



Michael F. Lohr
Vice President,
Assistant General Counsel,
& Corporate Secretary

The Boeing Company
100 N Riverside MC 5003-1001
Chicago, IL 60606-1596

December 17, 2014

BY EMAIL

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549
shareholderproposals@sec.gov

Re: Shareholder Proposal Relating to Amending Clawback Policy

Dear Sir or Madam:

The Boeing Company (“Boeing,” the “Company” or “we”) received a shareholder proposal and statement in support thereof (the “Proposal”) submitted by the Comptroller of the City of New York on Behalf of the New York City Employees’ Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers’ Retirement System, the New York City Police Pension Fund, and the New York City Board of Education Retirement System (collectively, the “Proponents”) for inclusion in the proxy statement to be distributed to the Company’s shareholders in connection with its 2015 Annual Meeting of Shareholders (the “Proxy Materials”). Copies of the Proposal and all related correspondence are attached to this letter as **Exhibit A**. The Company believes that it may properly omit the Proposal from the Proxy Materials, and we request confirmation that the staff of the Division of Corporation Finance (the “Staff”) will not recommend enforcement action to the Securities and Exchange Commission (the “Commission”) if the Company excludes the Proposal from the Proxy Materials for the reasons set forth below.

In accordance with Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) (“SLB 14D”), we are emailing this letter and its attachment to the Staff at shareholderproposals@sec.gov. In accordance with Rule 14a-8(j) of the Securities Exchange Act of 1934, as amended (the “Act”), we are simultaneously sending a copy of this letter and its attachment to the Proponents as notice of Boeing’s intent to omit the Proposal from the Proxy Materials. The Company intends to file the definitive Proxy Materials on or about March 13, 2015.

Rule 14a-8(k) and Section E of SLB 14D provide that shareholder proponents must send companies a copy of any correspondence that they elect to submit to the Commission or the Staff. Accordingly, we are taking this opportunity to remind the Proponents that if the Proponents submit correspondence to the Commission or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned.

THE PROPOSAL

The Proposal states, in relevant part:

RESOLVED: Shareholders of The Boeing Company (“Boeing”) urge the Compensation Committee of the Board of Directors (the “Committee”) to amend Boeing’s Clawback Policy (the “Policy”) to provide that the Committee will (a) review, and determine whether to seek recoupment of, incentive compensation paid, granted or awarded to a senior executive if, in the Committee’s judgment, (i) there has been misconduct resulting in a violation of law or Boeing policy that causes significant financial or reputational harm to Boeing and (ii) the senior executive either committed the misconduct or failed in his or her responsibility to manage or monitor conduct or risks; and (b) disclose to shareholders the circumstances of any recoupment. The Policy should also provide that if no recoupment under the Policy occurred in the previous fiscal year, a statement to that effect will be included in the proxy statement.

BASIS FOR EXCLUSION

BOEING MAY EXCLUDE THE PROPOSAL FROM THE PROXY MATERIALS PURSUANT TO RULE 14a-8(i)(3) BECAUSE THE PROPOSAL IS IMPERMISSIBLY VAGUE AND INDEFINITE SO AS TO BE MATERIALLY FALSE AND MISLEADING

Rule 14a-8(i)(3) permits a company to exclude a shareholder proposal “if the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy soliciting materials.” The Staff has determined that proposals may be excluded pursuant to Rule 14a-8(i)(3) where “the resolution contained in the proposal is so inherently vague or indefinite that neither the shareholders in voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires.” See Staff Legal Bulletin 14B (Sept. 15, 2004) (“SLB 14B”). The Staff has also noted that a proposal may be materially misleading as vague and indefinite where “any action ultimately taken by the Company upon implementation [of the proposal] could be significantly different from the actions envisioned by the shareholders voting on the proposal.” See *Fuqua Industries, Inc.* (Mar. 12, 1991).

The Proposal fails to define “significant financial or reputational harm” or explain what constitutes a failure “to manage or monitor conduct or risks.”

The Proposal purports to require the Compensation Committee (the “Committee”) to consider recoupment of a senior executive’s compensation whenever (emphasis added):

1. “There has been misconduct resulting in a violation of law or Boeing policy that causes *significant financial or reputational harm to Boeing*” or

2. “The senior executive either committed the misconduct or failed in his or her responsibility to *manage or monitor conduct or risks*.”

