of the company. The Board held 10 meetings during 2009. Each incumbent director attended at least 85% of the meetings of the Board and the committees on which he or she served during 2009. Directors are expected to attend our annual meeting of shareholders, and all directors then serving attended the 2009 Annual Meeting. Following the 2010 Annual Meeting, the Board will consist of 12 directors. Our By-Laws provide, however, that the Board may increase or decrease the size of the Board and fill any vacancies.

The Board has determined that the appropriate leadership structure for the Board at this time is for Mr. McNerney, our President and Chief Executive Officer, to serve as Chairman of the Board, while also selecting a Lead Director currently, Mr. Duberstein to provide independent leadership. Our Lead Director is elected annually by a majority of the independent directors upon a recommendation from the GON Committee. Our Lead Director presides over executive sessions of the 11 nonemployee directors following every Board meeting (which sessions are not attended by management) and advises the Chairman, in consultation with the other independent directors, as to Board schedules and agendas. The Board has also determined that our Lead Director shall be available to consult with shareholders and call meetings of the independent directors when appropriate. The independent directors believe that our President and Chief Executive Officer s in-depth knowledge of each of our businesses and the competitive challenges each business faces, as well as his extensive experience as a director and senior member of management at other Fortune 100 companies, make him the best-qualified director to serve as Chairman. The Board may subsequently decide, however, to change that leadership structure, and we do not have a formal policy to require that the Chief Executive Officer or any other member of management serve as Chairman of the Board. See our Corporate Governance Principles, which are set forth in Appendix 1 to this proxy statement, for additional information on the leadership structure of the Board.

Board Committees

The Board has delegated certain authority to five standing committees, the principal responsibilities of which are set forth below. Each committee operates under a charter that has been approved by the Board. A copy of each committee charter is posted in the corporate governance section of our website at www.boeing.com/corp_gov/. The biographical information of each of our directors beginning on page 4 includes the standing committees on which he or she serves. In addition, the Board has established a Stock Plan Committee composed of the Chairman, to which the Compensation Committee may delegate certain of its responsibilities.

Audit Committee

The Audit Committee met 11 times in 2009. The Audit Committee oversees our independent auditor and accounting and internal control matters. Its responsibilities include oversight of:

- the integrity of our financial statements;
- our compliance with legal and regulatory requirements;

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- our independent auditor s qualifications and independence;
- the performance of our internal audit function;
- the performance of our independent auditor; and
- our risk assessment and risk management processes.

The Audit Committee also prepares the Audit Committee Report that Securities and Exchange Commission, or SEC, rules require be included in our annual proxy statement. This report is on page 59 of this proxy statement.

The Audit Committee is composed entirely of directors who satisfy NYSE listing standards and the standards of independence established under our Corporate Governance Principles, as well as additional or supplemental independence standards applicable to Audit Committee members established pursuant to applicable law. The Board has determined that each Audit Committee member is financially literate within the meaning of NYSE listing standards, and that Messrs. Biggs, Calhoun and Collins and Ms. Cook are audit committee financial experts as defined by SEC rules.

Compensation Committee

The Compensation Committee met nine times in 2009. The Compensation Committee oversees our executive and equity compensation programs. Its responsibilities include:

- annually reviewing and approving the salary, incentive awards, equity-based awards and any other long-term incentive awards for our CEO and other corporate officers;
- reviewing employment and severance agreements, change in control provisions affecting compensation, and special or supplemental arrangements such as supplemental retirement benefits and perquisites for our CEO and other corporate officers;
- reviewing, approving and monitoring compliance with any stock ownership guidelines applicable to our CEO and other members of management; and
- approving and overseeing all incentive compensation plans and other equity-based plans and approving, or recommending to the Board to approve changes to such plans.

The Compensation Committee also prepares the Compensation Committee Report that SEC rules require be included in our annual proxy statement. This report is on page 33 of this proxy statement.

The Compensation Committee is composed entirely of directors who satisfy NYSE listing standards and the standards of independence established under our Corporate Governance Principles.

Finance Committee

The Finance Committee met six times in 2009. The Finance Committee s responsibilities include:

- reviewing and making recommendations concerning proposed dividend actions, stock splits and repurchases, and issuance of debt or equity securities;

- reviewing strategic plans and transactions, including mergers, acquisitions, divestitures, joint ventures and other equity investments;

- reviewing customer financing activities and related customer finance business;

- reviewing our funding plans and funding plans of our subsidiaries;

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

- reviewing our credit agreements and short-term investment policies; and

- reviewing the investment policies, administration and performance of the trust investments of our employee benefit plans.

The Finance Committee is composed entirely of directors who satisfy NYSE listing standards and the standards of independence established under our Corporate Governance Principles.

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Governance, Organization and Nominating Committee

The GON Committee met eight times in 2009. The GON Committee s responsibilities include:

- making recommendations to the Board concerning the organization, leadership, structure, size and composition of the Board, as well as the compensation and benefits of nonemployee directors;
- developing an annual performance evaluation process for the Board;
- formulating corporate governance principles for approval by the Board and reviewing the principles on a regular basis;
- monitoring and reviewing at least annually the performance of our CEO and plans for senior management succession; and
- considering possible conflicts of interest of Board members and officers.

The GON Committee frequently works with a third-party search firm to identify potential candidates to serve on the Board. The GON Committee is composed entirely of directors who satisfy NYSE listing standards and the standards of independence established under our Corporate Governance Principles.

Special Programs Committee

The Special Programs Committee met five times in 2009. The Special Programs Committee reviews company programs that the U.S. government has designated as classified for purposes of national security.

Risk Oversight

As set forth in our Corporate Governance Principles, our Board of Directors is responsible for consideration and oversight of risks facing Boeing. Together with the Board s standing committees, the Board is responsible for ensuring that material risks are identified and managed appropriately. The Board and its committees regularly review material strategic, operational, financial, compensation and compliance risks with senior management. For example, our Senior Vice President, Office of Internal Governance reports to the Audit Committee on a regular basis with respect to compliance with our risk management policies. The Audit Committee is responsible for discussing our overall risk assessment and risk management practices, as set forth in the Audit Committee s charter. The Audit Committee also performs a central oversight role with respect to financial and compliance risks, and reports on its findings at each regularly scheduled meeting of the full Board after meeting with our Senior Vice President, Office of Internal Governance, our Corporate Auditor and our independent auditor, Deloitte & Touche LLP. The Compensation Committee considers risk in connection with its design of compensation programs for our executives. For more information on the interaction between risk and our compensation practices, see Executive Compensation Compensation and Risk on page 33. In addition, the Finance Committee is responsible for assessing risk related to our capital structure, significant financial exposures, our risk management and major insurance programs and our employee pension plan policies and performance and regularly evaluates financial risks associated with such programs.

Communications with the Board

The Board of Directors has established a process whereby shareholders and other interested parties can send communications to our Lead Director or to the nonemployee directors as a group. This process is described in detail on our website at www.boeing.com/corp_gov/email_the_board.html.

Director Independence

Our Corporate Governance Principles require that at least 75% of the Board be independent under NYSE listing standards or be nonemployee directors. The Board of Directors has adopted Director Independence Standards to assist in determining whether a director does not have material relationships with Boeing and thereby qualifies as independent. The Director Independence Standards are based on NYSE independent director listing standards. To be considered independent, the Board of Directors must make an affirmative determination, by a resolution of the Board as a whole, that the director being reviewed has no material relationship with us other

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than as a director, either directly or indirectly (such as a partner, shareholder or executive officer of another entity that has a relationship with Boeing). In each case, the Board broadly considers all relevant facts and circumstances.

Under the Director Independence Standards, a director will not be deemed to be independent if:

- the director is, or in the last three years was, employed by us or any of our direct or indirect subsidiaries;
- an immediate family member of the director is, or in the last three years was, employed by us as an executive officer;
- the director, or an immediate family member of the director, is a current partner of a firm that is our internal or external auditor or within the last three years has been a partner or employee of such a firm and personally worked on our audit within that time;
- the director is a current employee of our internal or external auditor;
- an immediate family member of the director is a current employee of our internal or external auditor and personally works on our audit;
- the director, or an immediate family member of the director, received more than $120,000 over a twelve-month period in direct compensation from us within the last three years, other than director and committee fees and pensions or other forms of deferred compensation, so long as such compensation is not contingent on continued service;
- the director is, or within the last three years was, employed as an executive officer of another company where any of our current executives serve or served on that company s compensation committee;
- an immediate family member of the director is, or within the last three years was, employed as an executive officer of another company where any of our current executives serve or served on that company s compensation committee;
- the director is an executive officer or an employee of a company that makes payments to or receives payments from us for property or services in an amount that exceeds in any of the last three fiscal years $1 million or 2% of that company s consolidated gross revenues, whichever is greater; or
- an immediate family member of the director is an executive officer of a company that makes payments to or receives payments from us for property or services in an amount that exceeds in any of the last three fiscal years $1 million or 2% of that company s consolidated gross revenues, whichever is greater.

