

BOEING CO
Form 10-K/A
March 12, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2003**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-442

THE BOEING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

91-0425694

Edgar Filing: BOEING CO - Form 10-K/A

| | |
|---|--|
| (State or other jurisdiction of incorporation or organization) 100 N. Riverside, Chicago, IL | (I.R.S. Employer Identification No.) 60606-1596 |
| (Address of principal executive offices) | (Zip Code) |

(312) 544-2000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Name of each exchange on which registered |
|-----------------------------|---|
| Common Stock, \$5 par value | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

As of June 30, 2003, there were 800,099,127 common shares outstanding held by nonaffiliates of the registrant, and the aggregate market value of the common shares (based upon the closing price of these shares on the New York Stock Exchange) was approximately \$27.5 billion.

The number of shares of the registrant's common stock, outstanding as of January 31, 2004 was 801,244,697.

Part I and Part II incorporate information by reference to certain portions of the Company's 2003 Annual Report to Shareholders. Part III incorporates information by reference to the registrant's definitive proxy statement for the Company's 2004 Annual Meeting of Shareholders, to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year.

Explanatory Note

We are filing this Amendment No. 1 to our annual report on Form 10-K for the year ended December 31, 2003 as filed with the Securities and Exchange Commission on March 4, 2004. This amendment corrects a typographical error relating to the incorporation by reference from our 2004 Proxy Statement of certain information in Item 12 of Part III and clarifies the information incorporated by reference in Part III. This amendment does not change our previously reported financial statements and other financial disclosures.

PART III
Item 10. Directors and Executive Officers of the Registrant

The information required by Item 401 of Regulation S-K will be included under the caption "Election of Directors" in the 2004 Proxy Statement, and that information is incorporated by reference herein. The information required by Item 405 of Regulation S-K will be included under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the 2004 Proxy Statement, and that information is incorporated by reference herein.

We have adopted: (1) The Boeing Company Code of Ethical Business Conduct for the Board of Directors; (2) The Boeing Company Code of Conduct for Finance Employees which is applicable to our Chief Financial Officer (CFO), Controller and all finance employees; and (3) The Boeing Code of Conduct that applies to all employees, including our Chief Executive Officer (CEO), (collectively, the "Codes of Conduct"). The Codes of Conduct are posted on our website, www.boeing.com. Any amendments to, or waivers of, the Codes of Conduct covering our CEO, CFO and/or Controller will be disclosed on our website promptly following the date of such amendments or waivers. A copy of the Codes of Conduct may be obtained upon request, without charge, by contacting our Office of Internal Governance at 888-970-7171 or by writing to us at The Boeing Company, 100 N. Riverside, Chicago, IL, 60606, Attn: Senior Vice President, Office of Internal Governance.

No family relationships exist among any of the executive officers, directors or director nominees.

The directors and executive officers of the Company as of March 4, 2004, are as follows:

Directors

| Name | Age | Positions and offices held and business experience |
|----------------------|-----|---|
| Harry C. Stonecipher | 67 | President and Chief Executive Officer of The Boeing Company. Mr. Stonecipher has served as Chief Executive Officer since December 1, 2003. He served as Vice Chairman of the Board of The Boeing Company from May 2001 until June 2002 and as President and Chief Operating Officer from 1997 until May 2001. He served as President and Chief Executive Officer of McDonnell Douglas Corporation (aerospace) from 1994 until its merger with Boeing in 1997. He was Chairman of the Board, President and Chief Executive Officer of Sundstrand Corporation (aerospace) from 1991 to 1994. Mr. Stonecipher is also a director of PACCAR, Inc. |
| John H. Biggs | 67 | Former Chairman and Chief Executive Officer, Teachers Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF). Mr. Biggs served as Chairman and Chief Executive Officer of TIAA-CREF (national teachers' pension fund) from January 1993 until November 2002. He is also a director of J.P. Morgan Chase & Co. He is a trustee of Washington University in St. Louis and an at-large trustee of the International Accounting Standards Board Foundation. |
| John E. Bryson | 60 | Chairman of the Board, President and Chief Executive Officer, Edison International. Mr. Bryson has been Chairman and Chief Executive Officer of Edison International (electric power generator, distributor and structured finance provider) and predecessor |

