



# Ethical Business Conduct Guidelines





## To the people of Boeing:

Here is your copy of the *Boeing Ethical Business Conduct Guidelines* booklet. It includes the Boeing Code of Conduct, our values, a summary of some of our key policies and procedures, examples of ethical questions you might face, information about business compliance issues, and a listing of resources you can turn to when you need ethical advice or help.

Boeing's business plans cannot happen without integrity. We ask you to execute your piece of the business plans with attention to every detail – especially the ethical implications of your own and your work group's actions. If you think something is unethical, please report it. We commit to you that Boeing will celebrate the courage of people who point out existing or potential ethical problems, and that we will not tolerate retaliation against people who raise legitimate ethical concerns.

Please read and keep this booklet so you can refer to it later, or bookmark it on the Boeing intranet at <http://ethics.whq.boeing.com/guidelines>. Some situations are not clear-cut. If this booklet doesn't answer your questions, please discuss your concerns with your manager or your Ethics Advisor. For more help, you can also call the Ethics Line at 1-888-970-7171.

The company's reputation is earned one person at a time, and each of us contributes to that reputation. Thank you for always protecting Boeing's integrity.

A handwritten signature in blue ink, appearing to read "Jim", with a vertical line extending upwards from the top of the signature.

W. James McNerney, Jr.



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# Ethical Business Conduct Guidelines

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# Our values

*In all our relationships we will demonstrate our steadfast commitment to*

## **Leadership**

We will be a world-class leader in every aspect of our business – in the development of our team leadership skills at every level; in our management performance; in the way we design, build, and support our products; and in our financial results.

## **Integrity**

We will always take the high road by practicing the highest ethical standards, and by honoring our commitments. We will take personal responsibility for our actions and we will treat everyone fairly and with trust and respect.

## **Quality**

We will strive for continuous quality improvement in all that we do, so that we will rank among the world's premier industrial firms in customer, employee, and community satisfaction.

## **Customer satisfaction**

Satisfied customers are essential to our success. We will achieve total customer satisfaction by understanding what the customer requires and delivering it flawlessly.

## **People working together**

We recognize our strength and our competitive advantage is and always will be – people. We will continually learn, and share, ideas and knowledge. We will encourage cooperative efforts at every level and across all activities in our company.

## **A diverse and involved team**

We value the skills, strengths, and perspectives of our diverse team. We will foster a participatory workplace that enables people to be involved in making decisions about their work.

## **Good corporate citizenship**

We will provide a safe workplace and protect the environment. We will promote the health and well-being of Boeing people and their families. We will work with our communities by volunteering our time and talent and by financially supporting education and other worthy causes.

## **Enhancing shareholder value**

Our business must produce a profit, and we must generate superior returns on the assets entrusted to us by our shareholders. We will ensure our success by satisfying our customers and increasing shareholder value.

# Boeing Code of Conduct

The Boeing Code of Conduct outlines expected behaviors for all Boeing employees. Boeing will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable laws and regulations. In conducting its business, integrity must underlie all company relationships, including those with customers, suppliers, communities and among employees. The highest standards of ethical business conduct are required of Boeing employees in the performance of their company responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, or reputation or otherwise cause embarrassment to the company.

Employees will ensure that

- ◆ They do not engage in any activity that might create a conflict of interest for the company or for themselves individually.
- ◆ They do not take advantage of their Boeing position to seek personal gain through the inappropriate use of Boeing or nonpublic information or abuse of their position. This includes not engaging in insider trading.
- ◆ They will follow all restrictions on use and disclosure of information. This includes following all requirements for protecting Boeing information and ensuring that non-Boeing proprietary information is used and disclosed only as authorized by the owner of the information or as otherwise permitted by law.
- ◆ They observe that fair dealing is the foundation for all of our transactions and interactions.
- ◆ They will protect all company, customer, and supplier assets and use them only for appropriate company-approved activities.
- ◆ Without exception, they will comply with all applicable laws, rules, and regulations.
- ◆ They will promptly report any illegal or unethical conduct to management or other appropriate authorities (i.e., Ethics, Law, Security, EEO).

Every employee has the responsibility to ask questions, seek guidance, and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.

# Table of contents

<b>How to use this booklet</b>	<b>1</b>
<b>Where to go for help</b>	<b>2</b>
<b>Ethical decisionmaking</b>	<b>3</b>
<b>Ethical Business Conduct: Company Policy POL-2</b>	<b>5</b>
<b>Ethics and Business Conduct program: Company Procedure PRO-3</b>	<b>8</b>
An overview of the Boeing Ethics and Business Conduct program and employees' responsibilities	
<b>Proper Marketing Practices: Company Procedure PRO-4</b>	<b>10</b>
Marketing efforts focus on the quality, service, and competitive features of Boeing products and services.	
<b>Proper Marketing Practices – Marketing to the U.S. Government: Company Procedure PRO-5</b>	<b>12</b>
Special issues related to marketing to the U.S. Government	
<b>Offering of Business Courtesies: Company Procedure PRO-6</b>	<b>14</b>
Guidelines on offering business courtesies to commercial customers and to government employees	
<b>Conflict of Interest: Company Procedure PRO-7</b>	<b>16</b>
Requirements for disclosing potential conflicts and information on the conflict of interest review process	
<b>Acceptance of Business Courtesies: Company Procedure PRO-8</b>	<b>18</b>
When to accept or decline business courtesies	

## Table of contents, *continued*

<b>Proper Relationships With Suppliers: Company Procedure PRO-9</b> _____	<b>20</b>
Rules and procedures relating to business conduct with suppliers	
<b>Proper Use of Company, Customer, and Supplier Resources: Company Procedure PRO-10</b> _____	<b>21</b>
Use of company office equipment for personal purposes and proper use of possible benefits associated with company travel	
<b>Recruiting and Hiring Current and Former Government Employees - Conflict of Interest; PRO-4825</b> _____	<b>23</b>
Recruiting and assigning work to former U.S. Government employees	
<b>Buying and Selling Securities – Insider Trading: Company Procedure PRO-12</b> _____	<b>24</b>
Guidance to ensure compliance with laws and regulations on insider trading and other securities transactions	
<b>Additional business compliance issues</b> _____	<b>26</b>
Procurement integrity _____	<b>26</b>
Proprietary information agreements _____	<b>27</b>
Export and import compliance _____	<b>28</b>
Antitrust compliance _____	<b>30</b>
Anti-Bribery -- Foreign Corrupt Practices Act _____	<b>32</b>
Truth in Negotiations Act _____	<b>32</b>
U.S. Government audits and investigations _____	<b>33</b>
Charging of work tasks _____	<b>33</b>
Political contributions _____	<b>34</b>
Equal employment opportunity _____	<b>35</b>
Corporate citizenship and community relations _____	<b>36</b>
Environment _____	<b>36</b>

## Table of contents, *continued*

<b>Proper Relationships With Suppliers: Company Procedure PRO-9</b> _____	<b>20</b>
Rules and procedures relating to business conduct with suppliers	
<b>Proper Use of Company, Customer, and Supplier Resources: Company Procedure PRO-10</b> _____	<b>21</b>
Use of company office equipment for personal purposes and proper use of possible benefits associated with company travel	
<b>Former U.S. Government Employees – Conflict of Interest: Company Procedure PRO-11</b> _____	<b>23</b>
Recruiting and assigning work to former U.S. Government employees	
<b>Buying and Selling Securities – Insider Trading: Company Procedure PRO-12</b> _____	<b>24</b>
Guidance to ensure compliance with laws and regulations on insider trading and other securities transactions	
<b>Additional business compliance issues</b> _____	<b>26</b>
Anti-Bribery -- Foreign Corrupt Practices Act _____	<b>26</b>
Procurement integrity _____	<b>27</b>
Proprietary information agreements _____	<b>28</b>
Export and import compliance _____	<b>29</b>
Antitrust compliance _____	<b>32</b>
Truth in Negotiations Act _____	<b>33</b>
U.S. Government audits and investigations _____	<b>33</b>
Charging of work tasks _____	<b>34</b>
Political contributions _____	<b>35</b>
Equal employment opportunity _____	<b>36</b>
Corporate citizenship and community relations _____	<b>37</b>
Environment _____	<b>37</b>



## How to use this booklet

This booklet is designed to help you recognize and deal with ethical issues in your work. Consider this booklet as a guide to help you whenever you have a question about ethics or if you are faced with an ethical dilemma.

To begin, you might turn to page 3, Ethical decisionmaking. Here you will find several tools to help you determine whether the problem you are trying to solve or the decision you are trying to make has ethical issues that should be considered and, if so, how you might best address and resolve them. The tools will serve as a useful aid to help you answer questions by encouraging you to consider various dimensions and perspectives.

