

Shareholder Proposal for Increased Disclosure of Production Site Selection Analysis

Resolved: Shareowners request that the board of directors disclose detailed information, omitting proprietary information, of Boeing's selection process and criteria for selecting new or expanding existing locations for the Company's new models of aircraft production locations. The report shall be made available to shareholders.

Supporting Statement:

In the process site selection of production, we believe that Boeing should balance its search for economic incentives with locations that can support the core operations of the business effectively.

As shareowners, we want to be confident that lessons learned at the Company regarding the substantially high costs associated with the 787 program are not repeated with other new airplane programs. Those high costs negatively impacted profitability of the 787 to the tune of more than \$30 billion in deferred costs, making the overall profit on this jet questionable and thus adversely impacting shareholder value.

We believe the following are important factors that should be included in Boeing's decision-making for new aircraft production sites:

- The availability of experienced workers that have the specific technical skills required in aerospace manufacturing – a pool of workers possessing the skills and certifications that match the demands of aircraft manufacturing and aerospace technology needs;
- A level of vertical integration appropriate for complex heavily-engineered performance-driven products with steep learning curves;
- Supporting infrastructure of the locality – the necessary space, buildings, transportation options via roads, rail, and sea, and power supplies to support the production;
- A network of suppliers for parts/components/logistics/new innovations;
- The potential for severe weather in the area that could impact the facility and lead to costly shutdowns and disruptions;
- Regional attributes that support the development of a skilled labor pool – educational/vocational institutions, workforce investment board, university or nearby institutions of higher education with aerospace research capability;
- The qualities of life for the region – people who do the work are Boeing's greatest resource. Locating in an environment that provides a safe, healthy, and wide array of diverse social, sporting, recreational, and cultural activities where workers are healthy and can prosper;
- Tax structures and economic incentives offered in a specific region are considered. These types of incentives come from the state and local level – tax abatements, exemptions, and rebates for property, utility, sales, and usage taxes, and business privilege status. Also includes, performance-based cash grants.

We are asking Boeing to provide a detailed report available to shareholders on the Company's current analysis applied to its manufacturing site selection for aircraft. This report will disclose all factors considered in site selection and the weighting applied to each factor in the decision-making process for the Company.

We ask shareholders to vote FOR and support this resolution.