Each requirement contains a key phrase that is unexplained, and that would result in materially different interpretations such that neither shareholders nor the Company would be able to determine with reasonable certainty exactly what actions or measures the Proposal requires.

“*Significant financial or reputational harm to Boeing.*” Shareholders may reasonably read “significant” as either synonymous with “material” (which would likely require a financial restatement to be filed with the Commission) or as involving a much lower threshold. Given that the consequences of that determination could include the need for a potentially lengthy and burdensome formal Committee recoupment review (especially when a financial restatement is not required to be filed with the Commission), a clear understanding of what constitutes “significant” under the language of the Proposal is crucial to carrying out the intended result of the Proposal. Similarly, the Proposal provides no guidance regarding how “reputational” harm might be measured or quantified. Boeing has an established reputation with many different constituencies, including, but not limited to: customers, competitors, shareholders, suppliers and the general public. The Proposal does not provide any guidance regarding whose perception of the Company’s reputation needs to be diminished or by how much for a formal Committee recoupment review to be triggered. Not only would it be impossible for shareholders to evaluate this standard, it would be impossible for the Company or the Committee to reliably assess whether it was in compliance with such a policy if implemented.

“*[M]anage or monitor conduct or risks.*” Neither the Proposal nor the supporting statement explains the meaning of “manage” or “monitor” or what “conduct” or “risks” the Committee must review. Furthermore, neither the Proposal nor the supporting statement even requires that such “conduct” or “risks” relate to Boeing. The Proposal establishes no relationship between the “fail[ure]...to manage or monitor conduct or risks” and the “misconduct” cited earlier in the Proposal. Under one possible reading, misconduct by a third party that resulted in “significant...harm” to Boeing could automatically trigger a required formal Committee recoupment review, as all Boeing senior executives involved, directly or indirectly, in the third party’s actions on Boeing’s behalf could reasonably be viewed as having “failed...to manage...conduct or risks,” even if they had acted diligently and reasonably at all times. Alternatively, shareholders could reasonably interpret these words as requiring some definable nexus between a senior executive’s conduct and the misconduct in question. Under the second reading, however, the Proposal includes no guidance as to what standard of conduct (*e.g.*, negligence or gross negligence) would constitute a “failure in his or her responsibility.” As a threshold matter, whose “conduct” and what “risks” are to be covered by this policy? As the Proposal is written, only the content of the recoupment decision is at the Committee’s discretion. The review and determination themselves would be mandatory, as the Proposal states that the Committee “*will... review, and determine whether to seek recoupment of, incentive compensation*” [emphasis added]. As a result, the universe of “conduct” or “risks” to be addressed, and what would constitute a “fail[ure] to manage or monitor” them, are key elements of the Proposal that are not sufficiently defined.

The Staff has consistently permitted the exclusion of shareholder proposals related to executive compensation that failed to define or sufficiently explain key terms or that are subject to materially different interpretations such that neither shareholders nor the company would be able to determine with reasonable certainty exactly what actions the proposal requires. *See, e.g., Boeing Co.* (Mar. 2, 2011) (permitting exclusion of a proposal regarding executive compensation where the term “executive pay rights” was insufficiently defined); *General Motors Corp.* (Mar. 26, 2009) (permitting exclusion of proposal seeking elimination of incentives for CEOs and directors but that failed to define “incentives”); *Verizon Communications, Inc.* (Feb. 21, 2008) (permitting exclusion of a proposal seeking new short- and long-term award criteria because the proposal failed to define key terms, set forth formulas for calculating awards or otherwise explain how the proposal would be implemented); and *Prudential Financial, Inc.* (Feb.16, 2007) (permitting exclusion of a proposal seeking shareholder approval of “senior management incentive compensation programs which provide benefits only for earnings increases based only on management controlled programs and in dollars stated on a constant dollar value basis”).