You can always use the table of contents as a quick reference to locate and identify the issue about which you have a concern. Issues are organized by topics. To help you develop a more complete understanding of the topic, you'll find a summary of the specific Boeing procedure. Following the summary are questions and answers that may very well address your specific concern. Here are a few examples of how the table of contents can help:

- You are a former employee of a current competitor to Boeing. Can you brief your team on your former employer's proposal strategies? Refer to "Proper Marketing Practices," PRO-4.
- A supplier representative knows that you are a big baseball fan. He offers you two great tickets to a baseball game. You know that Boeing policy would not allow you to accept the tickets as a gift, but what if you buy them from him? Refer to "Acceptance of Business Courtesies," PRO-8.
- You often spend your lunch break at your desk. Can you use your PC to write a personal letter or to surf the Internet during your personal time? Refer to "Proper Use of Company, Customer, and Supplier Resources," PRO-10.

If you need more information about any of the procedures summarized here, you may access them through the Ethics and Business Conduct home page, <http://ethics.whq.boeing.com/>, or call the Boeing Ethics Line at 1-888-970-7171.

## Where to go for help

If you have questions after reading the appropriate section in this booklet, there are several other sources you may contact for help. The company expects all employees and others who support the work of The Boeing Company to ask questions, seek guidance, express concerns, and report any suspected violations of the established standards of business conduct. The company will not tolerate retaliation against employees who use the resources of the Ethics and Business Conduct program for reporting ethical concerns.

### **Management**

Feel free to approach your supervisor or manager with whatever ethical concern or question you might have. Your management might refer you to another resource, but under most circumstances they should be your first point of contact.

### **Ethics Advisors**

Ethics Advisors are Boeing employees who serve as independent counselors. They have access to top management and are well versed in Boeing values and the Boeing Ethical Business Conduct policy and related procedures. They are responsible for advising Boeing employees on matters of ethical concern and for helping them to resolve ethical dilemmas. Names and telephone numbers of Ethics Advisors are listed on the Boeing Web at <http://ethics.whq.boeing.com/needa.html>.

### **The Boeing Ethics Line**

The Boeing Ethics Line is also available to help you with your ethics questions and to enable you to report concerns you might have about possible misconduct.

Phone:	1-888-970-7171
Mail code:	14-14
TDD/TTY:	1-800-617-3384
E-mail:	ethicsline.ethics@boeing.com

### **The Ethics and Business Conduct home page**

You can access this page at <http://ethics.whq.boeing.com/>. You'll find useful information about the Boeing Ethics and Business Conduct program. Included are the summaries and full texts of the Boeing Ethics procedures, a listing of the Ethics Advisors, and a Conflict of Interest Determination form.

# Ethical decisionmaking

It is not always easy to determine the ethical or “right” thing to do in a particular business or work situation. Sometimes, because of the highly complex rules and regulations that govern the way we do business, a decision is not clear-cut.

A decision or situation could be difficult when the ethical issue includes

**A close call:** These situations involve the careful balancing of different yet valid interests. Sometimes the correct decision is just not clear.

**A new problem:** These situations usually involve facts that have not been specifically addressed by the policies or procedures of the company.

**Multiple considerations:** The decision in these situations requires the input of so many different people that the decision process becomes very inefficient.

**Personal cost:** The right and fair thing to do is clear, but the decisionmaker bears so much cost in lost time or personal sacrifice that the decision is difficult.

By reviewing the following outline, each of us can, at the very least, ensure that we have applied a process that is designed to call to mind sound principles of ethical decisionmaking. Unless we apply such a process honestly and consistently, we run the risk of failing to provide our customers – whether internal or external – with the quality of products and services they deserve.

## Analysis

What are the facts?

Who is responsible to act?

What or whose interests are involved?

What are the consequences of the action?

What is fair treatment in this situation?

## Solution development

What solutions are available to me?

Have I considered all of the creative solutions that might permit me to reduce the amount of harm, to maximize the benefits, to acknowledge more interests, or to be fair to more individuals?

## Ethical decisionmaking, *continued*

### **Selection of optimum solution**

What are the potential consequences of my solutions?

Which of the options I have considered does the most to maximize benefits, to reduce harm, to respect rights, and to increase fairness?

Are all parties treated fairly in my proposed decision?

### **Implementation**

Who should be consulted and informed of the decision?

What actions will ensure that my decision achieves its intended outcome?

How do I put the decision into action?

### **Follow-up**

Was the decision correctly implemented?

Did the decision, in fact, maximize benefits, reduce harm, acknowledge interests, and treat all fairly?

### **Further questions to ask yourself**

Are my choices lawful and in compliance with Boeing policies?

Am I being fair and honest?

Would I be uncomfortable describing my decision at an all-hands meeting?

How will I feel about myself afterwards?

How would it look if it made the headlines?

Will I be able to sleep soundly?

What would I tell my child to do?

You can always contact your management, Ethics Advisor, or the Boeing Ethics Line for assistance.



## Ethical Business Conduct Company Policy POL-2

POL-2 applies to all employees of The Boeing Company, including subsidiaries, contingent labor, consultants, and others acting for the company ("employees").

Boeing will conduct its business fairly, impartially, in an ethical and proper manner, in accordance with the company's values and Code of Conduct, and in full compliance with all laws and regulations. In the course of conducting company business, integrity must underlie all company relationships, including those with customers, suppliers, and communities and among employees. The highest standards of ethical business conduct and compliance are required of Boeing employees in performance of their company responsibilities. Employees must not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, or reputation or otherwise cause embarrassment to the company. Conduct that is prohibited under Boeing policy or does not comply with laws and regulations may not be accomplished on an employee's behalf by anyone outside the company.

All employees must sign and abide by the Boeing Code of Conduct, which requires that they understand the code, and ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy and the related procedures.

To support the requirement for complete and accurate financial records and reporting, all employees of the Finance organization have an additional Code of Conduct for Finance.

In addition, the Board of Directors of The Boeing Company has adopted a Code of Ethical Business Conduct that complies with the standards set forth in the New York Stock Exchange's corporate governance rules.

The Ethics and Business Conduct Committee, consisting of members of the Executive Council and the Vice President of Ethics and Business Conduct, is responsible for ensuring that appropriate policies and procedures exist to help employees comply with Boeing expectations of ethical business conduct.

The Boeing Company will administer ethics and compliance programs to promote its commitment to integrity and values as set forth in the Boeing values and Code of Conduct and to ensure compliance with laws, rules, and regulations. These programs will inform employees of company policies and procedures regarding ethical business conduct and help them to resolve questions and to report suspected violations. Managers are responsible for supporting implementation of ethics and business conduct programs, and monitoring compliance to the company's values and ethical business conduct guidelines through such programs. Managers are responsible for creating an open and honest environment in which employees feel comfortable in bringing issues forward. Retaliation against employees who raise genuine concerns will not be tolerated.

# Ethics and Business Conduct

## Company Policy POL-2

### **Frequently asked questions**

[Boeing has issued separate codes of conduct for the Board of Directors and for finance employees. Does this mean that these executives are not subject to the general Boeing Code of Conduct?](#)

No. The Boeing Code of Conduct outlines expected behavior for every Boeing employee when performing company responsibilities. Members of the Board of Directors and all Boeing employees, including the Executive Council, all other executives, all other managers, and all other employees are expected to adhere to the Code of Conduct. Members of the Board and executives with defined financial responsibilities may be required to adhere to additional codes addressing more specific obligations related to their scope of responsibility. Any waiver of the Code of Conduct for members of the Board of Directors or executive officers may be made only by the Board or a committee of the Board and must be promptly disclosed to stockholders.

[What are the obligations when it comes to filing financial reports or making other public communications?](#)

Boeing must ensure complete and accurate financial records and reporting. Any employee preparing financial reports or otherwise making financial disclosures on behalf of Boeing must adhere to the following requirements. These requirements are in addition to the standards set out in the Boeing Code of Conduct.

- Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
- Provide constituents with information that is accurate, complete, objective, relevant, timely, and understandable.
- Comply with rules and regulations of federal, state, provincial, and local governments, and other appropriate private and public regulatory agencies.
- Act in good faith, responsibly, with due care, competence, and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
- Share knowledge and maintain skills important and relevant to constituents' needs.
- Proactively promote ethical behavior as a responsible partner among peers, in the work environment, and the community.
- Achieve responsible use of and control over all assets and resources employed or entrusted.