An immediate family member includes a director s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who shares such director s home; however, it does not include stepchildren who do not share a stepparent s home or the in-laws of such stepchildren.

The Board of Directors has determined that the following relationships are not considered to be material and would not impair a director s independence:

- the director s service as an employee of an organization that has purchased property or services from us, or provided property or services for us, if (1) payments for such property or services have not exceeded the greater of $1 million or 1% of that organization s or our consolidated gross revenues in each of the past three fiscal years and (2) the director is not compensated directly or indirectly as a result of this relationship other than that the payments add to the revenue of the organization or Boeing, or

- the director s service as an executive officer of a tax-exempt or charitable organization if, within the preceding three years, our discretionary contributions to the organization (other than employee and director matching contributions under our gift match program) in any single fiscal year, in the aggregate, have not exceeded the greater of $1 million or 2% of that organization s consolidated gross revenues.

The Board of Directors reviews all commercial and charitable relationships of directors on an annual basis. The mere ownership of a significant amount of stock is not in and of itself a bar to an independence determination but rather one factor that the Board considers.

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The Board determines and discloses on an annual basis whether each director meets these categorical independence standards. For relationships not covered by the Director Independence Standards, the determination of whether the relationship is material or not, and therefore whether the director would be independent or not, is made by the directors who themselves satisfy the independence guidelines.

The Board of Directors has reviewed the relationships between us and each of our directors and has determined that John H. Biggs, John E. Bryson, David L. Calhoun, Arthur D. Collins, Jr., Linda Z. Cook, William M. Daley, Kenneth M. Duberstein, Edmund P. Giambastiani, Jr., John F. McDonnell, Susan C. Schwab, and Mike S. Zafirovski are independent under NYSE independent director listing standards and our Director Independence Standards and have either no relationships with us (other than as a director and shareholder) or only immaterial relationships with us. W. James McNerney, Jr. is not an independent director because he is our President and CEO. We make payments to and receive payments from JPMorgan Chase & Co., Mr. Daley s employer, in amounts that fall below the categorical independence standards described above.

Codes of Conduct

The Board expects our directors, officers and employees to act ethically at all times and acknowledge their adherence to the policies comprising our codes of conduct. Shareholders may access a copy of each code of conduct on our website at www.boeing.com/corp_gov/. The Board will promptly disclose any waivers of our Code of Ethical Business Conduct for Members of the Board of Directors. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman of the Board or the Chair of the GON Committee. All directors are required to recuse themselves from any discussion or decision affecting their personal, business or professional interests.

Outside Board Memberships

Our CEO and other elected officers must seek the approval of the GON Committee before accepting outside board memberships with for-profit entities. Directors should notify the GON Committee before accepting an invitation to serve on another board to enable the GON Committee to consider whether (1) any regulatory issues or potential conflicts would be raised by accepting such an invitation and (2) the director would have the time required to prepare for, participate in and attend Board meetings. Directors who also serve as chief executive officers, or in equivalent positions, should not serve on more than two boards of public companies in addition to our Board and other directors should not serve on more than four boards of public companies in addition to our Board.

While we acknowledge the value in having directors and officers with significant experience in other businesses and activities, each director is expected to ensure that other commitments, including outside board memberships, do not interfere with their duties and responsibilities as a member of the Board. In January 2009, Nortel Networks Corporation, for which Mr. Zafirovski served as Director, President and Chief Executive Officer, and subsidiary companies filed for bankruptcy protection in the United States, Canada and Europe. In February 2009, the Board concluded that these events did not impair Mr. Zafirovski s independence or his ability to continue to serve as a director. Mr. Zafirovski resigned from Nortel on August 9, 2009. In February 2010, the Board re-evaluated the events and again concluded that they do not impair Mr. Zafirovski s independence or his ability to continue to serve as a director.

Director Compensation

Nonemployee directors receive compensation for Board service, which is designed to fairly compensate them for their Board responsibilities and align their interests with the long-term interests of our shareholders. Employee directors receive no additional compensation for Board service.

The form and amount of director compensation is determined by the GON Committee, which regularly reviews and compares our Board compensation to director compensation at peer companies that are also benchmarks for our executive compensation program. See Benchmarking Against Our Peer Group beginning on page 28 for more information. The GON Committee has engaged Towers Perrin (now doing business as Towers Watson) to

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serve as its outside compensation consultant with respect to the compensation and benefits of nonemployee directors. See Compensation Consultants on page 17 for more information. Independent directors may not receive, directly or indirectly, any consulting, advisory or other compensatory fees from us.

2009 Director Compensation Table

The following table sets forth information regarding 2009 compensation for each of our nonemployee directors. Our nonemployee director compensation program consists of cash (board and committee annual retainer fees) and equity (deferred stock unit awards).

Name	Fees Earned or Paid in Cash ($)(9)	Stock Awards ($)(10)	Option Awards ($)(11)	All Other Compensation ($)(12)	Total ($)
John H. Biggs(1)	$ 115,000	$ 130,000	$	$ 31,000	$ 276,000
John E. Bryson(2)	115,000	130,000		62,000	307,000
David L. Calhoun(3)	56,301	73,192		30,000	159,493
Arthur D. Collins, Jr.(4)	110,172	130,000		31,000	271,172
Linda Z. Cook	100,000	130,000		27,500	257,500
William M. Daley	100,000	130,000			230,000
Kenneth M. Duberstein(5)	140,000	130,000		40,500	310,500
Edmund P. Giambastiani, Jr.(6)					
John F. McDonnell	100,000	130,000		40,000	270,000
Susan C. Schwab(7)					
Mike S. Zafirovski(8)	104,829	130,000		31,000	265,829

(1) Audit Committee Chair.

(2) Compensation Committee Chair.

(3) Mr. Calhoun joined the Board on June 8, 2009.

(4) Finance Committee Chair (as of the 2009 Annual Meeting).

(5) Lead Director; Governance, Organization and Nominating Committee Chair.

(6) Admiral Giambastiani joined the Board on October 7, 2009. His compensation in connection with his service as a director in 2009 is paid in 2010 and is not reported in the 2009 Director Compensation Table.

(7) Ambassador Schwab joined the Board on February 10, 2010.

(8) Finance Committee Chair (until the 2009 Annual Meeting).

(9) The amount reported in the Fees Earned or Paid in Cash column reflects total cash compensation paid to each director in 2009 and includes amounts deferred at the director s election.

(10) The amount reported in the Stock Awards column reflects the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 for the retainer stock units awarded to each director in 2009. Such grant date fair value for these awards is equal to the Fair Market Value of the underlying Boeing stock on the grant date. The Fair Market Value for a single trading day is the average of the high and low per share trading prices for Boeing stock as reported by The Wall Street Journal for the New York Stock Exchange Composite Transactions. As of December 31, 2009, the following directors had the following aggregate number of deferred stock units accumulated in their deferral accounts for all years of service as a director from deferrals of cash compensation and awards of retainer stock units, including additional deferred stock units credited as a result of dividend equivalents earned with respect to the deferred stock units: Mr. Biggs, 33,797 units; Mr. Bryson, 37,564 units; Mr. Calhoun, 1,590 units; Mr. Collins, 10,714 units; Ms. Cook, 17,032 units; Mr. Daley, 13,090 units; Mr. Duberstein, 35,738 units; Mr. McDonnell, 21,907 units; and Mr. Zafirovski, 17,764 units.

(11) The award of stock options as an element of nonemployee director compensation was discontinued after 2004. As of December 31, 2009, the following directors had the following aggregate number of outstanding stock options, all of which are fully vested: Mr. Biggs, 12,000; Mr. Bryson, 9,600; Ms. Cook, 3,000; Mr. Duberstein, 12,000; and Mr. McDonnell, 12,000.

(12) The amount reported in the All Other Compensation column for each director consists of amounts in gift matching under the Board Member Leadership Gift Match Program, which matches dollar-for-dollar certain charitable contributions made by directors, with a maximum match of $31,000 per director on an annual basis. The amounts for Messrs. Bryson and Duberstein include matches made in 2009, which were attributable to previous years gift match limits. The amount for Mr. McDonnell also includes amounts attributable to prior years, and in addition, includes an amount that will be applied to his 2010 gift match limit. To be eligible for gift matching under the Board Member Leadership Gift Match Program, a contribution must be to a non-profit organization or educational institution in whose function and affairs the director has a substantial involvement.

