

Shareholder Proposal Regarding Production Site Selection Analysis

Resolved: Shareowners request the board of directors to include certain criteria in the Company's process for selecting new or expanding existing sites for the Company's new models of aircraft production locations.

Supporting Statement:

As shareowners, we want to ensure 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 the 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 that Boeing should select locations that have the ability to support the core operations of the business effectively.

The following are important factors that we believe Boeing must consider in the Company's decision-making process 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.
- If the Company determines a location involves a riskier business proposition, other sites must have preference.

We are asking Boeing to incorporate the above criteria to the Company's manufacturing site selection for aircraft production.

We ask shareholders to vote FOR and support this resolution.