Edgar Filing: BOEING CO - Form 10-K/A

companies since 1990. He is a director of The Walt Disney Company and Western Asset Funds, Inc. (and related fixed income funds). He

Edgar Filing: BOEING CO - Form 10-K/A

| Name | Age | Positions and offices held and business experience |
|------------------------|-----|---|
| Linda Z. Cook | 45 | <p>also serves as co-chair of the Pacific Council on International Policy and is a director of W.M. Keck Foundation and The California Endowment.</p> <p>President and Chief Executive Officer, Shell Canada Limited (petroleum). Ms. Cook was appointed President and Chief Executive Officer and a member of the Board of Directors of Shell Canada Limited on August 1, 2003. She served as Chief Executive Officer for Shell Gas & Power from January 2000 through July 2003. She previously served as Director, Strategy & Business Development on the Shell Exploration & Production Global Executive Committee based in The Hague. Ms. Cook is a member of the Society of Petroleum Engineers, the Harvard School of Government Dean's Council and the Canadian Council of Chief Executives.</p> |
| Kenneth M. Duberstein | 59 | <p>Chairman and Chief Executive Officer, The Duberstein Group. Mr. Duberstein has served as Chairman and Chief Executive of The Duberstein Group (consulting firm) since 1989. He was White House Chief of Staff in 1988 and 1989. Mr. Duberstein is also a director of ConocoPhillips, Fannie Mae, Fleming Companies, Inc. and St. Paul Companies and a governor of the American Stock Exchange and the NASD, Inc.</p> |
| Paul E. Gray | 72 | <p>President Emeritus and Professor of Electrical Engineering, Massachusetts Institute of Technology (MIT). Dr. Gray served as Chairman of the Corporation of MIT (education) from 1990 to 1997 and as President from 1980 until 1990.</p> |
| John F. McDonnell | 65 | <p>Retired Chairman, McDonnell Douglas Corporation. Mr. McDonnell served as Chairman of McDonnell Douglas Corporation (aerospace) from 1988 until its merger with Boeing in 1997 and as its Chief Executive Officer from 1988 to 1994. He is also a director of Zoltek Companies, Inc., director of BJC Healthcare and Chairman of the Board of Trustees of Washington University in St. Louis.</p> |
| W. James McNerney, Jr. | 54 | <p>Chairman and Chief Executive Officer, 3M Company. Mr. McNerney has served as Chairman and Chief Executive Officer of 3M Company (diversified technology) since January 1, 2001. Beginning in 1982, he served in management positions at General Electric Company, his most recent being President and Chief Executive Officer of GE Aircraft Engines, 1997-2000. Mr. McNerney is also a director of The Procter & Gamble Company and a member of various business and educational organizations.</p> |
| Lewis E. Platt | 62 | <p>Non-Executive Chairman of the Board of The Boeing Company. Mr. Platt was elected Non-Executive Chairman of the Board effective December 1, 2003. He served as President and Chief Executive Officer of Hewlett-Packard Company (measurement, computing and communications equipment) from November 1992 until July 1999, and as director and Chairman from September 1993 until his retirement in December 1999. In 1995, he was appointed to the Advisory Committee on Trade Policy Negotiations by President Clinton. Mr. Platt was Chief Executive Officer and a director of</p> |

