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Boeing Boss Gets \$33 Million in Pay for 2023, but No Bonus

Board cuts 2024 executive stock grants and ties bonuses to safety goals in wake of Jan. 5 blowout on 737 jet

By [Sharon Terlep](#) [Follow](#) and [Theo Francis](#) [Follow](#)

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Boeing CEO David Calhoun and other senior executives will get stock awards for 2024 that are about 22% below original targets—a figure matching the decline in Boeing's share price after the blowout, the company said. PHOTO: ANNA MONEYMAKER/GETTY IMAGES

Boeing BA **-0.47%** ▼ CEO David Calhoun received \$33 million in compensation last year, mostly from stock awards, but gave up a roughly \$3 million cash bonus and is getting less stock this year in the wake of a near tragedy on Jan. 5.

Boeing's board said it took additional steps to tie executive pay to new quality and safety goals in the wake of the door-plug blowout on a 737 MAX jet. The board recently announced that Calhoun would step down by year-end and that it was searching for a new leader.

Calhoun and other senior executives will get stock awards for 2024 that are about 22% below original targets—a figure matching the decline in Boeing's share price after the blowout, the company said. That percentage amounted to a reduction of about \$3.75 million for Calhoun. The CEO also gave up a cash bonus for 2023 that was targeted at \$2.8 million.

Calhoun's 2023 compensation totaled \$32.8 million, including \$1.4 million in salary and equity awards valued at \$30.2 million when they were granted last year, the company said in its annual proxy statement, filed Friday. His pay totaled \$22.6 million in 2022, including \$17 million in stock and options.

Boeing said the value of Calhoun's 2023 equity awards had declined by about \$8 million through year-end and significantly from the value it had placed on his compensation at the outset. Boeing's share price rose almost 29% during 2023 but is down by a similar percentage so far this year.

Last year's equity awards were intended to give Calhoun an incentive to remain at the company and to offset the effect of the pandemic on awards from prior years, the company said. "The Board believes that Mr. Calhoun's primary focus on safety, quality and transparency is exactly what Boeing has needed, and continues to need," it said.

The company also said it paid for about \$514,000 of Calhoun's personal flights on company aircraft in 2023, double what it had reported for the previous year. However, Boeing said it had revised 2022's tally to include some trips that hadn't previously been reported as perquisites, raising the year's total about \$93,000 to nearly \$332,000.

Calhoun's earlier-than-expected departure comes as the company deals with fallout from the door-plug blowout on an Alaska Airlines flight, from federal probes to slowed production lines.

“While we have made progress in strengthening our safety management and quality control systems and processes in the last few years, recent events make it absolutely clear that we have more work to do and must improve everyday,” Steve Mollenkopf, who took over as board chair last month, wrote in a letter to shareholders.

Starting this year, Boeing also said it would tie incentives to new quality and safety goals.

Under the new plan, 55% of executives’ long-term incentive pay will be affected by two factors. These factors could decrease that portion of executives’ stock awards by 25%, or reduce it to zero.

The first is whether management surveys employees about how well they understand and follow Boeing’s safety protocols. The second is putting in place systems to better determine when to pause production for safety-risk assessments, a move intended to cut down on out-of-sequence work that executives say compromises quality.

The goals are in addition to changes the company announced last month to emphasize quality and safety over meeting financial targets. Those changes, which include reducing traveled work, apply to Boeing’s more than 110,000 nonunion workers, including senior executives.

It isn’t the first time Calhoun’s pay has been dinged since taking over as CEO in 2020. During 2022, the board declined to award him a \$7 million performance bonus, citing delays with the 777X jetliner.

Write to Sharon Terlep at sharon.terlep@wsj.com and Theo Francis at theo.francis@wsj.com

Corrections & Amplifications

Steve Mollenkopf was elected as chair of Boeing last month. An earlier version of this article spelled his surname as Mollenkoph. Under Boeing’s new compensation plan, quality and safety factors could decrease a portion of executives’ stock awards by 25%, or reduce it to zero. An earlier version of this story said those factors could increase that portion of executives’ stock awards. (Corrected on April 5)

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