# Ethics and Business Conduct

## Company Policy POL-2

### **Frequently asked questions**

In addition, the Enterprise-wide Master Records Retention Schedule identifies record types (both financial and otherwise) and their established retention periods. Records are materials that the company must retain for specified periods to satisfy legal, operational, fiscal, contractual, and/or historical requirements. A retention period is the total length of time that records must be kept before review for disposition. Retention policies apply to the record types, regardless of the media on which the record is found (paper, electronic tapes or disks, optical disks, microfilm, etc.).

**What does Boeing mean when it says that it will “conduct its business fairly, impartially, and in an ethical and proper manner?”**

You should endeavor to deal fairly with the company’s customers, suppliers, competitors, and fellow employees. No one should take unfair advantage of anyone through manipulation, concealment, coercion, threats, abuse of proprietary information, misrepresentation of material facts, or any other unfair dealing practice.



## Ethics and Business Conduct program Company Procedure PRO-3

### Questions to ask yourself

*Have I contacted my management or Ethics Advisor regarding concerns about ethical issues?*

*Have I completed each of the ethics training programs that are required as part of my employment or affiliation with Boeing?*

*As a manager, do I provide an environment where employees feel they can discuss issues openly and without fear of retaliation?*

### Summary

Responsibility for the company's commitment to integrity rests with each employee. All employees are expected to adhere to the highest standards of ethical business conduct and to know and comply with Boeing policies and procedures while performing company responsibilities. Employees must be sensitive to situations that could lead to illegal or unethical actions, or the appearance of impropriety, and avoid such situations. All employees should feel comfortable taking appropriate action against illegal, improper, or unethical behavior of others. If an employee is unsure of a specific action, it is his or her responsibility to ask questions and seek guidance. In addition, employees should report all unethical behavior to their managers or Ethics Advisors.

Retaliation against employees who raise genuine concerns will not be tolerated. Retaliation against any employee is cause for appropriate corrective action, up to and including dismissal.

Managers must be familiar with the enterprisewide standards of conduct required of all employees and the resources and processes available to assist in the resolution of questions and concerns about business ethics. Managers are expected to advocate the Boeing values and Code of Conduct requirements, periodically discuss ethics and business conduct issues, review standards of conduct with employees, and ensure that employees are aware of these standards and the legal requirements relevant to their work. Managers should maintain a work environment that encourages open and honest communication regarding ethics and business conduct issues and concerns. Managers are also responsible for taking appropriate and timely corrective action for conduct in violation of the standards.

Employee concerns should be directed to management or an Ethics Advisor. The ethics program helps employees to obtain guidance, resolve questions, express concerns, and report suspected violations of the standards of conduct and law.



# Ethics and Business Conduct program

## Company Procedure PRO-3

### **Frequently asked questions**

#### **Is integrity a condition of employment?**

Yes. All employees are responsible for their actions. Employees are not to engage in conduct or activity that may raise questions as to Boeing's honesty, impartiality, or reputation or that may cause embarrassment to the company.

#### **Why do I need to sign a statement that I will adhere to the company's values and Code of Conduct?**

All employees, including contract labor employees, sign a document stating they will adhere to the Boeing Code of Conduct and uphold the values set forth for the company. This action allows each of us to acknowledge our ethical expectations and reminds us of our responsibility to uphold integrity in our actions, relationships, and business while at Boeing.

#### **Something doesn't feel right to me, but I don't feel comfortable approaching my manager. Can an Ethics Advisor really help?**

Yes. An Ethics Advisor can listen to your concerns and suggest approaches to resolving the issues. You can also call the Boeing Ethics Line. Trust your sense of integrity; if something doesn't feel right, you should seek guidance.

#### **Will I get into trouble with my manager if I call an Ethics Advisor about an ethics issue?**

No. Boeing employees have a responsibility to express concerns about ethical issues and to report any suspected violations. The company will not tolerate retaliation against employees who properly use company reporting mechanisms.

#### **What is meant by an open and honest culture?**

An open and honest culture is one in which all employees feel free to share opinions and perceptions in a professional manner in order to resolve issues. It is one in which management listens to these concerns and does not retaliate against those who raise them. This does not give permission to disclose confidential Boeing, supplier, customer, or competition-sensitive information.

#### **The Guidelines state that "retaliation against employees who raise genuine concerns will not be tolerated." How does the company protect employees who come forward with ethical issues?**

Boeing Business Process Instruction (BPI)-3751, "Process to Identify and Monitor to Prevent Retaliation," establishes guidelines on identifying and monitoring for retaliation employees who bring forth potentially significant violations. Boeing investigates all allegations of retaliation and takes appropriate corrective action whenever such investigations conclude that retaliation has occurred.



## Proper Marketing Practices Company Procedure PRO-4

### Questions to ask yourself

*Have I made any misleading statements about Boeing products or services?*

*Do I have impartial and objective information to support my claims about a competitive product?*

*When I work with someone from a different country, do I understand the rules applicable to marketing in that country?*

*Do my business practices meet both the Boeing standards and the local standards?*

*Was I employed within the past 3 years by a company that is bidding in competition with Boeing?*

*Have I disclosed this former employment relationship to my immediate supervisor?*

### Summary

Proper marketing practices emphasize the benefits of Boeing products and services. Marketing efforts focus on providing customers with accurate information. Marketing activities that could embarrass the company, its customers, or government agencies are prohibited.

Employees who deal with customers or with government agencies must be familiar with laws, regulations, or customer-imposed rules applicable to the marketing of Boeing products and services. Employees who have provided assistance to a Boeing customer or competitor within the last 3 years are responsible for informing their immediate supervisors of this fact, ensuring that further dealings with such a customer are permissible, and abiding by all obligations of confidentiality owed to the former employer.

Boeing employees cannot induce employees of a customer or government agency to place personal interests above that of the firm or organization they represent. Boeing employees cannot ask others to do anything that they are not permitted to do themselves under Boeing policy.

# Proper Marketing Practices Company Procedure PRO-4

## **Frequently asked questions**

I just found what looks like some information that our competitors left behind. It is not obvious that this information is properly in our possession. Can I keep a copy of it?

No. Do not read the document or information any further and do not show it to anyone associated with the program. The document or information must be immediately sealed and provided directly to an Ethics Advisor or the Law Department to determine what steps should be taken.

A competitor has been making false and misleading statements about Boeing products and services. How should I respond?

The best response is to emphasize the positive aspects of Boeing products and services rather than the real or imagined deficiencies of a competitor's product. You should also report this to the Law Department.

I used to work for XYZ Company, a current competitor to Boeing. Can I brief my team on XYZ's proposal strategies?

No. You have a commitment to protect confidential information of your former employer, and that commitment does not cease when you leave that company. Boeing does not want information that it does not have a right to have. You need to disclose your prior relationship to your immediate manager and to abide by all obligations of confidentiality owed to your former employer.

A customer's employee has asked me to help develop the request for proposal that his employer is planning to issue for competitive bids. May I help him do this?

You may provide facts concerning Boeing products and services and offer potential solutions to the customer's business needs as long as they are identified as originating from Boeing. However, you may not prepare any part of a competitive request for proposal without first consulting the Law Department.



## Proper Marketing Practices – Marketing to the U.S. Government Company Procedure PRO-5

### Summary

#### Questions to ask yourself

*Am I asking a U.S. Government representative to do something that I am not permitted by policy, regulation, law, or procedure to do myself?*

*Could an impartial observer characterize my interaction with my U.S. Government customers as being secretive, creating an appearance of impropriety, or creating an unfair competitive advantage?*

*Have I ensured that documents provided to Boeing subcontractors or the U.S. Government are clearly marked as originating from Boeing?*

*Have all the U.S. Government documents and related information in my possession been obtained and handled in accordance with established procedures?*

*Do I and do the members of my team understand the rules or the procurement laws and regulations that affect the government customer or agency that we are dealing with?*

*Do I understand the rules as to when I can provide or request information regarding government procurements?*

Public concern with the relationship between industry and the U.S. Government has resulted in complex laws and regulations that control the government procurement process. Boeing employees who deal with the U.S. Government must understand the rules the Government has established for itself and for its suppliers. These laws and regulations generally have three purposes: to obtain the best possible products and services at the best value; to promote full and open competition based on specifications and evaluation criteria that allow interested suppliers to respond; and to eliminate waste, fraud, and abuse.

Every employee, representative, or teammate of Boeing is expected to comply with the rules established by U.S. Government customers for procuring products and services. Boeing employees must deal with U.S. Government customer representatives in an atmosphere of openness and under circumstances that could not be interpreted to imply concealment, the appearance of an impropriety, or any conflict of interest. PRO-5 describes how documents provided to U.S. Government representatives should be identified, and discusses under what circumstances the exchange of information between the U.S. Government and Boeing and between Boeing and other companies is appropriate. In addition, this procedure contains a series of situational guidelines and requirements that describe how Boeing employees can interact with U.S. Government procurement representatives during the various stages of the procurement process. Boeing employees who deal with the Government should review this procedure carefully and, as needed, contact an Ethics Advisor or the Law Department for further guidance.