Cash Compensation

In 2009, nonemployee directors received a cash annual retainer fee of $100,000. Our Lead Director received an additional annual retainer fee of $25,000. Nonemployee directors who served as chairs of the Audit Committee, the Compensation Committee, the Governance, Organization and Nominating Committee, the Finance Committee and the Special Programs Committee received an additional annual retainer fee of $15,000. We do not pay additional fees for attending Board or committee meetings. All retainer fees are payable quarterly, as of the first business day of January, April, July and October. We reimburse nonemployee directors for actual travel and out-of-pocket expenses incurred in connection with their services.

Deferred Compensation

Nonemployee directors may defer all or part of their cash compensation into an interest-bearing, cash-based account or as deferred stock units (an unfunded stock unit account) under our Deferred Compensation Plan for Directors. The number of units is calculated by dividing the amount of the deferred fees by the Fair Market Value of Boeing stock on each of the four quarterly dates on which the annual retainer fee is paid. Directors do not have the right to vote or transfer deferred stock units. Deferred stock units earn the equivalent of dividends, which are credited as additional deferred stock units and will be distributed as shares of Boeing stock after retirement or other termination of Board service. For the 2009 deferrals, the Fair Market Value on each of January 2, April 1, July 1 and October 1, 2009 was $44.17, $34.91, $42.55 and $52.97, respectively, and directors deferred cash compensation into deferred stock units as follows: Mr. Bryson, $115,000 for 2,693 units; Mr. Collins, $110,172 for 2,564 units; Mr. Daley, $100,000 for 2,342 units; and Mr. Zafirovski, $104,829 for 2,471 units. Mr. Calhoun deferred $50,000 of his 2009 cash compensation into an interest-bearing, cash-based account.

Stock-Based Compensation

During 2009, each nonemployee director was entitled to receive, on a quarterly basis, retainer stock units valued at $32,500. Each of these directors received an aggregate of 3,044 retainer stock units during 2009, except for the three nonemployee directors who were not directors at the beginning of the year. During 2009, Mr. Calhoun received 1,570 units and Admiral Giambastiani and Ambassador Schwab received 0 units. The retainer stock units are credited to the director s account (an unfunded stock unit account) in our Deferred Compensation Plan for Directors and are immediately vested. Directors do not have the right to vote or transfer retainer stock units. Retainer stock units earn the equivalent of dividends, which are credited as additional retainer stock units. Retainer stock units will be distributed as shares of Boeing stock after retirement or other termination of Board service.

Before 2005, nonemployee directors received annual option grants, with an exercise price equal to the average of the Fair Market Values for the fifth through ninth business days following the grant date, which was the date of the annual meeting. The options have a term of ten years and generally became exercisable in installments of one, three and five years after the grant date.

As set forth in our Corporate Governance Principles, the Board of Directors has approved stock ownership guidelines that provide that each nonemployee director should attain during his or her first three years as a director an investment position in Boeing stock (including deferred stock units) equal to three times the annual retainer fee and by the end of his or her sixth year as a director an investment equal to five times the annual retainer fee. All directors who have served three years or more meet the applicable guidelines.

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Compensation Consultants

In accordance with authority granted to the Compensation Committee pursuant to its charter, the Compensation Committee has engaged Towers Perrin (now doing business as Towers Watson) to serve as its outside compensation consultant. In this capacity, Towers Perrin provides information, data and advice on matters such as trends in executive compensation, relative executive pay and benefits practices, relative assessment of pay of our executives to our performance, evaluation of the design of individual pay elements and the total pay program, and other topics as the Compensation Committee requests. The Compensation Committee has also directed that Towers Perrin interact with management, when appropriate, on the Compensation Committee s behalf. Towers Perrin also assists the GON Committee with respect to nonemployee director compensation.

The Board permits management to engage Towers Perrin to perform additional non-executive compensation services for us, subject to the prior approval of the Compensation Committee. Towers Perrin provides the Compensation Committee on a semi-annual basis with a comprehensive description of these services, which during 2009 consisted of actuarial consulting and retirement design and strategy work. Towers Perrin received approximately $440,000 in fees from us in 2009 in connection with its role as outside executive and nonemployee director compensation consultant to the Board and its committees and approximately $4.2 million in fees from us in connection with other services. The Compensation Committee does not believe that Towers Perrin s role in providing other services to us compromises Towers Perrin s ability to provide the Compensation Committee with an objective and independent perspective.

Related Person Transactions

We engage in transactions, arrangements and relationships with many other entities, including financial institutions and professional organizations, in the course of our ordinary business activities. Some of our directors, executive officers, greater than 5% shareholders and their immediate family members may be directors, officers, partners, employees or shareholders of these entities. We carry out transactions with these firms on customary terms, and, in many instances, our directors and executive officers may not have knowledge of them. Except to the extent set forth below under Certain Transactions, to the company s knowledge, since January 1, 2009 no director, executive officer, greater than 5% shareholder or any of their immediate family members has had a material interest in any of our ongoing business transactions or relationships.

Policies and Procedures

Our policies and procedures for review and approval of related person transactions appear in our Conflict of Interest Procedure, Employment of Relatives and Close Personal Relations Procedure and our Related Party Disclosures Procedure, which are internally distributed, and in our Code of Ethical Business Conduct for Members of the Board of Directors, our Corporate Governance Principles, and the charter of the GON Committee, which are posted on our website. Our Corporate Governance Principles are also included as Appendix 1 to this proxy statement.

Under our policies and procedures, related parties include, among others, our executive officers and directors, and record or beneficial owners of more than 5% of our voting common stock, as well as their immediate family members. Our legal, financial accounting, treasury and corporate development departments review transactions with these related parties, including sales, purchases, transfers of realty and personal property, services received or furnished, use of property and equipment by lease or otherwise, borrowings and lendings, guarantees, filings of consolidated tax returns and employment arrangements. The findings of our departments are furnished to the Vice President, Accounting and Financial Reporting, who reviews any potential related person transactions identified for materiality and evaluates the need for disclosure under the SEC rules.

In addition, the GON Committee is required to consider all questions of possible conflicts of interest of Board members and executive officers, including review and approval of any transaction or proposed transaction required to be disclosed under SEC rules in which Boeing is or is to be a participant and the amount involved exceeds $120,000, and in which a director, executive officer or an immediate family member of a director or executive officer has an interest.

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Executive officers are also subject to our policies and procedures applicable to all employees, which require them to disclose potential conflicts of interest, and us to conduct conflict of interest reviews and make determinations with respect to specified transactions. Our Vice President, Ethics and Business Conduct, oversees this review and determination, and refers to the GON Committee for review and approval of any transaction or proposed transaction involving executive officers. The factors considered in making the determination include:

the executive officer s duties and responsibilities toward us; and

if the transaction includes another company:

- the company or business involved in the transaction, including the product lines and market of the company or business;
- the relationship between us and the other company or business, if any (for example, if the other company is one of our suppliers, customers or competitors); and
- the relationship between the executive officer or his or her immediate family and the other company or business (for example, owner, co-owner, employee, representative, etc.).

Directors are required to disclose to the Chairman of the Board or the Chair of the GON Committee any situation that involves, or may reasonably be expected to involve, a conflict of interest with us, including:

engaging in any conduct or activities that would impair our relationship with any person or entity with which we have proposed or proposes to enter into a business or contractual relationship;

accepting compensation from us other than compensation associated with his or her activities as a director unless such compensation is approved in advance by the Chair of the GON Committee;

receiving improper gifts from persons or entities that deal with us; and

using our assets, labor or information for personal use except as outlined in our policies and procedures or unless approved by the Chair of the GON Committee or as part of a compensation or expense reimbursement program available to all directors.

Directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests.

Finally, pursuant to our Corporate Governance Principles, we may not, directly or indirectly, extend or maintain credit or arrange for or renew an extension of credit in the form of a personal loan to or for any director or executive officer.

Certain Transactions

Rocky Gutierrez, a son-in-law of Scott E. Carson, our former Executive V.P., President and Chief Executive Officer, Commercial Airplanes, is employed by us. Mr. Gutierrez s compensation, which was approximately $122,000 in 2009, has been established in accordance with our employment and compensation practices applicable to employees with equivalent qualifications, experience and responsibilities. He is also eligible to participate in our employee benefit programs on the same basis as other eligible employees. Mr. Carson has not participated in compensation decisions relating to Mr. Gutierrez.