This Proposal is distinguishable from other recent shareholder proposals addressing a similar subject matter. In *McKesson Corp.* (May 17, 2013) and *Bank of America Corp.* (Mar. 8, 2011), the Staff did not concur with the exclusion under Rule 14a-8(i)(3) of proposals requesting amendments to company clawback policies. However, neither of those proposals required actions based on “significant financial or reputational harm” and/or a failure to “manage or monitor conduct or risks.” Rather, the proposed changes in *McKesson Corp.* involved the elimination of requirements in the company’s existing policy that misconduct covered by the policy be “intentional” or result in “material” impacts on the company’s financial results. Similarly, the *Bank of America Corp.* proposal only required that any recoupment reviews be tied to “financial or operating metric(s)” and did not purport to require such reviews based on “reputational harm” or monitoring of “conduct or risks” that lacked any explicit or implicit link to company performance.

The Proposal does not address, let alone resolve, the conflict between the proposed policy and the existing terms and conditions of each of Boeing’s incentive compensation plans.

Boeing’s Elected Officer Annual Incentive Plan and the Incentive Compensation Plan for Employees of the Boeing Company and Subsidiaries (collectively, the “Annual Incentive Plan”) and 2003 Incentive Stock Plan (the “Plan” and, together with the Annual Incentive Plans, the “Existing Plans”) are the sole means by which Boeing may provide incentive compensation to senior executives. Each Existing Plan, and each grant issued pursuant to the Existing Plans, expressly limits when Boeing may seek recoupment or reimbursement of incentive compensation. In relevant part, each Existing Plan and associated grant requires reimbursement of any payment or award where “(1) the payment was predicated upon achieving certain financial results that were subsequently the subject of a substantial restatement of Company financial statements filed with the Securities and Exchange Commission; (2) the Board determines the executive engaged in intentional misconduct that caused or substantially caused the need for the substantial restatement; and (3) a lower

payment would have been made to the executive based upon the restated financial results.”¹ The above language sets forth the parameters within which Boeing may seek recoupment of incentive compensation awarded to its senior executives. Despite the Proposal’s exhortation that it not “violate any contract, compensation plan, law or regulation,” the Proposal utterly fails to address the conflict between its terms and the terms of the Plans.

The Staff has permitted exclusion of proposals as vague and indefinite under Rule 14a-8(i)(3) when the proposal’s implementation would directly conflict with existing bylaw provisions. In *Deere & Co.* (Nov. 4, 2013), the Staff permitted exclusion of a proposal that requested a “policy that, whenever possible, the chairman of our board of directors shall be an independent director.” The proposal directly conflicted with the company’s existing bylaws, which specifically require that the chairman of the board also serve as chief executive officer. Because the proposal did not address this conflict, it was unclear whether the board would have been required to follow the company’s bylaws or the policy requested by the proposal. The Staff therefore concluded that “in applying this particular proposal to Deere, neither shareholders nor the company would be able to determine with any reasonable certainty exactly what actions or measures the proposal require[d]” and granted relief to exclude the proposal under Rule 14a-8(i)(3) as vague and indefinite. *See also USA Technologies, Inc.* (Mar. 27, 2013) (permitting exclusion under Rule 14a-8(i)(3) as vague and indefinite when the proposal asked the board to adopt a policy that directly conflicted with an existing bylaw provision and the proposal did not address the conflict).

While the conflict introduced by the Proposal does not relate to the Company’s bylaws as in *Deere & Co.*, the conflict would be no less difficult for the Company’s shareholders to resolve absent further guidance in the Proposal or supporting statement. In particular, adoption of the Proposal—even on a prospective basis—would require shareholders to guess as to whether the policy would (a) require the Board to violate the terms of the Existing Plans and the associated grants, (b) be subject to the contractual commitments in the Existing Plans and, therefore, be of absolutely no effect whatsoever, or (c) require “prospectively” to be read such that the policy were to apply following expiration of the Existing Plans and all outstanding grants pursuant to such plans.

Given that the Proposal fails to define key terms and fails to address the direct conflict it would introduce with Boeing’s existing incentive compensation plans, the Company believes that neither shareholders nor Boeing would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires. Further, any action ultimately taken by the Company to implement the Proposal could be significantly different from the actions envisioned by shareholders voting on the Proposal. As such, the Company believes that the Proposal may be omitted in reliance on Rule 14a-8(i)(3).

¹ See Section 9(a) of the Elected Officer Annual Incentive Plan available at www.sec.gov/Archives/edgar/data/12927/000119312507232400/dex106.htm, Section 9 of the Incentive Compensation Plan for Employees of the Boeing Company and Subsidiaries available at www.sec.gov/Archives/edgar/data/12927/000119312507232400/dex107.htm, and Section 17.1 of the Plan available at www.sec.gov/Archives/edgar/data/12927/000119312514187653/d716384dex101.htm.