| Name | Age | Positions and offices held and business experience |
|-----------------------|------------|---|
| | | Kendall-Jackson Wine Estates Ltd. until June 2001. He is also a director of 7-Eleven, Inc. and serves on the Wharton School Board of Overseers and as a trustee of the David and Lucile Packard Foundation. |
| Rozanne L. Ridgway | 68 | Former Assistant Secretary of State for Europe and Canada. Ms. Ridgway served as Co-Chair of the Atlantic Council of the United States (association to promote better understanding of international issues) from 1993 to 1996 and was its President from 1989 through 1992. She has been the non-executive pro bono chair of the Baltic-American Enterprise Fund since 1994. She served 32 years with the U.S. State Department, including service as Ambassador to the German Democratic Republic and to Finland, and, from 1985 until her retirement in 1989, as Assistant Secretary of State for Europe and Canada. She is also a director of Emerson Electric Company, 3M Company, the Sara Lee Corporation, New Perspective Fund and Manpower, Inc. and a trustee of the National Geographic Society and the Center for Naval Analyses. |
| John M. Shalikashvili | 67 | Retired Chairman of the Joint Chiefs of Staff, U.S. Department of Defense. General Shalikashvili served as the 13th Chairman of the Joint Chiefs of Staff (armed forces) from 1993 to 1997. Previously, he served as Commander in Chief of all U.S. forces in Europe and as NATO's 10th Supreme Allied Commander in Europe. General Shalikashvili is a visiting professor at Stanford University's Center for International Security and Cooperation. He also serves as a director of Frank Russell Trust Company, L-3 Communications Holdings, Inc., Plug Power Inc. and United Defense Industries Inc. |

Executive Officers

| Name | Age | Positions and offices held and business experience |
|----------------------|------------|---|
| Harry C. Stonecipher | 67 | President and Chief Executive Officer of The Boeing Company. Mr. Stonecipher has served as Chief Executive Officer since December 1, 2003. He served as Vice Chairman of the Board of The Boeing Company from May 2001 until June 2002 and as President and Chief Operating Officer from 1997 until May 2001. He served as President and Chief Executive Officer of McDonnell Douglas Corporation (aerospace) from 1994 until its merger with Boeing in 1997. He was Chairman of the Board, President and Chief Executive Officer of Sundstrand Corporation (aerospace) from 1991 to 1994. Mr. Stonecipher is also a director of PACCAR, Inc. |
| James F. Albaugh | 53 | Executive Vice President of Boeing since August 2002. President and CEO, Integrated Defense Systems since July 2002. Prior thereto, Senior Vice President of Boeing, President, Space and Communications Group from September 1998 (named CEO of Space and Communications Group in March 2001). Prior thereto, President, Boeing Space Transportation from April 1998. Prior thereto, President of Rocketdyne Propulsion and Power, now a business of Integrated Defense Systems, from March 1997. |

Edgar Filing: BOEING CO - Form 10-K/A

| Name | Age | Positions and offices held and business experience |
|----------------------|-----|--|
| Douglas G. Bain | 54 | Senior Vice President and General Counsel since August 2000. Prior thereto, Vice President and General Counsel from November 1999. Prior thereto, Vice President of Legal, Contracts, Ethics and Government Relations for Boeing Commercial Airplanes from 1996. |
| James A. Bell | 55 | Executive Vice President and Chief Financial Officer since January 2004. Prior thereto, Senior Vice President of Finance and Corporate Controller from October 2000 to January 2004. Prior thereto, Vice President of Contracts and Pricing for Boeing Space Communications from January 1997 to October 2000. |
| Scott E. Carson | 57 | Senior Vice President of the Company and President, Connexion by Boeing since November 2000. Prior thereto, Executive Vice President and Chief Financial Officer of Boeing Commercial Airplanes Group, from September 1998. Prior thereto, Executive Vice President of Business Resources for Boeing Information, Space and Defense Systems from November 1997. Prior thereto, Executive Vice President of Boeing Commercial Space Company. |
| Rudy F. deLeon | 51 | Senior Vice President-Government Relations, Washington, D.C. Operations since July 2001. Prior thereto, Deputy Secretary of Defense (2000-2001). Prior thereto, Under Secretary of Defense for Personnel and Readiness, from 1997 to 2000, Under Secretary of the Air Force (1994-1997). Served as the Special Assistant to Secretary of Defense (1993-1994). |
| John B. Hayhurst | 56 | Senior Vice President of the Company and President, Air Traffic Management since November 2000. Prior thereto, Vice President of Business Development for the Commercial Aviation Services unit of Boeing Commercial Airplanes Group from June 2000. Prior thereto, Vice President and General Manager of 737 Programs and General Manager of the Renton, WA production site from October 1998. Prior thereto, Vice President and General Manager of North and South America Sales from February 1997. Prior thereto, Vice President and General Manager of the 747X Program from June 1996. Prior thereto, Vice President of Boeing Commercial Airplane Group Product Development from December 1994. |
| Tod R. Hullin | 60 | Senior Vice President, Communications since December 2003. Prior thereto, Executive Vice President, Global Public Policy and North American Communications, Vivendi Universal from December 2000 to March 2002. Prior thereto, Senior Global Communications Officer for the Seagram Company Ltd. from October 1998 to December 2000 and Time Warner from February 1991 to March 1997. |
| James M. Jamieson | 55 | Senior Vice President, Chief Technology Officer since December 2003. Prior thereto, Senior Vice President, Airplane Programs for Boeing Commercial Airplanes from February 2000 to December 2003. Prior thereto, Executive Vice President of Single Aisle Airplane Programs from October 1993 to February 2000. |
| Laurette T. Koellner | 49 | Chief People and Administration Officer, Executive Vice President since August 2002. Member of the Office of the Chairman from March 2002 until December 2003. Prior thereto, Chief People and Administration Officer, Senior Vice President, from March 2002. Prior |