Evercore Trust Company, National Association, successor to the special fiduciary services business of Bank of America Corporation (Evercore), is a beneficial holder of more than 5% of our outstanding common stock according to Amendment No. 2 to Schedule 13G filed by Evercore with the SEC on February 11, 2010. Evercore is the investment manager for shares of our common stock held by The Boeing Company Employee Savings Plans Master Trust (the Savings Plans Trust) and The Boeing Company Retirement Plans Master Trust (the Retirement Plans Trust) on behalf of certain of our retirement plans. Pursuant to the investment management agreement with the Savings Plans Trust, Evercore is entitled to an annual fee based on the market value of our common stock in the Savings Plans Trust. In 2008 and 2009, these fees totaled approximately \$652,000 and \$580,000, respectively. In November 2009, the Retirement Plans Trust engaged Evercore to serve as investment manager and paid fees of approximately \$57,000 for services during 2009. The investment management agreement for the Retirement Plans Trust currently provides for the payment of fees totaling approximately \$385,000 in 2010.

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State Street Bank and Trust Company (State Street) is a beneficial holder of more than 5% of our outstanding common stock according to a Schedule 13G filed by State Street Corporation with the SEC on February 12, 2010. State Street is the trustee of the Savings Plans Trust. During 2009, the Savings Plans Trust paid State Street approximately $1.8 million for its services as trustee of the Savings Plans Trust and for services relating to our custody accounts held at State Street containing cash and investable securities. In addition, State Street Global Advisors, a division of State Street, acted as investment manager for various investment fund options within the Savings Plans Trust, and received approximately $1.0 million in fees for such services in 2009.

We, from time to time, enter into customary commercial and investment banking relationships with Evercore, State Street and their affiliates.

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Executive Compensation

Compensation Discussion and Analysis

Overview

This Compensation Discussion and Analysis presents information about the compensation of our senior executives, including the officers named in the Summary Compensation Table on page 34 (the Named Executive Officers or NEOs).

Our executive compensation program is designed to promote a strong culture of leadership development, aligned with performance improvement (focused on both growth and productivity) and integrity, which in turn drives financial performance that provides value to our stakeholders. The main components of our executive compensation program include base salary and annual and long-term incentives (total direct compensation). Our incentive program is designed to emphasize a pay-for-performance relationship since payouts are predominantly based on company and individual performance.

- Annual incentive awards are tied to financial results (economic profit) and individual performance. Individual performance incorporates a leadership attribute assessment into the final award. Awards are paid in cash and provide a strong link between pay and performance.

- The 2009 long-term incentive program, which consists of a mix of Performance Awards, stock options, and restricted stock units, provides a balanced focus on driving both internal and external performance. Performance Awards link payouts to achieving internal financial goals (economic profit) tied to our long-range business plan. Stock option payouts are contingent on growth in our stock price. Restricted stock units deliver increasing value as our stock price rises while directly promoting increased executive share ownership and mitigating risk through vesting requirements. The long-term incentive program was modified in 2009 to include the restricted stock unit component while maintaining the same emphasis and relative weighting on the Performance Award component of the program.

Executive Compensation Philosophy

Highly Qualified Employees. Our long-term success will be shaped by our people. We strive to ensure our employees contributions and performance are recognized and rewarded through a competitive compensation program. Our executive compensation program is designed to enhance shareholder value, while attracting and retaining world-class talent at all organizational levels, and rewarding executives for strong leadership and performance.

Pay for Performance. We target an executive compensation package that is competitive against the market in which we compete for talent. A majority of an executive s annual target total compensation package is variable compensation tied to performance (i.e., internal financial, stock price and individual performance). If performance is at or above targeted levels, the executive s total compensation will be at or above targeted levels. Conversely, if performance is below targeted levels, the executive s total compensation will be below targeted levels.

Objectives and Guiding Principles. The following objectives and guiding principles shape the design and administration of our executive compensation program:

- Shareholder Alignment Align with shareholder interests by focusing on key measures of value creation and requiring a significant ownership of Boeing stock through ownership requirements for NEOs, other officers and senior executives.

- Sustainable Results Link pay to company and individual performance by targeting a significant portion of an executive s compensation to the achievement of annual and long-term performance goals.

- Objective Performance Metrics Drive performance to our business plan by communicating and reinforcing the importance of achieving our growth and productivity initiatives.

Risk Management Design incentive plans to discourage undue risk-taking by executives through structural features such as caps on both cash-based annual incentive awards and long-term Performance Awards and an equal balance between restricted stock unit grants and stock option awards. See Compensation and Risk beginning on page 33 for additional details.

- Market Competitiveness Attract and retain talent by paying competitively with other major corporations that operate complex businesses in global markets.

- Sound Corporate Governance Serve the long-term interests of the company, communities, customers, shareholders and suppliers by establishing and administering programs in accordance with sound corporate governance principles.

Executive Compensation Design

Base Salary. Base salaries provide for competitive pay based on the market value of the position and meet the objective of attracting and retaining the talent needed to run the business. Salaries are reviewed annually. Salary increases may be given based on individual factors, such as competencies, skills, experience, performance, and market practices. There are no specific weightings assigned to these individual factors. Annual salary increases are generally effective in March. Increases may also be given when executives assume new roles or are promoted.

Incentive Plan Performance Metric. We use economic profit as the financial metric for executive annual incentives and Performance Awards. Specifically, the economic profit performance metric utilized throughout our incentive compensation programs for employees at all organizational levels equals:

- Net operating profit after tax (operating earnings, adjusted to exclude share-based plans expense and Boeing Capital Corporation interest expense, and reduced for taxes using an effective tax rate), less

- Capital charge (average net assets multiplied by a targeted cost of capital, where average net assets exclude cash, marketable securities, debt and certain pension and other post-retirement benefit obligations).

After the end of the performance period, the Compensation Committee (the Committee) may choose to exclude or adjust certain items to ensure that award payments reflect the core operating performance of the business. Economic profit measures our ability to generate earnings after covering the capital expenses associated with our net assets. Economic profit represents a challenging performance metric because it reflects not only how much a business earns, but also how well it uses its net assets to support its operations to generate revenue. Economic profit grows not merely by increasing revenues, but also by reducing costs and managing net assets. Economic profit growth is accomplished through more efficient processes, cost containment and minimized inventory, as well as other actions taken by management.

Economic profit is aligned with the enterprise financial performance targets we establish and is also the sole financial metric for our broad-based, annual non-executive employee incentive plan. This alignment between the executive and non-executive populations ensures that all of our employees are connected and working toward the same financial goals.

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Annual Incentive Plan. The Annual Incentive Plan is designed to motivate and reward NEOs and all other executives based on the achievement of company and individual goals for the performance year. Executives are assigned a target incentive award based on their pay grade. Actual incentive awards are determined by company and individual performance scores (with targets of 1.0) and paid 100% in cash. The mechanics of the 2009 Annual Incentive Plan were as follows:

Target Annual Incentive Award	**X**	**Company Performance Score**	**X**	**Individual Performance Score**	**=**	**Actual Annual Incentive Award**
% of base salary (based on pay grade)		Measured by company economic profit, as adjusted by the Committee to reflect core operating performance		Measures business performance and leadership attributes		Maximum award of 200% of target (CEO maximum of 230% of base salary per employment agreement, equal to approximately 135% of target)
CEO annual incentive target of 170% of salary		Score can range from 0.0 to 2.0 (target of 1.0)		Scores can range from 0.0 to 2.0 (target of 1.0)		
Other NEO annual incentive targets range from 75% to 100% of salary		Score approved by the Compensation Committee		Scores recommended by management (CEO score determined by the Compensation Committee)		
		No executive payout for less than 0.5				

The Committee approves all individual performance scores for the NEOs and other officers and has the discretion to make any adjustments. The expectation is that individual performance scores for all executives will average to 1.0 by each pay grade. Scores for executives generally fall within the 0.80 to 1.20 range. Two components make up the individual performance score:

Business Performance Score (weighted 70%) A qualitative and quantitative assessment of an executive s individual performance goals and contributions, value of contributions relative to peers and overall organization performance throughout the performance period.

Leadership Attribute Score (weighted 30%) A qualitative assessment of an executive s performance with respect to six leadership attribute elements applicable to all executives and managers:

- Charts the Course
- Sets High Expectations
- Inspires Others

- Finds a Way

- Lives Boeing Values

- Delivers Results

The Leadership Attribute Score is weighted 30% because strong leadership plays a significant role in driving our growth and productivity targets.

Individual NEO performance scores are determined based on the CEO s assessment of the achievement of those goals; the CEO s performance is assessed by the Committee.