# Proper Marketing Practices – Marketing to the U.S. Government Company Procedure PRO-5

## **Frequently asked questions**

While waiting to attend a proposal meeting, I overheard a conversation that a procurement officer had with one of our competitors. The competitor told the procurement officer about his product's specifications and costs. Can I still attend the meeting? Can I write a similar proposal and send it to the officer with a lower bid?

The answer is NO to both questions. You cannot take advantage of the information in any way. You should politely excuse yourself from the meeting and contact an Ethics Advisor, the Law Department, or Contracts immediately and avoid any disclosure of the information to individuals connected with the program or proposal. As an individual, you will probably have to withdraw from the bid team, but you have done your best to protect the ability of Boeing to go forward. Consult PRO-70 for further guidance.

I discovered that some inaccurate data were provided to a U.S. Government customer, but price agreement has already occurred. Will we be following proper procedures if we simply notify the customer right away?

Yes. Promptly inform your supervisor, your Contracts representative, and the Law Department. Immediate notification to your customer may result in price correction before the contract is issued, thereby removing the possibility of defective pricing. The Truth in Negotiations Act (PRO-1655) requires that accurate, current, and complete data be provided before price agreement.

I just received in the mail from an unidentified source what appears to be a U.S. Government document relating to the subject matter of the U.S. Government proposal on which I am working. I can find no indication that it has been received through authorized channels. What should I do?

Do not read the document or information any further, and do not show it to anyone associated with the program. The document or information must be immediately sealed and provided directly to an Ethics Advisor or the Law Department. Consult PRO-70 for further guidance.



## Offering of Business Courtesies Company Procedure PRO-6

### Questions to ask yourself

*Am I offering a business courtesy in an attempt to obtain special treatment for Boeing?*

*Could my offer of a business courtesy or the acceptance of a business courtesy by the recipient prove embarrassing to Boeing or the recipient?*

*Would acceptance of the business courtesy by the recipient be a violation of any law, regulation, or policy governing the actions of the recipient?*

### Summary

The Boeing Company deals with its suppliers and customers in a fair and impartial manner; business should be won or lost on the merits of Boeing products and services. Any employee offering a business courtesy must ensure that it is ethical, legal and complies with all applicable Boeing policies and procedures. If your job places you in a position to offer or approve the offer of business courtesies, you should be familiar with this Procedure 6 and with any rules that may determine whether the intended recipient can accept them.

A business courtesy is a present, gift, hospitality, or favor for which fair market value is not paid by the recipient. A business courtesy may be a tangible or intangible benefit such as meals, drinks, entertainment, recreation, door prizes, honoraria, transportation, discounts, promotional items, or use of a donor's time, materials, facilities, or equipment.

Any employee who offers or approves the offer of a business courtesy must ensure that it is proper and that the business courtesy cannot reasonably be interpreted as an attempt to gain an unfair business advantage or that could otherwise reflect negatively on the reputation of Boeing or the recipient. An employee may not use personal funds or resources to do something that cannot be done with Boeing resources.

Specific requirements and restrictions apply regarding the offering of business courtesies to government employees, officials, and representatives, as well as officials and representatives of foreign governments.

Rules for business courtesies are complex, and each situation must be evaluated carefully. Primary approval authority is vested in business management. Ethics Advisors and the Law Department are available to assist in properly resolving issues concerning business courtesies.

# Offering of Business Courtesies Company Procedure PRO-6

## **Frequently asked questions**

Our first program review will be next month, and a group of U.S. Air Force officers will be attending. We want to make a good impression, but their travel schedules allow only limited time for the meeting. Can we provide a catered lunch?

Yes, but only if the Air Force officers pay Boeing the full cost of their meals. Such luncheon arrangements need to be coordinated in advance so that Air Force attendees are aware of your luncheon plans, the cost, and the method of payment.

We have worked closely with a customer on a large contract that is now complete. We want to recognize our achievement by having a special event and giving each member of the joint team a plaque commemorating completion of the project. Would this violate the Boeing rules for ethical business conduct?

It depends. In situations involving an agency of the U.S. Government, Boeing policy would allow team members to be offered plaques, certificates, or trophies that are of little intrinsic value and are intended solely for presentation. Otherwise, Boeing policy restricts giving federal executive branch employees (DOD, NASA, FAA, etc.) anything other than promotional items worth less than \$10 (coffee mugs, pens, pencils, or similar items with a Boeing logo). For commercial customers, it would depend upon the policy of the individual customer and the reasonable customs of the marketplace. Such events should be reviewed in advance with your management or an Ethics Advisor.

I have a friend who works for the Department of Defense. Does Boeing policy prohibit me from buying her a Christmas present?

Not necessarily. Although Boeing policy and U.S. Government standards of conduct regulate gifts to federal government employees by vendors, these rules do not apply to the exchange of gifts between friends or family members when the exchange is exclusively the result of a personal and not a business relationship. However, if the gift is significant, contact your management or Ethics Advisor for guidance as to whether or not you can offer it. It is also important to remember that, in the absence of a personal relationship, Boeing policy does not permit an employee to personally offer business courtesies that the company is prohibited from offering.

Can I have Boeing Transportation drive two of our commercial customers from the airport to the hotel? What if these customers are from the U.S. Navy?

First, you can provide transportation for commercial customers except when their company policy prohibits them from accepting this type of business courtesy. Second, you cannot pick up your Navy customers at the airport unless they pay Boeing the fair market value of the transportation. As a general rule, Boeing employees may not offer or provide transportation to a federal executive branch employee unless the federal executive branch employee pays Boeing the fair market value of the transportation.



## Conflict of Interest Company Procedure PRO-7

### Summary

#### Questions to ask yourself

*Outside of your Boeing responsibilities, are you involved in an advisory role (an officer, member of the board of directors, partner, consultant, representative, agent, advisor or employee) of a third-party entity?*

*Do your Boeing responsibilities involve you directly with a family member, relative, or close personal friend who works for a third-party entity for which you have job responsibilities that include influence over the selection of a Boeing supplier or of its products for Boeing use?*

*Do you or an immediate family member own or work at an outside business that is competitive in technical areas or product lines similar to those of Boeing?*

A conflict of interest may exist when an employee or a member of his or her family is involved in an activity or has a personal interest that could affect the employee's objectivity in making decisions concerning his or her Boeing company duties and responsibilities. Such interests might include outside employment with a Boeing customer, supplier, or competitor, or having a significant financial interest with one of these entities. This procedure helps employees to identify potential areas of conflict of interest or request a conflict of interest review, and it provides details on the review process.

An actual conflict of interest does not need to be present to constitute a violation of this procedure. Activities that create the appearance of a conflict of interest must also be avoided to ensure that the reputation of Boeing and its employees is not harmed. Any outside activities related to the conditions listed in the procedure should be fully disclosed by employees before they or their family members undertake the activity. If the activity is already taking place, disclosure is still required. Unless formally approved in writing, such activities are prohibited. Employees should contact their Ethics Advisor for guidance.

Employees who need a conflict of interest determination should submit information to an Ethics Advisor for a review. Employees may access the online COI Review Request form at the Ethics@Boeing web site, under "COI Information and Forms," where they will find information on the process. Employees without access to the Boeing intranet may contact an Ethics Advisor to obtain a form.



# Conflict of Interest Company Procedure PRO-7

## **Frequently asked questions**

**I own an outside business and have developed a product I think would be beneficial to Boeing. Does Boeing prohibit employees from becoming suppliers to Boeing?**

While not specifically prohibited by policy, Boeing seldom purchases products or services from its employees. The company's reputation for impartiality and fair dealing with suppliers could be damaged by routinely acquiring products or services from employees, even with full and open competition.

**What is wrong with having a relative who works for a customer or supplier?**

In most cases nothing, but the company needs to know about it so appropriate action can be taken to protect potential conflicts from affecting or even appearing to affect company decisions. For example, if your father represents a supplier and has been involved in procurement activities and your manager has just informed you that he wants you to join a proposal team looking at bids from various companies, including the one that employs your father, you need to disclose this matter.

**Prior to working for Boeing, I worked for a competitor that invested my personal funds into a savings plan consisting of the competitor's stock and mutual fund holdings with other possible suppliers, customers, or competitors. Is this a conflict of interest?**

Because of the nature of the aerospace business, some employees may have financial holdings such as you describe with our suppliers, customers, or competitors. PRO-7 requires full disclosure if an employee's financial interest in any supplier, customer, or competitor holdings is either

- 5% or more of the stock, assets, or other interests of the entity.
- 10% or more of the employee's net assets.