* * *

If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may omit the Proposal from its Proxy Materials, please do not hesitate to contact me at (312) 544-2802 or michael.f.lohr@boeing.com.

Sincerely,


Michael F. Lohr
Corporate Secretary

Enclosure

cc: Michael Garland

Exhibit A

The Proposal and All Related Correspondence



Michael Garland
ASSISTANT COMPTROLLER
ENVIRONMENTAL, SOCIAL AND
GOVERNANCE

CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

MUNICIPAL BUILDING
ONE CENTRE STREET, ROOM 629
NEW YORK, N.Y. 10007-2341

TEL: (212) 669-2517
FAX: (212) 669-4072
MGARLAN@COMPTROLLER.NYC.GOV

November 5, 2014

Mr. Michael F. Lohr
Corporate Secretary
The Boeing Company
100 North Riverside Plaza
MC 5003-1001
Chicago, IL 60606-1596

Dear Mr. Lohr:

I write to you on behalf of the Comptroller of the City of New York, Scott M. Stringer. The Comptroller is the custodian and a trustee of the New York City Employees' Retirement System, the New York City Fire Department Pension Fund, the New York City Teachers' Retirement System, and the New York City Police Pension Fund, and custodian of the New York City Board of Education Retirement System (the "Systems"). The Systems' boards of trustees have authorized the Comptroller to inform you of their intention to present the enclosed proposal for the consideration and vote of stockholders at the Company's next annual meeting.

Therefore, we offer the enclosed proposal for the consideration and vote of shareholders at the Company's next annual meeting. It is submitted to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934, and I ask that it be included in the Company's proxy statement.

Letters from State Street Bank and Trust Company certifying the Systems' ownership, for over a year, of shares of The Boeing Company common stock are enclosed. Each System intends to continue to hold at least \$2,000 worth of these securities through the date of the Company's next annual meeting.

We would be happy to discuss the proposal with you. Should the Board of Directors decide to endorse its provision as corporate policy, we will withdraw the proposal from consideration at the annual meeting. If you have any questions on this matter, please feel free to contact me at (212) 669-2517.

Sincerely,

Michael Garland
Enclosure

RECEIVED

NOV 07 2014

Law Department

RESOLVED: Shareholders of The Boeing Company (“Boeing”) urge the Compensation Committee of the Board of Directors (the “Committee”) to amend Boeing’s Clawback Policy (the “Policy”) to provide that the Committee will (a) review, and determine whether to seek recoupment of, incentive compensation paid, granted or awarded to a senior executive if, in the Committee’s judgment, (i) there has been misconduct resulting in a violation of law or Boeing policy that causes significant financial or reputational harm to Boeing and (ii) the senior executive either committed the misconduct or failed in his or her responsibility to manage or monitor conduct or risks; and (b) disclose to shareholders the circumstances of any recoupment. The Policy should also provide that if no recoupment under the Policy occurred in the previous fiscal year, a statement to that effect will be included in the proxy statement.

“Recoupment” includes (a) recovery of compensation already paid and (b) forfeiture, recapture, reduction or cancellation of amounts awarded or granted to an executive over which Boeing retains control. These amendments should operate prospectively and be implemented in a way that does not violate any contract, compensation plan, law or regulation.

SUPPORTING STATEMENT:

Boeing is subject to U.S. government inquiries and investigations that could result in fines, penalties or debarment from eligibility for future government contracts. In 2012, the Federal Aviation Administration proposed a \$13.6 million civil penalty against Boeing for delays in telling airlines how to prevent fuel-tank explosions on 383 aircraft. In 2013, the FAA proposed a \$2.7 million civil penalty against Boeing for allegedly using aircraft parts that did not meet standards. Such resolutions can cause reputational as well as financial harm.

As long-term shareholders, we believe compensation policies should promote sustainable value creation. We agree with former GE general counsel Ben Heineman Jr. that recoupment policies with business-related misconduct triggers are “a powerful mechanism for holding senior leadership accountable to the fundamental mission of the corporation: proper risk taking balanced with proper risk management and the robust fusion of high performance with high integrity.”

