

Feb 19, 2019

Boeing Board of Directors
Office of the Corporate Secretary
Boeing Corporate Offices
100 N. Riverside Plaza MC5003-1001
Chicago, IL 60606-1596

Corporate Secretary:

Please distribute the attached letters to the Board of Directors. I have made copies for each Board member. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Ed Pierson". The signature is written in black ink and is positioned above the printed name.

Ed Pierson

cc: Robert A. Bradway
David L. Calhoun
Arthur D. Collins Jr.
Kenneth M. Duberstein
Admiral Edmund P. Giambastiani Jr.
Lynn J. Good
Lawrence W. Kellner
Caroline B. Kennedy
Edward M. Liddy
Susan C. Schwab
Ronald A. Williams
Mike S. Zafirovski

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Board of Directors:

My name is Ed Pierson. I am a recently retired Boeing employee. In my last assignment I served as a Senior Manager, Production System Support within the 737 Program in Renton, Washington. I'm writing to ask for your assistance on what I believe is an urgent matter.

Last year in June and July 2018, I tried unsuccessfully to stop the production of 737 NG, MAX & P-8 airplanes due to product and worker safety concerns (Encl. #1).

On Aug 13, 2018 Lion Air took delivery of a 737-8 MAX airplane. On Oct 29, 2018 this new airplane crashed off the coast of Indonesia killing 189 people. The accident is still under investigation. The investigation is being led by Indonesia's National Transportation Safety Committee (NTSC). Boeing is supporting this investigation along with the NTSB and FAA.

The NTSC published a Preliminary Aircraft Accident Investigation Report on Nov 28, 2018. The preliminary investigation and associated news reports make no mention of the possibility a production problem could have been a contributing factor. I pray this was not the case, but given the state of the 737 Program at the time this airplane and others were built, it needs to be thoroughly investigated. For this reason, I attempted unsuccessfully on multiple occasions to contact the Boeing employee(s) supporting the NTSC's investigation in early December to share information that I believe might be helpful to the investigation.

On Dec 14, 2018 a Norwegian 737-8 MAX airplane made an emergency landing in Iran reportedly due to engine problems. On Dec 19, 2018 I sent a letter to Boeing's CEO (Encl. #2).

On Jan 7, 2019 Boeing's General Counsel contacted me on behalf of the CEO in response to my letter. We had a follow-up conversation on Jan 22, 2019 with BCA's Assistant General Counsel. At the conclusion of this last conversation, the General Counsels promised to follow-up and to get back in touch with me.

I made the same recommendation to the attorneys that I would have made to the Boeing technical employees supporting the investigation had I been afforded the opportunity to talk with them directly. I recommended the forming of a cross functional team of subject matter experts to conduct a comprehensive, objective assessment of

these safety concerns to eliminate the possibility that production problems could have been a contributing factor in the accident. I also requested an estimate of when they would be able to get back in touch with me, but did not get a response. On Feb 7, 2019 I wrote a detailed email outlining my observations of the production environment at the time the Lion Air, Norwegian and other NG, MAX & P-8 airplanes were being built last year. On Feb 14, 2019 the Assistant General Counsel responded (Encl. 3) to my email stating:

“...we shared your concerns with the senior leaders who have direct oversight and responsibility for 737 production and quality. We walked through the issues you raised, in detail, and I can assure you your concerns were taken very seriously. I don't think it will surprise you to learn that ensuring the safety and quality of the 737, including during the recent production challenges, has been the subject of intense focus by BCA.”

The Assistant General Counsel goes on to say:

“...Boeing closely monitors production quality data, as well as other data related to the overall health of the production system, including, and especially, during periods of disruption like the one experienced last year on the 737 program. Moreover, all of our aircraft are subject to rigorous inspection before they are certified, delivered, and enter into service. Boeing also has access to data concerning the in-service performance and reliability of the 737 fleet. We have seen nothing from any of these sources that would suggest the existence of embedded quality or safety issues, whether or not as a result of the production disruption experienced last year.”

Regrettably, despite program oversight, monitoring of production quality data, post production procedures, and the monitoring of in-service performance, something obviously went seriously wrong with both the Lion Air and Norwegian airplanes. The seriousness of these issues combined with a possible connection to the tragic loss of 189 lives warrants more than just a walk through with executives. The senior leaders who were responsible for 737 oversight were the same individuals that oversaw the production system deteriorate to the point described in my Feb 7, 2019 email and presumably are the same individuals that are still dealing with production system health issues, recovery operations and supply chain challenges mentioned in investor reports. It is worth noting the current 737 General Manager was not in the 737 Program at the time these airplanes were being built, so he cannot speak with firsthand knowledge.

Was this a comprehensive, objective assessment by the General Counsels on behalf of the CEO? What about talking with frontline employees like IAM members, shop stewards, Team Leaders, 1st & 2nd line managers per the recommendation? Certainly, their perspectives would provide a more well-rounded picture. I counted approximately 35 assertions in my Feb 7, 2019 email. How many of them were checked out and corroborated to have occurred during the building of the Lion Air and Norwegian Air airplanes? Are they still occurring? Did this walk-through effort by the attorneys (which

lasted no more than 5 business days) include an analysis of production health and quality related data? Or, was the walk through conducted over the course of a single meeting or a couple meetings? Did anyone talk to our commercial and defense customers to see if they are having any maintenance or spare parts acquisition issues with these airplanes that might be indicative of production problems? At what point does chronic, abnormal production operations become normal operations?

Candidly, there remains many serious unanswered questions. For these reasons, I ask the Board of Directors' assistance in your corporate governance and oversight role to ensure:

- a). the details of these safety concerns as outlined in my Feb 7, 2019 email are discussed with the Board of Directors and does not stop at the CEO or General Counsel levels;
- b). an independent assessment of the 737 Program is conducted per the recommendation outlined in my Jan 22, 2019 email, to include taking appropriate follow-up actions as required—such as asking customers to conduct inspections of in-service airplanes and developing agreed upon criteria for stopping the production system in the future to mitigate risk;
- c). the results of items a & b are shared with the appropriate Lion Air accident investigation authorities at Boeing, FAA, NTSB & NTSC;
- d). Boeing confirms with me these actions have been taken NLT Apr 15, 2019. I fully realize Boeing is not obligated to take these actions or get back in touch with me. However, absent such a confirmation, I will be left to assume these actions were not taken and will be forced to pursue another course of action.

I believe these are reasonable expectations with a reasonable deadline. I have no interest in scaring the public or wasting anyone's time. I also don't want to wake up one morning and hear about another tragedy and have personal regrets. Of course, this is something no one wants to happen. For what it is worth, if requested I would make myself available to the Board to answer any questions or provide additional information.

I'm trying to give Boeing every opportunity to do the right thing because only Boeing can fix these internal problems. We owe it to the families devastated by the Lion Air accident, our employees, stockholders and the people that continue to trust their lives with Boeing airplanes around the world.

Sincerely,


Ed Pierson



Enclosures:

#1 Emails to Boeing 737 Vice President & General Manager

#2 Letter to Boeing Chairman, President & CEO

#3 Emails to Boeing General Counsel & Assistant General Counsel

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