Long-Term Incentive Program. Our 2009 long-term incentive program consisted of a mix of Performance Awards, stock options, and restricted stock units. Grant guidelines are reviewed and approved by the Committee on an annual basis, to remain competitive with our peer group, which is discussed beginning on page 28. The grant guidelines for each pay grade are designed to balance internal financial performance with stock price performance in delivering long-term incentive value. The Committee has flexibility within the guidelines to set awards based on scope of job and impact to the company.

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Long-term incentive award payouts are based on company performance. There is not an individual performance element associated with long-term incentive payouts.

Long-Term Incentive Performance Awards.   Performance Awards reward executives based on the achievement of three-year economic profit goals tied to our long-range business plan.

Individual target awards are based on a multiple of base salary.

Final awards may range from 0% to 200% of an individual s target.

Payment, if earned, will be made in cash or stock (at the Committee s discretion).

Performance Awards are designed to pay 100% of target at the end of the three-year performance cycle if the economic profit goal, as adjusted to reflect core operating performance, is achieved at the end of the performance period. To provide greater incentive for greater performance, the Performance Awards have a sliding scale that provides for payouts up to 200% of target for maximum performance. For below target performance, below target awards can be earned. The threshold level of performance provides for payouts of 25% of target. If the threshold level of performance is not achieved, no awards will be paid.

Performance Award goals are set so that the target payout is achievable if the company executes according to the long-range business plan. It is expected that maximum performance and less than threshold performance would each be infrequent (i.e., less than 10% of the time). Our general expectation is that over the length of a business/economic cycle Performance Awards will average close to 100% of target.

Long-Term Incentive Stock Options.   Stock options align executives   interests with those of shareholders since our options have realizable value only if the price of Boeing stock increases after the options are granted. Stock option grant levels are set annually based on the targeted expected value and recent stock price performance. The size of future awards is evaluated and determined annually based on a consideration of competitive compensation practices and changes in our stock price year over year. NEOs and other executives receive nonqualified option grants with the following characteristics:

An exercise price equal to the Fair Market Value (average of high and low price) of Boeing stock on the grant date.

Annual vesting in approximately equal installments over a three-year period.

Expiration ten years after the grant date.

Long-Term Incentive Restricted Stock Units.   Restricted stock units provide recognition for continued and sustained employment with us. Restricted stock units are granted annually, and vesting requirements must be met in order for the grant to have value. For these grants, the vesting requirement is time-based; the grant will vest 100% after three years. Specifically, restricted stock units:

Maintain strong shareholder alignment by emphasizing value creation while mitigating potential undue risk-taking in order to earn incentive awards.

Provide an immediate sense of ownership since the value of these units is equal to Boeing s stock price. As such, the ultimate value realized upon vesting (three years after grant) will be based on the stock price at that point in time. The use of restricted stock units is consistent with our objective of facilitating meaningful stock ownership through a mix of equity and cash-settled awards.

Ensure there is not an incentive for undue risk-taking implied in the grant mix. The Compensation Committee decided it was prudent to maintain a similar weighting between stock options and restricted stock units.

Are more cost effective than stock options considering share usage levels (approximately three stock options are required to deliver a grant date expected value of one restricted stock unit).

Supplemental Equity Awards. From time to time the Compensation Committee may grant supplemental equity awards to senior leaders of the company in order to retain or attract the services of a senior leader, reward exceptional performance, or recognize expanded responsibility. For example, in 2009, supplemental equity awards of Restricted Stock Units were granted as retention vehicles to three Named Executive Officers: Messrs. Bell, Luttig and Hill.

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Changes for 2010.

Annual Incentive Changes. The 2009 annual incentive plan is based 100% on company economic profit results, as adjusted by the Committee to reflect core operating performance, with payouts modified to reflect individual performance. In 2010, performance for those executives within a business unit will be measured at both the business unit and company levels. Company results will be weighted 75% and business unit results will be weighted 25%. Executives who are not within a business unit will be measured solely on company performance (100% weighting). All executives will continue to have payouts modified to reflect individual performance, similar to the 2009 plan. The Compensation Committee believes that the use of a business unit incentive component for selected business unit executives will strengthen the overall link between pay and performance and allow for appropriate differentiation in executive rewards based on differences in business unit results.

In addition, the threshold level of performance in the 2010 plan has been modified to permit payments if final results are above 0% but less than 50% of the economic profit target. Previously, the plan required minimum performance of 50% of targeted goals for payment to occur. This change is intended to bring the executive annual incentive plan into greater alignment with the employee annual incentive plan and the plan design features of companies in our peer group.

Long-Term Incentive Changes. The 2010 long-term incentive program will include Performance Awards, stock options, and restricted stock units, but these awards will be made in the following mix (based on the targeted expected value at grant):

- Performance Awards: 40% (changed from 50% in 2009)
- Stock options: 30% (changed from 25% in 2009)
- Restricted stock units: 30% (changed from 25% in 2009)

The long-term incentive mix was modified for 2010 in order to provide a more balanced award opportunity with greater weighting on equity.

In addition, the threshold level of performance for 2010-2012 Performance Awards was modified to permit payments if final results are above 0% but less than 25% of the economic profit target. Previously, the program required minimum performance of 25% of targeted goals for payment to occur. This change is intended to bring the long-term incentive program into greater alignment with our annual incentive plan and the plan design features of companies in our peer group.

Performance-Based Compensation. The Committee determines the portion of each executive s compensation that will be variable performance-based compensation, with the variable portion increasing as an executive assumes greater levels of responsibility and impact to the company. The percentage of the NEOs 2009 target total direct compensation that was variable as of the time it was initially approved is set forth in the table below. We define 2009 variable compensation to include the 2009 target annual incentive and the target expected value of Performance Awards, stock options and restricted stock units granted in 2009. The percentages below are calculated by dividing (1) the variable compensation amount by (2) target total direct compensation, which includes the variable compensation (excluding any supplemental equity awards) plus base salary.

	Base Salary	**Target Annual Incentive** ***(Variable Compensation)***	**Target Long-Term Incentive** ***(Variable Compensation)***	**Target Total Direct Compensation**
CEO	11%	18%	71%	100%
Other NEOs Average	18%	17%	65%	100%

Executive Stock Ownership. In order to ensure continual alignment with our shareholders, we have stock ownership requirements for NEOs, other officers and senior executives. The ownership requirements have been in place since 1998 and are based on a multiple of base salary tied to pay grade. As of the end of 2009, the NEOs met or were on track to meet their stock ownership guidelines. Effective for 2009, changes were made to

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the stock ownership guidelines to better align to the design of our incentive programs (which were changed effective in 2006) and current market practices. The stock ownership guidelines require executives to attain and maintain the following investment position in Boeing stock and stock units:

- CEO: 6x base salary.
- Executive Vice Presidents (EVP): 4x base salary.
- Senior Vice Presidents (SVP): 3x base salary.
- Vice Presidents: 1x or 2x base salary based on pay grade.

Effective in 2009, the compliance period was extended from three years to five years. Five years is the prevalent market practice and it provides a reasonable goal for new executives to accumulate shares through earned incentive awards and deferrals into stock units. In making this change, executives already in compliance will be expected at a minimum to maintain the threshold level of ownership (reduction in current stock ownership below the minimum requirements will not generally be permitted).

The five-year period for an executive commences the later of January 1, 2009, or January 1 after the executive enters a participating pay grade where stock ownership guidelines are applicable. During the five-year compliance period, executives are expected to continuously accumulate qualifying equity until they meet the minimum stock ownership guideline. Each October, the Compensation Committee reviews the ownership position of each officer as well as a summary covering senior executives. In assessing stock ownership, the average daily closing stock price over a one-year period (ending September 30 of each year) is used. This approach mitigates the effect of stock price volatility and is consistent with the objective of requiring long-term, sustained stock ownership. The Compensation Committee may, in its discretion, elect at any time to pay some or all of subsequent Performance Award payments in stock. This approach may be used for executives who are currently not in compliance with their ownership guidelines.

In addition to directly owned stock and stock units, restricted stock and restricted stock units, deferred stock units and shares held in our savings plans are included in calculating ownership levels. Unvested Performance Shares, unvested Performance Awards and unexercised stock options do not count toward the ownership guidelines.

Other Design Elements

As part of a comprehensive and competitive executive compensation package, executives (including NEOs) receive additional benefits as summarized below (more details are provided in the tabular disclosures beginning on page 34). These benefits are non-performance related and designed to provide a market competitive package in order to attract and retain the executive talent needed to achieve our business objectives.

