Grant M. Dixton
Senior Vice President,
General Counsel &
Corporate Secretary

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

December 15, 2020

BY EMAIL
Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549
shareholderproposals@sec.gov

Re: Shareholder Proposal Regarding Disclosure of Requirements re Named Executive Officer Share Retention

Dear Sir or Madam:

The Boeing Company ("Boeing") received a shareholder proposal (the "Proposal") from the New York State Comptroller (the "Proponent").[1] Boeing intends to omit the Proposal from its 2021 annual meeting proxy materials (the "Proxy Materials"), and this letter seeks confirmation that the staff of the Division of Corporate Finance (the "Staff") will not recommend enforcement action to the Securities and Exchange Commission (the "Commission") in connection with such omission.

THE PROPOSAL

The Proposal states:

> *RESOLVED: Shareholders of The Boeing Company ("Company") urge the Compensation Committee of the Board of Directors ("Committee") to disclose if, and how, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs reaching normal retirement age.*
>
> *In its discretion, the Committee may wish to consider:*
>
> - *Defining normal retirement age based on the Company's qualified retirement plan with the largest number of participants,*
> - *Adopting a share retention requirement of at least 25 percent of net after-tax shares awarded, and*
> - *Whether this supplements any other share ownership requirements that have been established for senior executives.*

[1] Copies of the Proposal and all related correspondence are attached as Exhibit A.

This policy should be implemented so as not to violate the Company's existing contractual obligations or the terms of any compensation or benefit plan currently in effect.

BASIS FOR EXCLUSION

The Proposal is excludable under Rule 14a-8(i)(10) because it has been substantially implemented.

Rule 14a-8(i)(10) permits a company to exclude a shareholder proposal from its proxy statement if the company has already substantially implemented the proposal. "Substantial" implementation does not require identical implementation or implementation exactly as presented by the proponent. *See Exchange Act Release No. 34-40018* (May 21. 1998, n.30). Rather, Rule 14a-8(i)(l0) permits exclusion when the company can show that it has substantially implemented the "essential objectives" of the proposal, even if by means other than those suggested by the shareholder proponent. *See, e.g., Exxon Mobil Corp.* (March 23, 2018); *Oracle Corp.* (Aug. 11, 2016); *Ford Motor Company* (February 22, 2016); *Wal-Mart Stores, Inc.* (March 25, 2015); *General Electric Company* (Mar. 3, 2015); *Pfizer Inc.* (Jan. 11, 2013); *The Procter & Gamble Company* (Aug. 4, 2010); *ConAgra Foods, Inc.* (July 3, 2006); *Johnson & Johnson* (Feb. 17, 2006); *Talbots Inc.* (Apr. 5, 2002); *The Gap, Inc.* (Mar. 16, 2001). This standard is met where the company's "particular policies, practices and procedures compare favorably with the guidelines of the proposal." *See, e.g., Texaco, Inc.* (Mar. 28, 1991); *Intel Corp.* (Mar. 11, 2003); *Exxon Mobil Corp.* (Mar. 19, 2010).

The Proposal is about disclosure, and makes no recommendations with respect to policy. The Proposal asks only that Boeing "*disclose if, and how*, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age" (emphasis added). The Proposal's objective becomes that much clearer when compared to the similar, yet more prescriptive, proposal submitted by the Proponent, included in Boeing's 2020 proxy statement, and defeated by shareholders (the "Prior Proposal"). The Prior Proposal asked that Boeing "*adopt a policy . . . requiring* that *senior executives* retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age" (emphasis added). The Proponent is a sophisticated shareholder proponent, and the Prior Proposal clearly demonstrates that the Proponent knows how a proposal seeking adoption of a policy should be written. There is no basis, therefore, for a shareholder to conclude that the Proponent intended to seek a change in policy rather than, as the Proposal clearly states, a type of disclosure.

Since the Proposal clearly seeks nothing more than disclosure of "if, and how" Boeing requires named executive officers to retain equity compensation until "normal retirement age," Boeing has already substantially implemented the Proposal. Boeing has extensive disclosures regarding if, and how, it seeks to require named executive officers to retain equity compensation through "normal retirement age." Most importantly, page 75 of Boeing's 2020 proxy statement includes Boeing's opposition statement to the Prior Proposal, and that statement explicitly addresses the reasons why Boeing recommended against the imposition of a policy mandating equity retention until normal retirement age. Specifically, the statement highlights how Boeing's compensation policies "[tie] executive pay to long-term shareholder value, *rendering unnecessary* *additional requirements such as mandatory post-termination stock ownership*" (emphasis added). This statement clearly answers in the negative the question of "if… [Boeing] requires," and indeed whether Boeing currently intends to require, the equity retention policy described in the Proposal, rendering the conditional "how" portion of the Proposal moot. In addition, page 47 of Boeing's 2020 proxy statement includes, as part of the Compensation Discussion & Analysis ("CD&A"), an entire section devoted to "Executive Stock Ownership and Stock Holding Requirements."[2] This section specifically discusses how Boeing's policies—which do not require stock ownership through normal retirement age—"further align the interests of [its] senior executives with the long-term interests of shareholders" through stock ownership requirements. For example, the CD&A notes how all senior executives must "attain and maintain throughout their term of employment" certain investment positions in Boeing stock and stock equivalents, ranging from 12x base salary for the CEO down to 1-2x base salary for Vice Presidents. Boeing also makes available on its website[3] the current stock ownership requirements applicable to senior executives as set forth in its Corporate Governance Principles. Based on these disclosures regarding Boeing's existing policies, as well as its stated rationale for recommending against the Prior Proposal, Boeing believes that it has substantially implemented the Proposal.