If your holdings do not meet the criteria above, in accordance with PRO-7, there is no conflict of interest.

**How do I know whether an activity in which I am engaged outside of work creates an actual or potential conflict of interest?**

It is not possible to anticipate all circumstances that might signal potential conflicts of interest. A conflict situation can arise when you take actions or have interests that may make it difficult to perform your company work objectively and effectively. Conflicts of interest also arise when you or a member of your family receives improper personal benefits as a result of your position in the company. Employees, officers, and directors are also prohibited from (a) taking for themselves personal opportunities that are discovered through the use of corporate property, information, or position, (b) using corporate property, information, or position for personal gain, and (c) competing with the company. Boeing PRO-7 prohibits such conflicts of interest and provides a means for employees, officers, and directors to communicate potential conflicts to the company.



## Acceptance of Business Courtesies Company Procedure PRO-8

### Summary

A business courtesy is a gift, hospitality, or favor from persons or firms with which Boeing may do business.

All business courtesies offered to and accepted by Boeing employees are gifts belonging to Boeing; employees should not assume that they may keep a business gift for personal use. Generally, an employee may keep a business courtesy only when acceptance of the courtesy promotes successful working relationships and goodwill for Boeing interests, conforms to the reasonable and ethical practices of the marketplace, does not create actual conflict of interest or divided loyalty, and does not create the appearance of an improper attempt to influence business decisions.

Employees may not ask for a business courtesy. In addition, employees may not accept business courtesies when there is an actual or perceived expectation that the donor may want something in return, may be attempting to gain an unfair advantage, or may be trying to influence an employee to do things that might violate laws.

In deciding whether to accept a gift, employees are expected to use good business judgment and ask questions when in doubt. Employees should not accept a gift if they would be uncomfortable discussing it with their manager, coworkers, or a newspaper reporter. When in doubt about accepting a business courtesy, contact your manager or Ethics Advisor.

### Questions to ask yourself

*Have I been singled out for special treatment, or is the business courtesy being offered routinely to all customers?*

*Might the timing or the nature of the gift create a perception that will cause others to doubt my objectivity?*

*Would I be willing to write a "thank-you" note for this gift and send a copy to my manager?*

# Acceptance of Business Courtesies Company Procedure PRO-8

## **Frequently asked questions**

**A supplier representative knows that I am a big baseball fan. He offered me two great tickets to a baseball game. I know that Boeing policy would not allow me to accept the tickets as a gift, but what if I buy them from him?**

You can accept the tickets if you pay for them, unless the tickets are to a “sold-out” event. Under those circumstances, you would be accepting the gift of an opportunity to buy tickets that are not generally available for purchase and that is inappropriate. In addition, business courtesies such as plaques, trophies, door prizes, certificates, meals, gifts (e.g., coffee mugs, posters, pens) can be accepted if the courtesies are of a nominal value, promote goodwill in Boeing business relationships, conform to reasonable and ethical practices of the marketplace, are not in exchange for favorable treatment, do not create a conflict of interest between the employee and Boeing, and avoid an actual or the appearance of impropriety or undue influence.

**I have been offered a discount on a product sold by a supplier of the company. May I take advantage of the discount?**

You may accept the discount only if it is clearly available to all Boeing employees and approved by the company. Other personal discounts should be regarded as gifts and declined.

**What if I receive a gift that I know is not acceptable? What should I do?**

You should return it to the donor with a polite explanation that Boeing policy prohibits you from keeping it. In some circumstances, such as a gift from an official of another country, other alternatives may be more appropriate, such as displaying the gift in a public area. Consult your Ethics Advisor. Examples of business courtesies that are unacceptable include items with a large dollar value, such as computers, personal digital assistants, automobiles, all-expense-paid trips, tickets to sold-out events, and so forth.

**May I accept travel expenses to speak to a user group or at a professional meeting?**

Your management is responsible for making this decision. Boeing policy requires that all suppliers be treated fairly and impartially. Therefore, you should accept nothing from a supplier that could give even the appearance of favoritism. Normally, it is not appropriate to accept payment of expense by vendors to speak at user conferences. On the other hand, you can accept reimbursement for expenses from associations and professional groups, because such organizations are not vendors who might be using the speaking invitations as a device to secure favorable treatment.



## Proper Relationships With Suppliers Company Procedure PRO-9

### Summary

Boeing relationships with suppliers must be based on mutual trust, integrity, and commitment to the highest ethical principles.

Procurement decisions must be made based on factors such as quality, service, price, delivery, and best value. Care must be taken to avoid conflicts and the appearance of partiality. Kickbacks are prohibited. If government or international contracts are involved, Boeing suppliers should be made aware of the appropriate laws and regulations. Boeing employees must protect Boeing Limited, Boeing Proprietary, or sensitive information and must comply with supplier-imposed limitations that govern the use of supplier information, including documents and computer software.

### Questions to ask yourself

*Am I being offered an acceptable business courtesy, or can it be viewed as a kickback or bribe?*

*Do I protect Boeing information that a supplier or potential supplier is not authorized to see?*

### Frequently asked questions

**A potential supplier offered to help me remodel my kitchen for the cost of materials if I will provide insight on upcoming Boeing needs. What should I do?**

You must refuse any such offer and tell the supplier that Boeing treats all vendors fairly and impartially. In addition, you must immediately advise your manager, the Law Department, Supplier Management and Procurement (SM&P), or your Ethics Advisor.

**My neighbor works for a Boeing supplier. We socialize frequently and have become good friends. Could our friendship create an ethics problem?**

Yes, it could if you interact, directly or indirectly, with this individual on behalf of Boeing. If you do, your personal relationship may advance to the point where it interferes with your objectivity in performing your Boeing duties. You should make sure your management is aware of this relationship and refrain from discussing Boeing business during nonbusiness social events.

**I have been assigned to develop a specification for something that Boeing may decide to purchase from an outside source. Can I accept help from potential suppliers in generating that specification?**

Perhaps, but you must be careful and should normally work through a Boeing SM&P organization. In cases where such an arrangement is appropriate, you must avoid receiving any proprietary (or arguably proprietary) information or materials. You must also avoid creation of any expectation on the part of a supplier that Boeing will select that supplier or even allow that supplier to bid for the Boeing requirement.



## Proper Use of Company, Customer, and Supplier Resources Company Procedure PRO-10

### Questions to ask yourself

*Will my personal use of Boeing resources result in added costs or any other disadvantage to the company?*

*Am I using this resource in order to avoid personal expense?*

*Is my management aware of my personal use of company resources, or do I feel reluctant to discuss this subject with them?*

*Am I confident that my use of Boeing equipment will not compromise the security or integrity of company information or software?*

### Summary

Company resources, including Boeing time, material, equipment, and information, are provided for company business use. Nonetheless, occasional personal use of company resources by employees may occur without adversely affecting the interests of Boeing. Employees are trusted to behave responsibly and use good judgment to conserve company resources.

Personal use of company resources must not result in significant added costs, disruption of business processes, or any other disadvantage to the company. Use of company resources for noncompany purposes is appropriate only when specifically authorized by company policy or procedure or when the user receives express authorization from his or her manager. The procedure authorizes and provides guidelines for personal use of specific company resources.

# Proper Use of Company, Customer, and Supplier Resources Company Procedure PRO-10

## **Frequently asked questions**

[How do I know if my use of company resources constitutes a significant cost to The Boeing Company?](#)

If you were paying out of your own pocket, would you consider the cost to be significant? Are you using this company resource in order to avoid personal expense? If you hesitate before answering “no” to either of these questions, or if you are reluctant to ask your manager for guidance, that could indicate that the cost is probably significant. If you and your manager disagree, you must follow your manager’s direction. Managers are responsible for resolving issues concerning appropriate personal use of company office equipment within the work group. Managers should openly discuss these issues and share their reasoning with the work group.

[Is it okay to use my PC to write a personal letter or to surf the Internet during my lunch break?](#)

Generally, limited use of company resources for personal use is permitted as long as there is no incremental cost to The Boeing Company. Examples of personal use include using a company PC to write a personal letter or to surf the Internet during a lunch break, using a company copier to make copies of a small homework assignment, or using a company phone to call a family member. It is important to consult with your manager before using company resources for personal use. You must also use good judgment. For example, recreational “Internet surfing” is much like browsing through a magazine. Certain kinds of books, newspapers, and magazines are inappropriate in the workplace because they are potentially offensive or threatening to other employees. Examples include sexually oriented materials, materials promoting violence, or any other materials that would be considered offensive by the average employee. Moreover, there may be sound business reasons to limit the use of company computers in your work group. With management concurrence, you may use a Boeing computer on your personal time to browse appropriate topics on the Internet.