Perquisites and Other Executive Benefits. We provide limited perquisites and other benefits to the NEOs and selected other executives to achieve our objectives. In 2009, these perquisites (by primary objective achieved) included:

- Security Certain senior executives are encouraged (the CEO is required) to use company aircraft for business and personal travel for security reasons. We provide the CEO a car service so that business may be conducted during his commute and for security purposes. In addition, home security is provided to the CEO and other NEOs.
- Productivity Tax preparation services; relocation assistance services (when applicable).
- Health Executive annual physical exam; supplemental life insurance.

Market Driven Company-provided leased vehicles; charitable gift matching program.

Perquisites and other executive benefits are reviewed annually by the Compensation Committee with respect to current position within the peer group.

Retirement Benefits. Executives are eligible to participate in a competitive retirement benefit package.

Defined Benefit Pension. In general, for executives hired before January 1, 2009, benefits are based on age, service and compensation, and consist of the following defined benefit plans (no employee contributions are required in order to participate in these plans):

- The Boeing Pension Value Plan (PVP), a tax-qualified defined benefit plan generally provided to all salaried Boeing U.S. employees not represented by a collective bargaining agent (some collective bargaining agreements provide for coverage).

- Supplemental Executive Retirement Plan for Employees of The Boeing Company (SERP), a nonqualified defined benefit plan that provides a makeup for benefits not accrued under the PVP due to Internal Revenue Code limits. The SERP also provides a supplemental target benefit that may enhance the benefits received under the PVP for certain executives.

The SERP was amended to eliminate supplemental target benefits to executives who are hired or rehired on or after January 1, 2008 and prior to January 1, 2009. Under the amended SERP, executives are eligible to receive the same retirement benefits payable to non-executives without Internal Revenue Code limits, which do not include the supplemental target benefit. For employees hired or rehired on or after January 1, 2009, the PVP and SERP have been replaced by an enhanced defined contribution plan.

We also provide a supplemental retirement benefit to Mr. McNerney to compensate him for benefits provided by his prior employer that he forfeited when he accepted his role at Boeing. We provide a supplemental pension benefit to Mr. Luttig per the terms of his initial employment; that supplemental benefit vested in 2009.

Deferred Compensation. Executives are eligible to participate in the following voluntary deferral programs (known as defined contribution plans):

- Deferred Compensation Plan for Employees that allows executives to voluntarily defer the receipt of salary and earned incentive awards.

- The Voluntary Investment Plan (VIP), a tax-qualified defined contribution plan in which participating employees receive a company match. The VIP was amended for those who were hired on or after January 1, 2009 to add a company contribution of 3%, 4% or 5% depending on age. The VIP is generally available to all of our U.S. employees.

- Supplemental Benefit Plan (SBP), a nonqualified defined contribution plan that allows eligible employees to save and receive a company match on amounts above those permitted under the VIP due to Internal Revenue Code limits.

The SBP was amended effective January 1, 2009 to provide additional retirement benefits to certain executives hired or rehired on or after January 1, 2009 (along with executives hired as a result of a 4th quarter, 2008 acquisition, as defined in the SBP) who are not eligible to participate in the PVP or the SERP. The amendments were made to be consistent with changes to our qualified retirement plan and to provide market competitive benefits. For eligible employees, we will make additional company contributions of 3%, 4%, or 5% (depending on age) above those permitted under the VIP due to Internal Revenue Code limits and with respect to the executive s annual incentive compensation. The SBP will also provide a supplemental retirement benefit (a DC SERP Benefit) to a select group of management or highly compensated employees at level E1 through E3 who are hired or rehired on or after January 1, 2009 (as defined in the SBP).

Severance Benefits.

Executive Layoff Benefits. We maintain an Executive Layoff Benefit Plan to provide a fair separation package to an executive in the event his or her job is eliminated. The plan covers all executives (including NEOs other than Mr. McNerney, who is covered by his employment agreement) and provides severance benefits equal to one year s base salary plus target annual incentive compensation, adjusted by company performance. The plan does not provide benefits upon a change in control. The Committee believes, based on comparison to peer group practices, the current level of benefits provided under the plan (which has been in place since 1997) is

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appropriate and provides a market-competitive separation package to all executives in the event their jobs are eliminated. In addition, executives may continue to participate in some outstanding incentive award programs after a separation based on service and the terms and conditions of the award.

CEO Severance Benefits. Pursuant to his employment agreement with us, Mr. McNerney is entitled to certain severance and change in control benefits if his employment is terminated. The level and nature of these benefits were reviewed against market data and set by a negotiated employment agreement to attract Mr. McNerney, who had similar arrangements with his prior employer, to join Boeing. The severance benefits are payable upon his involuntary termination by us without cause or voluntary termination by Mr. McNerney for good reason (e.g., adverse change in responsibilities, pay, reporting relationships or our (or our successor s) failure to abide by the agreement). These benefits include a cash severance payment, additional supplemental retirement benefits, health and welfare benefits continuation and vesting of certain long-term incentive awards. The cash severance payment is two times base salary plus target annual incentive. If Mr. McNerney is terminated following a change in control, the payment would be three times base salary plus target annual incentive. In the event of a change in control, Mr. McNerney would receive these severance benefits if his employment were subsequently terminated (by us without cause or by him for good reason) within two years of the change in control.

Governance of Pay Setting Process

In setting total direct compensation, a consistent approach is applied for all executives:

All executives are assigned to pay grades by comparing position-specific duties and responsibilities with market data and our internal management structure.

Each pay grade has a salary range with corresponding target annual and long-term incentive award opportunities, executive benefits and perquisites.

Salary ranges and incentive opportunities by pay grade are targeted to be at the middle of our peer group.

Individual executive pay positioning will vary based on the requirements of the job (competencies and skills), the executive s experience and performance, and the organizational structure (internal alignment and pay relationships).

The compensation policies applied to the CEO position are the same as those applied to other executive officer positions. However, the pay levels for the CEO position, which sets our strategy and leads us in enhancing shareholder value, are higher than other executive officer positions due to the significantly higher level of responsibility.

Exceptions to normal practice may be made based on critical business and people needs.

Role of Committee, Management and Consultant. The Committee establishes, reviews and approves all elements of the executive compensation program. The Committee works with Towers Perrin (now doing business as Towers Watson), an outside executive compensation consultant engaged by the Committee for advice and perspective regarding market trends that may impact decisions we make about our executive compensation program and practices. Management has the responsibility for effectively implementing the executive compensation program. Additional responsibilities of the Committee, management and the consultant include:

Compensation Committee.

The Committee reviews and approves business goals and objectives relevant to executive compensation, evaluates the performance of the CEO in light of those goals and objectives (both CEO goals/objectives and performance are reviewed in coordination with the GON

Committee) and determines and recommends the CEO s compensation level to independent members of the Board of Directors based on this evaluation.

Based on a review of market data, pay tally sheets (as described below), individual performance and internal pay comparisons, the Committee sets the pay for the CEO and reviews and approves all NEO and other officer pay arrangements, with the exception of base salaries, which are approved by the Board of Directors as required by our By-Laws.

The Board of Directors reviews all components of compensation and approves all executive officer base salaries.

A supermajority (two-thirds) of the Board of Directors must approve any incentive awards for our NEOs that are not tax deductible.

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Management.

- The CEO, Senior Vice President, Human Resources and Administration, and Vice President, Strategy, Compensation and Benefits make recommendations on program design and pay levels, where appropriate, and implement the program approved by the Committee.

- The CEO develops pay recommendations for other officers, including the other NEOs, and is assisted in pay administration by the Senior Vice President, Human Resources and Administration.

- The CFO provides the financial information used by the Committee to make decisions with respect to incentive compensation goals and related payouts.

Consultant.

- The consultant presents peer group pay practices and other relevant benchmarks to the Compensation Committee and management but the consultant does not determine pay.

- The consultant prepares comprehensive pay tally sheets for elected officers for Compensation Committee review. The pay tally sheets provide total annual compensation (for the current year and for the following year, based on expected pay adjustments), accumulated wealth (value of equity holdings, outstanding long-term incentives, deferred compensation and pension) and estimated compensation under various termination scenarios.

- The consultant provides periodic updates to the Compensation Committee regarding various tax, accounting and regulatory issues that could have an impact on executive compensation design, administration and/or disclosure.