| Name | Age | Positions and offices held and business experience |
|---------------------|-----|--|
| Alan R. Mulally | 58 | <p>thereto, Senior Vice President of the Company and President, Shared Services Group from November 2000. Prior thereto, Vice President and Corporate Controller from March 1999. Prior thereto, Vice President and General Auditor from August 1997. Prior thereto, Vice President of Auditing at McDonnell Douglas Corporation from May 1996. Prior thereto, Division Director of Human Resources at McDonnell Douglas Aerospace Company from May 1994. Current director of Exostar and Sara Lee Corporation.</p> <p>Executive Vice President, President and CEO, Commercial Airplanes since August 2002. Prior thereto, Senior Vice President of the Company from February 1997 and President of Boeing Commercial Airplanes Group from September 1998 (named CEO of Boeing Commercial Airplanes Group in March 2001). Prior thereto, President of Boeing Information, Space & Defense Systems from August 1997 through August 1998. Prior thereto, President of Boeing Defense & Space Group from January 1997. Prior thereto, Senior Vice President of Airplane Development and Definition, Boeing Commercial Airplane Group from 1994.</p> |
| Thomas R. Pickering | 72 | <p>Senior Vice President, International Relations since January 2001. Prior thereto, U.S. Under Secretary of State for Political Affairs from May 1997. Prior thereto, President of the Eurasia Foundation, which makes grants and loans in the states of the former Soviet Union, from December 1996 through April 1997. Prior thereto, U.S. Ambassador to the Russian Federation from May 1993 through November 1996.</p> |
| Bonnie W. Soodik | 53 | <p>Senior Vice President of the Company, Office of Internal Governance. Prior thereto and President, Shared Services Group since March 2002. Prior thereto, Vice President of Human Resources for Boeing Space and Communications Group. Prior thereto, Vice President and General Manager of Shared Services Group. Prior thereto, Vice President of Product Assurance and Services at Aircraft & Missiles from April 1997. Prior thereto, Vice President of Quality at Douglas Aircraft from 1995.</p> |
| David O. Swain | 61 | <p>Executive Vice President of The Boeing Company and Chief Operating Officer of Integrated Defense Systems since July 2003. Prior thereto, Executive Vice President and Chief Technology Officer from August 2002. Member of Office of the Chairman since March 2002. Prior thereto, Senior Vice President of Engineering & Technology of the Company since September 1999 and Chief Technology Officer of the Company since June 2001. Prior thereto, President of Phantom Works from 1999. Prior thereto, Vice President of Engineering of the Company and Executive Vice President of Phantom Works from 1997. Prior thereto, Vice President and General Manager of Advanced Systems and Technology-Phantom Works, McDonnell Douglas Corporation from 1994.</p> |

Item 11. Executive Compensation

The information required by Item 402 of Regulation S-K will be included under the captions Compensation of Executive Officers and Director Compensation in the 2004 Proxy Statement, and that information, except for the information required by Item 402(k) and 402(l) of Regulation S-K, is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by Item 403 of Regulation S-K will be included under the captions Security Ownership of Directors and Executive Officers and Security Ownership of More Than 5% Shareholders in the 2004 Proxy Statement, and that information is incorporated by reference herein.