[I am devoting a lot of my personal time to support a tax levy that would raise the salary of our schoolteachers. May I use a company copier to make copies of a flier detailing the reasons that the levy should be passed?](#)

Company policy generally prohibits employee use of company resources and facilities for political purposes. Approval for exceptions should be obtained through your Ethics Advisor.

[I have a small side business I operate at home. My Ethics Advisor determined there is no conflict of interest with my Boeing work. Is it okay to allow my customers to leave messages on my Boeing voice mail?](#)

No. Even if a side business does not present a conflict of interest, second jobs or self-employment must be kept completely separate from Boeing-related activities and material. This includes use of company time, materials, facilities, and equipment. The Boeing communications system, including voice mail, is intended for Boeing employees engaged in Boeing work and may not be used to conduct an outside business. This should be distinguished from occasional personal use, which is permitted when it does not interfere with company business or assigned duties.



# Recruiting and Hiring Current and Former Government Employees – Conflict of Interest

## Company Procedure PRO-4825

### **Summary**

Current and former U.S. Government employees, including military officers, are subject to federal conflict of interest laws and regulations that may limit the ability of the company to recruit and hire certain of these individuals, and may limit the activities they will be able to perform for the company, if hired. A Boeing employee may not have discussions concerning possible employment, whether in person, by telephone, fax or e-mail, with a potential new hire who is a current U.S. Government employee without prior authorization from the Boeing Global Staffing organization.

Any employee or contract hire who is a former U.S. Government civilian employee or military officer, currently serves or has served as a "special Government employee," supervises or works directly with such individuals, or is involved in the hiring process should be familiar with PRO-4825.

If you have any questions concerning these laws and regulations, contact your Boeing management, Global Staffing or the Law Department.

### **Frequently asked questions**

[Someone I have worked with on a Government program is planning to retire, and I think she would make a great addition to the Boeing team. Can I tell her I'd like her to come to work for us when she retires?](#)

Before you say anything to her, you must get approval from the Global Staffing organization. You will not be able to discuss employment with her until after she retires or until she disqualifies herself from further participation on matters involving Boeing and complies with any other Government regulations that may be applicable to her.

[I have been asked to serve on a NASA advisory board. Can I do that?](#)

It depends. Contact your Ethics Advisor for guidance. The Law Department will complete a conflict of interest determination and advise you concerning applicable laws and regulations. As a member of a NASA advisory board, you will probably be considered a "special Government employee."

### **Questions to ask yourself**

*As a former U.S. Government employee, do I observe the restrictions that apply to me?*

*Am I aware of the restrictions that apply to former U.S. Government employees that work for me?*



## Buying and Selling Securities – Insider Trading Company Procedure PRO-12

### **Summary**

Boeing employees are prohibited from engaging in insider trading. Prohibitions are based on federal securities laws and deal with the possession and use of material information. Material information is information that a reasonable investor would very probably consider important in deciding to purchase or sell a security and that could affect the price of the security. Nonpublic information is information that is not available to the public.

Employees who have material nonpublic information about Boeing or other companies because of their Boeing connections are prohibited from trading in those securities, as well as from communicating such information to family or friends.

### **Questions to ask yourself**

*Are my decisions about whether and when to buy Boeing stock or stock from other companies influenced by the facts I've learned as part of my role as a Boeing employee?*

*Do I ensure that my discussions with relatives and friends avoid topics that are not yet public and that they could use to gain an unfair advantage in the stock market or other areas of public financial trading?*



# Buying and Selling Securities – Insider Trading Company Procedure PRO-12

## **Frequently asked questions**

I'm aware that a large order for Boeing products has been placed by a customer but has not yet been announced. May I purchase company stock knowing that information?

No. This is a violation of Boeing policy and a potential violation of federal securities laws. You may purchase company stock only after such information is known to the public for a period of 24 hours.

My organization reviewed a pitch by one of our vendors about a new product they plan to introduce on the market soon. We decided that the product would not be useful for Boeing, but I think the new device could be a real breakthrough and useful for other industries. I am willing to take a risk on this and invest in the vendor. May I buy stock in the vendor's company?

You may not buy this stock until information about the new product is known to the public. The fact that the new product is not significant to Boeing is not the relevant test. If the new product may have an impact on the earnings of the vendor, then the pending introduction of the product is material to that company, and you cannot trade on the information until after it is known to the public.

I've become aware of financial information on one of the company's customers that indicates the customer is in better financial condition than most people realize. I want to purchase some of the customer's stock. May I do so?

You may not purchase this stock until the financial information is known to the public. Information of this sort may have been provided to the company in trust by the customer to help the company determine how to meet the customer's needs. Using this information for personal purposes or disclosing it to others is a violation of Boeing policy and is illegal.

The company offered me a stock option allowing me to buy Boeing stock at a good price. Am I limited by the insider trading policy as to when I can exercise the option?

The exercise of a company-granted stock option is not subject to the insider trading laws. However, selling stock received from an option (such as selling through a broker-assisted, same-day buy-and-sell exercise) is subject to the laws and the procedure prohibiting insider trading.

## Additional business compliance issues

### **Anti-bribery-- Foreign Corrupt Practices Act**

Boeing is committed to fair and open business conduct throughout the world. Underlying this commitment is the conviction that businesses should compete on the basis of price, quality and service, and in full compliance with applicable law. One of the applicable laws is the Foreign Corrupt Practices Act (the FCPA). This United States law prohibits U.S. companies and their representatives from trying to obtain or retain business by offering improper gifts or payments to foreign officials.

Specifically, the FCPA makes it unlawful for Boeing or any Boeing officer, director, employee, or agent to corruptly offer, pay, give, promise to pay or give, or authorize the payment or gift of money or anything of value, to any foreign government official for the purpose of influencing an act or decision or securing an improper advantage in order to help Boeing obtain or retain business. A similar prohibition applies to a payment or gift to a foreign political party or party official or to a candidate for foreign political office.

The FCPA applies to a wide variety of situations, including payments to foreign government officials, payments to foreign airline officers, relationships with foreign representatives and consultants, charitable and political contributions, maintenance of books and records, procurement payment procedures, and industrial participation transactions.

A violation of the FCPA may subject Boeing and Boeing employees to criminal or civil liability or both, including imprisonment and substantial penalties and fines. A violation of the FCPA could also subject Boeing to administrative sanctions such as suspension or debarment from government contracting and ineligibility for export licenses. As a result, each employee has the responsibility to fulfill the Boeing commitment to comply with the FCPA, including the duty to seek interpretation or assistance when in doubt.

If you have any questions concerning these requirements, contact the Law Department.

## **Procurement integrity**

All company employee's contingent labor, including contract labor; and consultants, who are involved in U.S. government procurements must understand and comply with the requirements of the Procurement Integrity Act and its implementing regulations. The Procurement Integrity Act (1) imposes restrictions on disclosure of U.S. Government source selection information and contractor bid or proposal information, (2) generally prohibits obtaining source selection or contractor bid or proposal information, (3) imposes disclosure requirements on certain agency officials when contacted by bidders regarding employment, and (4) prohibits certain former agency officials from accepting compensation from a contractor for a one-year period.

Information subject to the Procurement Integrity Act need not be in writing; it can be verbal. The information need not be intentionally obtained. The fact that it came into one's possession unintentionally does not eliminate the possibility of a Procurement Integrity Act issue. Anyone who suspects that he or she is in possession of information violating the Procurement Integrity Act should immediately secure the information and provide it directly to Ethics or the Law Department.

If an employee, consultant, or other representative has personal knowledge or evidence of a violation of the Procurement Integrity Act or related laws, it is the responsibility of that person promptly to report that knowledge or provide that evidence directly to an Ethics Advisor or the Law Department.

All Boeing employees are expected to maintain the confidentiality of the information entrusted to them by the company or its customers and suppliers, except when disclosure is authorized or legally mandated. Confidential information includes all nonpublic information that might be of use to competitors, or harmful to the company or its customers or suppliers, if disclosed.