(<http://blogs.law.harvard.edu/corpgov/2010/08/13/making-sense-out-of-clawbacks/>)

Currently, Boeing’s Policy provides for recoupment of incentive compensation from certain executives “if the Board determines that the executive engaged in intentional misconduct that caused or substantially caused the need for a substantial restatement of financial results and a lower payment would have been made to the executive based on the restated financial results.”

In our view, significant damage can be caused by misconduct that does not necessitate a financial restatement, and it may be appropriate to hold accountable a senior executive who did not commit misconduct but who failed in his or her management or monitoring responsibility. Our proposal gives the Committee discretion to decide whether recoupment is appropriate in particular circumstances.

Finally, shareholders cannot monitor enforcement without disclosure. We are sensitive to privacy concerns and urge Boeing to adopt a policy that does not violate privacy expectations (subject to laws requiring fuller disclosure).

We urge shareholders to vote for this proposal.



STATE STREET.

Derek A. Farrell
Asst. Vice President, Client Services

State Street Bank and Trust Company
Public Funds Services
1200 Crown Colony Drive 5th Floor
Quincy, MA, 02169
Telephone (617) 784-6378
Facsimile (617) 786-2211

dfarrell@statestreet.com

November 5, 2014

Re: New York City Employee's Retirement System

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Employee's Retirement System, the below position from November 1, 2013 through today as noted below:

Security: BOEING CO / THE

Cusip: 097023105

Shares: 487,021

Please don't hesitate to contact me if you have any questions.

Sincerely,

Derek A. Farrell
Assistant Vice President



STATE STREET

Derek A. Farrell
Asst. Vice President, Client Services

State Street Bank and Trust Company
Public Funds Services
1200 Crown Colony Drive 5th Floor
Quincy, MA 02169
Telephone (617) 784-6378
Facsimile (617) 786-2211

dfarrell@statestreet.com

November 5, 2014

Re: New York City Teachers' Retirement System

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Teachers' Retirement System, the below position from November 1, 2013 through today as noted below:

Security: BOEING CO / THE

Cusip: 097023105

Shares: 594,115

Please don't hesitate to contact me if you have any questions.

Sincerely,

Derek A. Farrell
Assistant Vice President



STATE STREET

Derek A. Farrell
Asst. Vice President, Client Services

State Street Bank and Trust Company
Public Funds Services
1200 Crown Colony Drive 5th Floor
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Facsimile (617) 786-2211

dfarrell@statestreet.com

November 5, 2014

Re: New York City Board of Education Retirement System

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Board of Education Retirement System, the below position from November 1, 2013 through today as noted below:

Security: BOEING CO / THE

Cusip: 097023105

Shares: 3,430

Please don't hesitate to contact me if you have any questions.

Sincerely,

Derek A. Farrell
Assistant Vice President



STATE STREET

Derek A. Farrell
Asst. Vice President, Client Services

State Street Bank and Trust Company
Public Funds Services
1200 Crown Colony Drive 5th Floor
Quincy, MA, 02169
Telephone (617) 784-6378
Facsimile (617) 786-2211

dfarrell@statestreet.com

November 5, 2014

Re: New York City Police Pension Fund

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Police Pension Fund, the below position from November 1, 2013 through today as noted below:

Security: BOEING CO / THE

Cusip: 097023105

Shares: 144,046

Please don't hesitate to contact me if you have any questions.

Sincerely,

Derek A. Farrell
Assistant Vice President



STATE STREET

Derek A. Farrell
Asst. Vice President, Client Services

State Street Bank and Trust Company
Public Funds Services
1200 Crown Colony Drive 5th Floor
Quincy, MA, 02169
Telephone (617) 784-6378
Facsimile (617) 786-2211

dfarrell@statestreet.com

November 5, 2014

Re: New York City Fire Department Pension Fund

To whom it may concern,

Please be advised that State Street Bank and Trust Company, under DTC number 997, held in custody continuously, on behalf of the New York City Fire Department Pension Fund, the below position from November 1, 2013 through today as noted below:

Security: BOEING CO / THE

Cusip: 097023105

Shares: 32,696

Please don't hesitate to contact me if you have any questions.

Sincerely,

Derek A. Farrell
Assistant Vice President