EQUITY COMPENSATION PLAN INFORMATION

The Company currently maintains four equity compensation plans that provide for the issuance of common stock to officers and other employees, directors and consultants. Each of these compensation plans was approved by the Company's shareholders. The following table sets forth information regarding outstanding options and shares available for future issuance under these plans as of December 31, 2003:

| Plan Category | Number of shares to | Weighted-average | Available for future |
|--|----------------------|----------------------|----------------------|
| | be issued upon | | |
| | exercise of | outstanding options, | equity compensation |
| | outstanding options, | warrants and rights | plans (excluding |
| | warrants and rights | | shares reflected in |
| | | | column (a)) |
| | (a) | (b) | (c) |
| Equity compensation plans approved by shareholders | 61,632,532(1)(2) | \$44.97 | 39,502,113(3)(4) |
| Equity compensation plans not approved by shareholders ⁽⁵⁾ | None | None | None |
| Total | 61,632,532(1)(2) | \$44.97 | 39,502,113(3)(4) |

The table does not include 7,828,212 deferred stock units that are convertible into either stock or a cash equivalent, of which 6,991,476 are vested and the remainder vest with employee service.

- (1) Includes 24,196,417 Performance Shares at the target level. Depending on the level of achievement of performance goals, the Performance Shares may instead be paid at zero shares, at 30,245,521 shares at the maximum level, or at 5,164,700 shares at the minimum level. Because there is no exercise price associated with Performance Shares, such shares are not included in the weighted average price calculation.
- (2) Includes 9,740,353 restricted stock units and other stock unit awards. Because there is no exercise price associated with these units, such units are not included in the weighted average price calculation.
- (3) The Company may grant stock, restricted stock, stock unit, and performance share awards, as well as stock options, under its employee equity compensation plans.
- (4) Pursuant to a program adopted by the Governance, Organization and Nominating Committee, effective February 22, 2004, under the Company's 2003 Incentive Stock Plan, each of our nonemployee directors will receive the following automatic grants: (a) a stock option to purchase

- 3,000 shares of Boeing stock immediately following the first annual meeting of shareholders held after the director is first elected or appointed, (b) a stock option to purchase 2,400 shares immediately following each annual meeting thereafter, and (c) \$40,000 in value of deferred stock units that are awarded at the same time that the director's annual cash retainer is paid.
- (5) The table does not include stock options that we assumed in connection with our acquisition of McDonnell Douglas Corporation. The assumed options are for the purchase of 1,222,000 shares of Boeing stock and have a weighted-average exercise price of \$14.41 per share. In the event that any assumed option is not exercised, no further option to purchase shares of Boeing stock will be issued in place of such unexercised option.

Item 13. Certain Relationships and Related Transactions

The information required by Item 404 of Regulation S-K will be included under the caption "Related Party Transactions" in the 2004 Proxy Statement, and that information is incorporated by reference herein.

Item 14. Principal Accountant Fees and Services

The information required by Item 14 will be included under the caption "Independent Auditors Fees Report" in the 2004 Proxy Statement, and that information is incorporated by reference herein.

Item 15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) List of documents filed as part of this report:

1. Exhibits

(31) Section 302 Certifications.

(iii) Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002.

(iv) Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002.

Signatures

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 to the report to be signed on its behalf by the undersigned, thereunto duly authorized, on the date indicated.

THE BOEING COMPANY

(Registrant)

By: /s/ HARRY C. STONECIPHER

Harry C. Stonecipher President

and Chief Executive Officer

Date: March 11, 2004

EXHIBITS INDEX

Exhibit

Number

Description

- | | |
|------|--|
| (31) | Section 302 Certifications. (iii) Certification of Chief Executive Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002. (iv) Certification of Chief Financial Officer pursuant to Section 302 of Sarbanes-Oxley Act of 2002. |
|------|--|