Benchmarking Against Our Peer Group. We benchmark executive compensation against a peer group of leading aerospace and manufacturing companies that have a technology focus, global operations, a diversified business and annual sales and market capitalizations comparable to Boeing. Each year the Compensation Committee reviews the peer group and determines whether any changes should be made. Based on the 2009 review, two companies, General Motors and Motorola, were removed and were replaced with United Parcel Service and Cisco Systems. The companies selected met the peer group criteria described above. The 2009 peer group, inclusive of these changes, consisted of the following 24 companies:

3M	DuPont	Honeywell	Northrop Grumman
AT&T	Exxon Mobil	IBM	Procter & Gamble
Caterpillar	Ford	Intel	Raytheon
Chevron	General Dynamics	Johnson & Johnson	United Parcel Services
Cisco Systems	General Electric	Johnson Controls	United Technologies
Dell	Hewlett-Packard	Lockheed Martin	Verizon Communications

Peer group compensation benchmarking is one of several factors considered in the pay setting process. Peer group practices are analyzed annually for target total direct compensation, and periodically for other pay elements (such as executive benefits and perquisites). For 2009, each element of the executive compensation structure (salary range, target incentive award opportunities, and executive benefits and perquisites) was set to be within a competitive range to the middle of the peer group companies. The pay positioning of individual executives will vary based on their competencies, skills, experience and performance, as well as internal alignment and pay relationships. In 2009, each NEO s targeted total compensation (excluding any supplemental equity awards) was within the competitive range of compensation opportunities offered at the peer group companies. Actual total compensation earned may be more or less than target based on company and individual performance results during the performance period.

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The table below sets forth the 2009 annualized targeted compensation elements for each of our Named Executive Officers and the amount of each element at the target level based on our peer group. Base salary is the pay rate in effect on March 1, 2009 and annualized to represent a full year of earnings.

Name	Annualized Base Salary	Annual Incentive Plan Target	Long-Term Incentive Compensation Target(1)	Annualized Total Direct Compensation Target
W. James McNerney, Jr.				
Compensation Amount	$ 1,930,000	$ 3,281,000	$ 12,545,000	$ 17,756,000
Peer Group Targeted Range	$ 1,441,000- $ 1,835,000	$ 2,293,000- $ 3,767,000	$ 9,617,000- $ 14,425,000	$ 13,351,000- $ 20,027,000
James A. Bell				
Compensation Amount	$ 842,200	$ 842,000	$ 3,284,000	$ 4,968,000
Peer Group Targeted Range	$ 700,000- $ 892,000	$ 624,000- $ 1,096,000	$ 2,637,000- $ 3,955,000	$ 3,962,000- $ 5,942,000
James F. Albaugh				
Compensation Amount	$ 956,050	$ 956,000	$ 3,728,000	$ 5,640,000
Peer Group Targeted Range	$ 649,000- $ 825,000	$ 635,000- $ 1,099,000	$ 2,811,000- $ 4,217,000	$ 4,094,000- $ 6,142,000
J. Michael Luttig				
Compensation Amount	$ 741,750	$ 630,000	$ 2,225,000	$ 3,597,000
Peer Group Targeted Range	$ 594,000- $ 756,000	$ 507,000- $ 895,000	$ 1,743,000- $ 2,615,000	$ 2,844,000- $ 4,266,000
Shephard W. Hill				
Compensation Amount	$ 498,200	$ 374,000	$ 1,295,000	$ 2,167,000
Peer Group Targeted Range	$ 470,000- $ 598,000	$ 256,000- $ 492,000	$ 834,000- $ 1,252,000	$ 1,561,000- $ 2,341,000
Scott E. Carson				
Compensation Amount	$ 766,550	$ 766,000	$ 2,989,000	$ 4,522,000
Peer Group Targeted Range	$ 649,000- $ 825,000	$ 635,000- $ 1,099,000	$ 2,811,000- $ 4,217,000	$ 4,094,000- $ 6,142,000

(1) Supplemental equity awards are not included.

The 2009 annualized targeted compensation elements and total targeted compensation for each of our Named Executive Officers was competitive with our peer group. Market data is provided and reviewed annually by the Compensation Committee s consultant. 2009 annualized total direct compensation targets were developed using the 2008 peer group.

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Determination of Performance Goals (Economic Profit) and Awards. Economic profit goals are set taking into account business conditions, expectations regarding the probability of achievement and the desire to incorporate a degree of stretch to push the company to achieve a higher level of performance. Specific probabilities of achievement are not assigned to the economic profit goals. Consistent with our philosophy and approach to setting goals, incentive payouts that are above target will be for superior performance (results that exceed our business plan). Goals are set at the beginning of the performance period (one year for annual incentive awards and three years for Performance Awards). This process is summarized below.

Beginning of the Performance Period	During the Performance Period	End of the Performance Period
Economic profit goals and corresponding award opportunities are developed by management (CEO, CFO) and approved by the Committee	Economic profit performance is monitored relative to goals	Management presents actual economic profit results relative to goals, and the Committee determines any payouts
	Economic profit goals cannot be changed during the performance period	The Committee may exclude or adjust certain items that are outside the normal course of business, unusual and/or infrequent, and not reflective of our core operating performance for that period

Any adjustments at the end of the performance period will be based on the Committee s judgment. The same adjustments considered for the annual awards in a given year may be applied to the long-term Performance Awards. The Committee has discretion over the adjustments but not the discretion to increase or decrease the company performance score outside of these adjustments irrespective of the economic profit performance.

Results

Company Performance Highlights. One of our key objectives is strong financial performance that provides sustained, long-term increases in shareholder value. Highlights of the 2009 performance year are:

- Revenues of $68.3 billion.
- Net income of $1.3 billion, or $1.84 per share.
- Operating cash flow of $5.6 billion.
- Backlog of $316 billion.

Impact on Pay. As mentioned earlier, company performance (economic profit) has a direct impact on both annual and long-term incentive compensation. Under our long-term incentive program, Performance Awards were earned for the 2007 to 2009 cycle. The annual incentive and Performance Awards earned for performance ending in 2009 are discussed below. In addition, the amount of adjusted operating cash flow of the company for the year and for the three-year performance award period determines the limits of the annual incentives and Performance Awards for our NEO s (other than the CFO), above which such awards are not eligible to be excluded from the Internal Revenue Code Section 162(m) deductibility limits as qualified performance-based compensation. Incentive deductibility is discussed in more detail on page 32.

Annual Incentive Awards. Under the annual incentive, the final award paid to an executive includes a measure of both company and individual performance. We calculate annual incentive awards based on the following formula:

Target Annual Incentive Award	X	Company Performance Score	X	Individual Performance Score	=	Actual Annual Incentive Award

Results for the 2009 annual incentive are discussed below.

Company Performance Score. The Compensation Committee determined that our 2009 economic profit after adjustments was $2.4 billion versus a target of $2.6 billion. This resulted in a company performance score of 0.7, which is 30% less than the target of 1.0. The below target performance was primarily due to commercial market impacts and development program charges. Consistent with past practices, adjustments were made to ensure that award payments under our executive and employee incentive plans reflect the core operating performance of the business.

In 2009, the Committee made adjustments to economic profit performance related to the financial impact of the reclassification of 787 production costs related to research and development expense, the write-offs related to the Sea Launch venture and certain financial impacts resulting from the deterioration of commercial markets.

Individual Performance Scores. Individual performance scores reflect the CEO s qualitative and quantitative assessment (Committee assessment for the CEO) of an NEO s individual performance goals and contributions, value of contributions relative to peers, and overall organization performance throughout the performance period. In addition, a leadership assessment of the six leadership attributes (as described on page 22) is included in the score. In 2009, NEO individual performance scores ranged from 1.0 to 1.049, averaging 1.029. Messrs. Albaugh, Bell, Hill, Luttig and McNerney received scores above 1.0. Their above target performance was a reflection of financial, operational and business achievements, progress on key initiatives, leadership strength, and overall impact to the company during 2009.

Based on 2009 company and individual performance results (as detailed above), the Committee believes the annual incentive compensation awarded to the NEOs in 2009 was appropriate and achieved the executive compensation program s objectives.

Long-Term Incentive Performance Awards. The Compensation Committee determined that our 2007 to 2009 cumulative economic profit after adjustments was $8.3 billion versus a target of $10.7 billion. This resulted in an award payout factor for the three-year period of $36 per unit; which is 64% below the target amount of $100 per unit. This below-target performance was the result of delays and performance issues on development programs. Consistent with the practices applied to the annual incentive plan, adjustments were made to ensure that award payments reflect the core operating performance of the business over the three-year period. The Performance Awards were paid to executives in cash.

Additional Considerations

Consulting Arrangement. We currently expect Mr. Carson to serve as a commercial airplane products and services consultant for us through March 2012, for which Mr. Carson will receive aggregate compensation of $1,533,100, an amount equal to his 2009 targeted cash compensation, plus reimbursement for reasonable expenses.