PRO-2227, "Control of Sensitive Company Information," establishes a single companywide sensitive information control system in all segments of the company. It provides guidance on the proper disclosure, marking, control, and disposition of Boeing and third-party information and materials. The company uses many kinds of protective measures. These include, but are not limited to contractual or collective bargaining agreements with all employees, under which employees are obligated to protect information entrusted to them in the course of their employment; proprietary information or nondisclosure agreements with third parties; restrictive clauses in General Terms Agreements, purchase contracts, and other contracts; and administrative, physical, communications, and electronic security measures, including proper marking and handling of sensitive company information. The information owner is responsible to others for ensuring the information content, accuracy, quality, availability, and timeliness of the information, and for ensuring that appropriate security and access controls are applied. If you have any questions concerning these requirements, contact the Law Department.

## **Proprietary information agreements**

It is often necessary for Boeing employees to exchange information with others outside of Boeing. Such exchanges may occur at meetings, during plant visits, or through documents or other tangible materials. Unless all of the information is readily available to others without restriction, and thus clearly in the public domain, a proprietary information agreement (PIA) should be in place between the parties before the information is disclosed or received.

The primary purpose of a PIA is to help avoid misunderstandings between the parties regarding how information and related materials are to be treated. A PIA defines a confidential relationship between Boeing and the other party, and Boeing must take care to avoid violating any restrictions or conditions imposed on it by such an agreement.

Without a PIA, the protection afforded to Boeing proprietary information disclosed to the other party will be uncertain, and the information may even lose its proprietary status altogether. Or the other party may argue that Boeing assumed (and perhaps subsequently violated) implied obligations with regard to its information because of legends – such as Boeing Limited or Boeing Proprietary – associated with the information or because of the circumstances under which the information was received or released by Boeing.

Before entering into a PIA, the Boeing organization responsible for it should make sure that there is no existing Boeing agreement with a proprietary information clause covering the same information, such as a General Terms Agreement or Terms and Conditions form issued by a Boeing Supplier Management and Procurement (SM&P) organization. The responsible Boeing organization should also make sure that (1) all information or materials provided by Boeing under the agreement are properly marked with legends or otherwise identified as confidential in accordance with the terms of the agreement and (2) all Boeing personnel having access to information received under a PIA are aware of the agreement and the resulting restrictions on use and disclosure that apply to any particular information.

The Boeing employee who requests a PIA is responsible for the overall management and protection of all sensitive information received or released under that Agreement. This responsibility includes ensuring that all sensitive information received or released under the Agreement is marked, controlled, and disposed of in accordance with the terms and conditions of the PIA and limiting access to sensitive information to persons with a valid need to know.

Boeing SM&P and Boeing Contracts organizations have primary responsibility, with support from the Law Department, for the preparation, review, execution, and retention of PIAs. Boeing employees in the SM&P and Contracts organizations should be familiar with their respective organizations' processes and procedures related to PIAs. Employees in other organizations should seek assistance from the appropriate SM&P or Contracts organization or from the Law Department. See company procedure PRO-5124 for more information.

## **Export and import compliance**

The United States and many other countries have export/import control laws governing strategically necessary technologies and products. These laws are extremely important, and they are extremely complex. Moreover, they change and take unpredictable turns as governments adjust to new geopolitics and security pressures. Violations of export/import controls can harm U.S. national security and foreign policy. Penalties for violations are severe and can include monetary penalties, imprisonment, and suspension of export/import and Government contracting privileges.

Early coordination with company export/import experts is critical. The applicable regulatory regime depends on the type of goods, technology, or services being exported or imported and the intended destination. The identity of the customer and the intended end user (if different) are also critical. The major U.S. export and import laws to which Boeing is subject are

**International Traffic in Arms Regulations (ITAR).** The ITAR, administered by the U.S. Department of State in furtherance of the Arms Export Control Act, controls exports and temporary imports of a military nature. Such products and services are identified on the U.S. Munitions List contained in the ITAR. The ITAR also contains the requirements for export licenses and other approvals for permanent export, temporary export, or temporary import transactions.

**Export Administration Regulations (EAR).** The EAR, administered by the U.S. Department of Commerce, controls exports of commercial and “dual-use” commodities and technology. Dual-use items are products, software, and technical data developed for civil applications, but which can be used militarily without further modification. Items requiring export licenses appear on the Commerce Control List (CCL) contained in the EAR. Items on the CCL are subject to U.S. export control whether they are exported from the United States or are re-exported from one non-U.S. country to another.

**Federal Firearms Regulations.** These regulations govern the permanent import of arms, ammunition, and implements of war into the United States. These regulations are administered by the U.S. Department of Justice through the Bureau of Alcohol, Tobacco, Firearms and Explosives. The products controlled for permanent import are identified in the U.S. Munitions Import List contained in these regulations.

## **Export and import compliance, continued**

**Foreign Assets Controls.** To comply with the Trading with the Enemy Act or the International Emergency Powers Act, and in some cases to comply with sanctions imposed by the United Nations, the United States imposes sanctions and embargoes on certain countries. The department of Treasury Office of Foreign Assets Control (OFAC) administers regulations that can involve blocking property, prohibiting exports and re-exports, and other activities with respect to those countries. OFAC maintains a list of “Specifically Designated” nationals or persons, who are also subject to restrictions under the regulations.

**Antiboycott Regulations.** In addition to export and import controls, the EAR contains antiboycott provisions, which prohibit compliance with non-U.S. boycotts of countries friendly to the United States. The Internal Revenue Code also imposes tax penalties for agreements to comply with such boycott actions.

**U.S. Customs and U.S. Immigration Regulations.** Other important regulations are the U.S. Customs and the U.S. Immigration regulations. These regulations are administered by the U.S. Department of Homeland Security through U.S. Customs and Border Protection, and the U.S. Bureau of Immigration and Customs Enforcement. These govern the movement of commodities and people across the U.S. borders. Information required under these regulations allows the agencies to properly assess duties; collect accurate statistics; and determine whether goods are subject to quotas, restraints, embargoes, or other restrictions; and take enforcement actions by deterring, interdicting, and investigating threats arising from movement of commodities and people across borders.

## **Antitrust compliance**

Federal and state antitrust laws prohibit monopolies and agreements that unreasonably restrain trade. These laws generally are based on the premise that open competition in a free marketplace will lead to appropriate prices and promote an efficient, productive economy. The laws apply to domestic commerce and some foreign commerce. Employees are expected to conduct themselves and their Boeing business in such a manner as to be in compliance with these laws.

Generally, the antitrust laws prohibit the following conduct:

**Price fixing.** Agreements or understandings between competitors to raise, lower, maintain, stabilize, or otherwise fix prices.

**Bid rigging.** Agreements or understandings between competitors to manipulate bids or proposals, such as by (1) agreeing upon prices or other terms and conditions; (2) agreeing to rotate or alternate the submission of bids; or (3) agreeing that one competitor will bid for certain contracts or customers, while other competitors will bid for different contracts or customers.

**Market division.** Agreements or understandings by which competitors divide the market in which they compete, such as by allocating among themselves customers, territories, or products.

**Concerted refusals to deal.** Agreements or understandings by which two or more companies jointly refuse to do business with other companies for the purpose of eliminating competition.

**Tying arrangements.** Transactions in which a customer's purchase of a product that it wants is conditioned on its purchase of another product it does not want.

**Exclusive dealing.** The sale or purchase of a product by a company on the condition that the purchaser or supplier will not do business with competitors of the company.

**Reciprocity.** Agreements or understandings by which one company, as a condition to doing business with another company, requires the other company to do business with it.

## **Antitrust compliance, continued**

**Monopolization.** Attempting to achieve, achieving, or maintaining “monopoly power” (the ability to control prices or exclude competition) through illegal or unfair methods or practices.

**Unfair methods of competition.** Unfair or deceptive acts or practices, such as (1) wrongfully inducing a competitor’s customer to breach a contract with that competitor, (2) committing industrial espionage to acquire a competitor’s trade secret, (3) bribing an employee of a competitor or a customer for any purpose, (4) making false or disparaging comments about a competitor’s product, and (5) making unfounded or misleading advertising claims.

In addition, mergers and acquisitions, joint ventures, and government contract “teaming agreements” have the potential for violating the antitrust laws. Such arrangements must be negotiated, structured, and implemented properly to avoid antitrust problems.

To ensure compliance with the antitrust laws, employees should

- Conduct their day-to-day business with integrity.
- Ensure that Boeing business decisions reflect independent business judgment.
- Conduct business in a manner that does not appear “heavy-handed” or otherwise subject to misinterpretation.
- Familiarize themselves with available company guidance and training materials.

Moreover, because failure to comply with these laws can be extremely damaging to Boeing and its employees, transactions that raise questions or concerns of an antitrust nature should be brought to the attention of your manager, an Ethics Advisor, or the Law Department.



