

Boeing Shareholder Meeting – Proposal #4 Statement
Scott Shepard, Free Enterprise Project Coordinator
National Center for Public Policy Research, April 27, 2020

I'm Scott Shepard of the National Center for Public Policy Research and I move item number 4, the True Diversity Board Proposal, which seeks to increase viewpoint diversity on the company's board of directors.

The operative portion of our proposal would require that the Board disclose to shareholders the ideological perspectives of future board nominees, along with other relevant details about the nominees' qualifications. This information is not currently provided. Shareholders would be able to vote more wisely in board elections with this information.

The importance of having ideological diversity on corporate boards was displayed just days ago on the Boeing corporate board itself. No one at this meeting is under any doubt that Boeing faces difficult times ahead, and no one doubts that these problems are of Boeing's own making.¹

Despite this, and despite the fact that the world now faces massive financial dislocations as a result of the coronavirus pandemic and response, Boeing in recent weeks sought \$60 billion in bailout money for the "U.S. aerospace industry," which of course includes itself.²

This struck many observers across the country as – to say the least – tone deaf and ill-considered. One of those observers, Boeing Board Member Nikki Haley, expressed her objection to the move by resigning from the board.³ The resignation sent a clear signal to the corporation's board that bailout funds may come at a very steep price in future political or regulatory interference, and in further reputational harm. A more timely and relevant example of the value of ideological diversity on corporate boards could hardly be sought.

Regardless of whether Boeing's board currently lacks ideological balance, there is a growing trend of corporate boards at top American companies to skew dramatically to the political left. Our proposal would discourage such imbalances in Boeing's future.

¹ See, e.g., Chris Isidore, *Boeing's Got Bigger Problems than the 737 Max*, CNN (Feb. 11, 2020), available at <https://www.cnn.com/2020/02/11/business/boeing-next-jets/index.html> (last accessed April 15, 2020); Alan Tovey, *Staff emails claim Boeing 777X 'shares Max problem'*, TELEGRAPH (Jan. 18, 2020), available at <https://www.telegraph.co.uk/business/2020/01/18/staff-emails-claim-boeing-777x-shares-max-problem/> (last accessed April 15, 2020); Michael Goldstein, *In 2020, Have Boeing's Problems Just Begun?*, FORBES (Jan. 5, 2020), available at <https://www.forbes.com/sites/michaelgoldstein/2020/01/05/in-2020-have-boeings-problems-just-begun/#c471b03745a0> (last accessed April 15, 2020).

² See, e.g., Jeremy Bogaisky, *Boeing Seeks \$60 Billion Bailout For U.S. Aerospace*, FORBES (March 17, 2020), available at <https://www.forbes.com/sites/jeremybogaisky/2020/03/17/boeing-seeks-60-billion-bailout-for-us-aerospace/#6e9d7333661c>.

³ See, e.g., Meg Kinnard, *Nikki Haley resigns from Boeing board over airlines bailout*, Associated Press (March 19, 2020), available at <https://www.msn.com/en-gb/finance/other/nikki-haley-resigns-from-boeing-board-over-airlines-bailout/ar-BB11qOkN>.

We believe that boards that incorporate diverse perspectives can lead stronger and wiser companies. That's a win for investors and a win for true diversity. Please join me in voting yes on item number 4. Thank you.

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