Granting Practices. We make our annual long-term incentive grants in February of each year at the regular meeting of the Compensation Committee, which typically is within a month after we have publicly released a report of our prior year annual earnings. The Committee meeting date, or the next business day if the meeting falls on a day where the NYSE is closed for trading, is the effective grant date for the grants. The stock option exercise price is the Fair Market Value of Boeing stock on that date.

Effective January 1, 2009, new executives (externally hired or internally promoted) who become eligible for the long-term incentive program after the February grant date but before December 31 will receive a prorated long-term incentive award for the current year. Grants are prorated based on the number of months remaining in the 36-month performance or vesting period. This approach was adopted to better align with market practices and provide the executive with an immediate tie to Boeing s long-term performance.

We also may grant equity-based awards (e.g., options, restricted stock units) to recognize increased responsibilities or special contributions, attract new hires, retain executives or recognize certain other special circumstances that occur throughout the year. The effective date of these grants is determined based on the timing of the recognition or recruitment event and approved on or in advance of the effective date of the grant according to our approval authority requirements. The exercise/grant price is the Fair Market Value of Boeing stock on the effective date. The Compensation Committee approves all equity grants to executive officers, and has delegated authority to grant certain other awards to the Stock Plan Committee consisting of the Chairman of the Board. See Corporate Governance Board Committees on page 10.

Accounting and Tax Implications. The Compensation Committee considers the accounting and tax impact reflected in our financial statements when establishing the amount and forms of long-term and equity compensation. The forms of long-term compensation selected are intended to be cost-efficient.

Stock Options, Restricted Stock and Restricted Stock Units We account for stock option, restricted stock and restricted stock unit awards in accordance with FASB ASC Topic 718, pursuant to which the fair value of the grant, net of estimated forfeitures, is expensed over the service/vesting period based on the number of options, shares or units, as applicable, that vest.

Performance Awards The estimated payout amount of the Performance Awards, along with any changes in that estimate, is recognized over the performance period under liability accounting. Our ultimate expense will equal the value earned by/paid to the executives. As such, the ultimate expense is not determinable until the end of the three-year performance period.

Securities Trading Policy. We have a policy that executive officers and directors may not purchase or sell options to sell or buy Boeing stock (puts and calls) or engage in short sales with respect to Boeing stock.

Clawback Policy. We will seek reimbursement of annual or long-term incentive payments to an executive officer if the Board determines that the executive engaged in intentional misconduct that caused or substantially caused the need for a substantial restatement of financial results and a lower payment would have been made to the executive based on the restated financial results. This policy is contained in our Corporate Governance Principles, which are set forth in Appendix 1 to this proxy statement.

Limitations on Deductibility of Compensation. Section 162(m) of the Internal Revenue Code limits the tax deductibility of compensation paid by a public company to its CEO and certain other highly compensated executive officers to $1 million. There is an exception to the limit on deductibility for performance-based compensation that meets certain requirements.

We consider the impact of this rule when developing and implementing our executive compensation program. Annual incentive awards, Performance Awards and stock options generally are designed to meet the deductibility requirements. We also believe that it is important to preserve flexibility in administering compensation programs in a manner designed to promote varying corporate goals. Accordingly, we have not adopted a policy that all compensation must qualify as deductible under Section 162(m). Amounts paid under any of our compensation programs, including salaries, annual incentive awards, Performance Awards and grants of restricted stock and restricted stock units, may not qualify as performance-based compensation that is excluded from the limitation on deductibility.

There are different means by which the Board may pay executive compensation. One such means is the Elected Officer Annual Incentive Plan, which was established to allow for the payment of annual incentive awards that would be deductible under Section 162(m). However, that plan is not the exclusive means by which annual incentive payments may be made to Named Executive Officers. The Board in its discretion may make such awards. When awards are made outside the Elected Officer Annual Incentive Plan, however, they may not be tax deductible. For 2009, we met the plan requirements for the Elected Officer Annual Incentive Plan and the 2007-2009 Performance Award payments. As a result, these payments are considered performance-based compensation under Section 162(m).

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Compensation Committee Report

Management has prepared the Compensation Discussion and Analysis of the compensation program for Named Executive Officers (beginning on page 20). The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis for fiscal year 2009 (included in this proxy statement) with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the proxy statement, for the year ended December 31, 2009, for filing with the Securities and Exchange Commission.

Compensation Committee

John E. Bryson, Chair

Kenneth M. Duberstein

John F. McDonnell

Mike S. Zafirovski

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee during 2009 had a relationship that requires disclosure as a Compensation Committee interlock.

Compensation and Risk

We believe that our performance-based compensation and equity programs create appropriate incentives to increase long-term shareholder value. These programs have been designed and administered in a manner that discourages undue risk-taking by employees. Relevant features of these programs include:

- limits on annual incentive and long-term performance awards, thereby defining and capping potential payouts;
- proportionately greater award opportunity derived from the long-term incentive program compared to annual incentive plan, creating a greater focus on sustained company performance over time;
- the application of an annual incentive metric that aligns employees against the balanced objectives of increasing revenues, reducing costs and managing net assets;
- use of three distinct long-term incentive vehicles Performance Awards, restricted stock units and stock options that vest over a number of years, thereby providing strong incentives for sustained operational and financial performance;
- a long-term incentive program that has overlapping performance periods, such that at any one time three separate potential awards are affected by current year performance, thereby requiring sustained high levels of performance to achieve a payout;
- share ownership guidelines for senior executives, monitored by the Compensation Committee, that ensure alignment with shareholder interests over the long term;

Compensation Committee discretion to adjust payouts under both the annual and long-term performance plans to reflect the core operating performance of the business, but prohibit discretion for payouts above stated maximum awards;

incorporation of an individual performance score, ranging from 0 to 2.0, as a key factor in the total annual incentive calculation, thereby enabling the Compensation Committee to direct a zero payout to any executive in any year if the individual executive is deemed to have sufficiently poor performance or is found to have engaged in activities that pose a financial, operational or other undue risk to the company; and

formal clawback/recoupment policies applicable to both cash and equity compensation of senior executives.

In light of these features of our compensation program, we conclude that the risks arising from our employee compensation policies and practices are not reasonably likely to have a material adverse effect on the company.

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Summary Compensation Table

The following table sets forth information regarding 2009 compensation for each of our 2009 Named Executive Officers; 2008 and 2007 compensation is presented for executives who were also Named Executive Officers in 2008 and 2007. In accordance with SEC rules, 2007 compensation is not presented for Mr. Luttig and 2008 and 2007 compensation is not presented for Mr. Hill because they were not Named Executive Officers in those years. Salary includes amounts deferred at the officer s election. Consistent with our executive compensation program objectives, performance-based pay, particularly long-term incentive compensation, is emphasized in determining pay packages. The Summary Compensation Table and the 2009 Grants of Plan-Based Awards table should be viewed together for a more complete representation of both the annual and long-term incentive compensation elements of our program. In addition, we have provided a supplemental table beginning on page 37 showing elements of our CEO s 2009 compensation that the Compensation Committee reviewed in making compensation decisions. This supplemental table includes a comparison of actual pay realized in 2009 to actual pay realized in 2008.

Name and Principal Position	Year	Salary ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	Change in Pension Value ($)(5)	All Other Compensation ($)(6)	Total ($)(7)
W. James McNerney, Jr.	2009	$ 1,930,000	$ 3,136,242	$ 3,136,251	$ 4,500,300	$ 5,738,037	$ 1,002,642	$ 19,443,472
	2008	1,915,288		5,914,440	6,089,625	1,860,844	846,057	16,626,254
Chairman, President and Chief Executive Officer	2007	1,800,077		5,871,650	4,266,500	3,457,119	966,251	16,361,597
James A. Bell	2009	836,619	2,779,149	793,401	1,099,400	996,055	273,658	6,778,282
	2008	806,149		1,455,140	1,917,025	1,619,843	377,600	6,175,757
Executive V.P., Corporate President and Chief Financial Officer	2007	760,865		1,420,120	1,291,900	1,664,871	218,250	5,356,006
James F. Albaugh	2009	952,382	967,276	913,919	1,314,068	1,248,588	206,145	5,602,378
	2008	930,269	152,463	1,455,140	2,381,468	1,368,211	169,897	6,457,448
Executive V.P., President and Chief Executive Officer, Commercial Airplanes	2007	896,303		1,420,120	1,537,900	622,817	269,178	4,746,318
J. Michael Luttig	2009	736,160	1,175,019	463,615				
Executive V.P., General Counsel								