## **Truth in Negotiations Act**

The Boeing Company must comply fully with the Truth in Negotiations Act (TINA) in the conduct of its U.S. Government business. The purpose of TINA is to give the Government effective means of negotiating a fair and reasonable price. It requires disclosure of cost or pricing data to the contracting officer (or designated representative) and certification that such data is accurate, complete, and current for negotiated procurements requiring TINA certification as of a mutually agreed-to date. The requirement for TINA compliance applies to all organizations generating or receiving cost or pricing data, whether Boeing is a prime contractor to the U.S. Government or is a subcontractor under a U.S. Government contract subject to TINA; or when a Boeing operating group supports a U.S. Government prime contract or subcontract through an interdivisional work authorization (IWA) or similar arrangement.

## **U.S. Government audits and investigations**

By the terms of our U.S. Government prime and subcontracts, the company agrees that the U.S. Government may examine selected Boeing financial records and cost data. Cooperation will be extended to designated U.S. Government representatives to facilitate timely and efficient performance of examinations required by the contract. When employees are requested to furnish financial data to U.S. Government auditors, responses are to be approved and provided by Finance management. Release of other records and data requested by the U.S. Government shall be approved by appropriate functional or program management or by the Law Department.

Conversely, many papers, documents, charts, and other writings are prepared for internal management purposes only and not for use as or in support of financial, accounting, or estimating records. This data is not normally within the scope of the U.S. Government records examination clauses typically contained in U.S. Government contracts. However, examples of such data are to be made available for examination by appropriate U.S. Government representatives when required to demonstrate company planning methods or control systems.

In addition to contractual reviews or audits, employees may be contacted by U.S. Government agents conducting criminal investigations related to Boeing work. Employees have the right to speak with investigators as well as the right to decline to be interviewed. Employees also have the right to consult with legal counsel before deciding to be interviewed and to defer any interview until that consultation can occur. Employees may control the location, time, and duration of any interview. If an employee decides to be interviewed, he or she must tell the truth. A false statement to a U.S. Government agent may constitute a felony. The Law Department is available to consult with employees and provide additional information on this process. Any requests by agents for documents pertaining to Boeing business should be referred to the Law Department.

If you have questions regarding U.S. Government audits and investigations, contact your manager, an Ethics Advisor, or the Law Department.

## **Charging of work tasks**

Boeing prepares and maintains proper work authorization documentation and charging information that enables accurate collection and reporting of the costs for performing activities that are established or disclosed as direct-charge within the accounting system. PRO-35 “Work Authorization Documentation, Charging Information and Charging of Work Tasks,” provides companywide guidelines for documentation of work authorization and charging information. It is essential that current, complete, and accurate work authorization documentation and charging information be maintained at all times so that all direct-charge work tasks are traceable to the authorizing work document. Work authorizations and charging information are living documents; it is imperative that due diligence is exercised to properly prepare them and to maintain their integrity. If you have questions concerning these requirements, you should contact Cost Accounting and Estimating or the Law Department.

## Political contributions

Under the Federal Election Campaign Act (FECA) and as modified by the Bipartisan Campaign Reform Act (BCRA), The Boeing Company is prohibited from making political contributions, including in-kind contributions, to the campaigns of candidates for federal office. Under the laws of certain states, the Company also is prohibited from making political contributions to the campaigns of candidates for state offices. The company will not make contributions to candidates for federal offices or contributions to candidates for state or local offices in states where corporate contributions are prohibited. Under federal election law, national political party committees may not solicit or accept corporate contributions and The Boeing Company is prohibited from making them. The Company is permitted to establish and administer a separate segregated fund (a political action committee or PAC).

The Boeing Company Political Action Committee (BPAC) was established by the Company in accordance with federal law. BPAC is governed by a committee comprised of company employees. BPAC makes political contributions solely from the contributions it receives from its members, who are employees of the Company eligible to be solicited for and to make contributions under federal election law.

Under the Foreign Corrupt Practices Act (FCPA), The Boeing Company is prohibited from corruptly offering to pay, pay, give, or authorize the payment of money, gift or other thing of value to any foreign political party, official of a foreign political party, or candidate for foreign political office for the purpose of influencing an act or decision or securing an improper advantage in order to help Boeing obtain or retain business. As a matter of policy, The Boeing Company will not make or offer monetary or in-kind political contributions to foreign political parties, foreign political party officials, candidates for foreign political office, or foreign political advocacy groups.

Certain states and localities permit the Company to make contributions to candidates and political parties. The Company makes political contributions in such states and localities when the Company believes contributions to be in the best interests of the Company. The Company also makes contributions in support of, or in opposition to, specific ballot issues in which the Company has a substantial interest.

The Company makes corporate political contributions under the supervision of the Boeing board of directors in compliance with applicable laws and regulations. Authority to approve political contributions has been delegated to the Chief Executive Officer who, in turn, has delegated authority to approve specific contributions to the Senior Vice President, Washington D.C. Operations. All political contributions are recommended by the Government Relations organization and are reviewed by the Vice President and Assistant General Counsel, Washington D.C. Operations before they are approved by the Senior Vice President, Washington D.C. Operations. Contributions are decided on a bipartisan basis with the overriding purpose of supporting candidates and committees who share the Company's position on issues of importance to its business and its shareholders.

Representative government depends on the political election process. The Company encourages its employees to participate in the political election process by voting. Employees may choose to make personal political contributions as appropriate within the limits established by law. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.

PRO-43, "Company Involvement in Political Activities," addresses compliance with laws and regulations that govern company involvement in political activities, including political contributions. If you have questions about these requirements, you should consult the Law department.

## **Equal employment opportunity**

Boeing is committed to encouraging, enhancing, and celebrating diversity. Our collective global talent includes the unique qualities that each employee brings to Boeing. We value the things that make us similar and different, such as job experience, education, age, national origin, religion, physical ability, race, gender, and sexual orientation. By bringing varied viewpoints and experience to the workplace, Boeing will be better positioned to develop the innovative products, services, and solutions we need to be competitive in a global environment. In addition, when we work toward a diverse workplace in which everyone is included and respected, we all benefit. Employees get more supportive leadership, better potential for advancement, and programs aimed at career development. Employees who feel that their viewpoints and contributions are valued are more productive and more reliable and take pride in their work. That makes Boeing a better workplace for all of us.

The company's policy on equal employment opportunity prohibits discrimination based on race, color, religion, national origin, sex, sexual orientation, gender identity, age, physical or mental disability, and qualifying veteran status. This policy applies to all terms and conditions of employment, including recruiting, hiring, transfers, promotions, terminations, compensation, and benefits.

Employees, subcontractors, customers, or other third parties may file an internal or external complaint if they believe that they have been subjected to work-related discrimination or harassment that is prohibited by company policy or applicable law. To file an internal complaint, promptly notify your supervisor, any other manager, your Human Resource representative, or (for employees in the United States) your local/Regional Equal Employment Opportunity (EEO) office. Employees may also contact the World Headquarters EEO Hotline at 1-800-617-1442. All complaints will be thoroughly investigated, and effective corrective action will be taken where appropriate. Retaliation for filing a complaint or cooperating with an investigation is strictly prohibited and will not be tolerated.

## **Corporate citizenship and community relations**

Corporate citizenship is the responsibility of the entire Boeing community. The Boeing Company recognizes the critical role it plays in the many diverse communities where we have a presence, and we take that role seriously. Corporate citizenship is in fact one of the key components of our company mission and values: “We will work with our communities by volunteering and financially supporting education and other worthy causes.” Our sustained involvement in our communities is an important element of Boeing culture and an integral part of the way we do business.

We continue to fulfill our commitment to good citizenship by contributing cash, in-kind and surplus donations, and the expertise of our people. We support programs that encourage the charitable generosity and volunteer spirit of our employees and retirees. Workplace giving is focused through the Employees Community Fund, which is the largest employee-owned charitable organization in the world. Boeing people at every level are encouraged to become involved in their communities, and we recognize outstanding community service through annual awards for employee and retiree volunteers.

## **Environment**

Boeing promotes and supports the safety, health, and well-being of our communities, our families, and our employees. Each of us is responsible for safety, health, and environmental excellence. In that regard, Boeing is committed to using only what we need and finding ways to do more with less. We maximize recycling and reuse of materials, and we make energy conservation a priority. We reduce, minimize, or eliminate the generation of waste and the release of potentially hazardous materials to the environment wherever we can.

Boeing incorporates safety, health, and environmental protection into the life cycle design of our products, processes, and facilities. We also seek strategic partnerships and communicate openly with stakeholders to promote safety, health, and environmental and business excellence. We support and conduct research in science and technology to improve safety, health, and environmental protection. And, of course, we comply with regulatory requirements, identify additional areas of concern, and take actions to manage them.