As discussed above, Boeing believes it has already substantially implemented the Proposal consistent with Rule 14a-8(i)(10). However, consistent with Boeing and the Proponent's shared goals of promoting long-term, sustainable shareholder value and demonstrating transparency with respect to executive compensation, Boeing agrees to disclose even more detail on "if, and how" it requires named executive officers to retain equity compensation until reaching "normal retirement age." Specifically, Boeing commits to include additional disclosure in the Proxy Materials that maps explicitly to each and every one of the considerations highlighted in the Proposal. Specifically, Boeing commits to specifically address "if, and how" it requires named executive officers to hold equity compensation through "normal retirement age," including how the Compensation Committee has considered:

- "[d]efining normal retirement age based on the Company's qualified retirement plan with the largest number of participants,"
- "[a]dopting a share retention requirement of at least 25 percent of net after-tax shares awarded," and
- "[w]hether this supplements any other share ownership requirements that have been established for senior executives.

Boeing would include these disclosures in the "Executive Stock Ownership and Stock Holding Requirements" section of its 2021 proxy statement. Thus, even if the Staff concludes that Boeing's existing disclosures do not merit exclusion of the Proposal, the proposed disclosures would fully implement the Proposal and thereby allow Boeing to exclude the Proposal pursuant to Rule 14a-8(i)(10).

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[2] A copy of the relevant portion of Boeing's 2020 proxy statement is attached as Exhibit B.

[3] https://www.boeing.com/company/general-info/corporate-governance.page

Boeing recognizes that the Staff declined to concur in the exclusion of similar proposals submitted recently under Rule 14a-8(i)(10). *See, e.g.*, *TJX Companies, Inc.* (Feb. 3, 2020); *Chipotle Mexican Grill, Inc.* (Dec. 23, 2019). However, the Proposal differs from *TJX* and *Chipotle* in three significant—and dispositive—ways. First, unlike in *TJX* and *Chipotle*, the Proposal does not apply to all "senior executives" but only to "named executive officers." Named executive officers are the identical universe of employees already specifically addressed in the CD&A. Second, unlike in *TJX* and *Chipotle*, Boeing's disclosures—specifically, the Board's opposition statement to the Prior Proposal—directly address the merits of adopting a policy requiring (in other words, disclosures "if, and how" Boeing requires) that equity compensation be held through "normal retirement age." Third, unlike in *TJX* and *Chipotle*, Boeing commits—as set forth above—that the Proxy Materials will explicitly address each and every consideration mentioned in the Proposal, thereby removing any potential ambiguity as to whether the Proposal has been implemented fully.

Finally, the Proponent might argue, as it did in *TJX* and *Chipotle*, that it is not seeking disclosure, but instead a substantive policy change. That is wrong. As demonstrated above, the text of the Proposal utterly fails to support such an argument, and no shareholder (particularly one familiar with the Prior Proposal and how it differs from the Proposal) could reasonably be expected to conclude that the Proposal seeks a policy change. If the Proponent did indeed seek to recommend a policy change, it knows how to do that and could have simply resubmitted the text of the Prior Proposal. But the Proponent chose to submit a different Proposal, one that seeks nothing more than a request for disclosure, and it should not be able to fundamentally mischaracterize the proposal at this late hour and expect shareholders to consider that mischaracterization rather than the Proposal itself.

* * *

Based on the foregoing analysis, we respectfully request that the Staff concur that it will take no action if the Company excludes the Proposal from its Proxy Materials.

In accordance with Rule 14a-8U) of the Act and Section C of Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D"), we are concurrently sending a copy of this letter and its attachments to the Proponent as notice of Boeing's intent to omit the Proposal from the Proxy Materials and to the Staff at shareholderproposals@sec.gov. If the Proponent submits correspondence to the Commission or the Staff in connection with the Proposal, we request that copies of that correspondence be sent concurrently to the undersigned, as required pursuant to Rule 14a-8(k) and Section E of SLB 14D. The Company intends to file the definitive Proxy Materials with the Commission on or about March 5, 2021. Meanwhile, should you have any questions with respect to any aspect of this matter, or require any additional information, please do not hesitate to contact me at (312) 544-2387 or CSO@boeing.com.

Sincerely,

Grant M. Dixton
Senior Vice President, General Counsel, and Corporate Secretary

Enclosures

cc: George Wong, Office of the State Comptroller

Exhibit A

The Proposal and related correspondence.

Hernandez (US), Stephanie L

From: Kyle Seeley <kseeley@osc.ny.gov> on behalf of CorpGov <CorpGov@osc.ny.gov>
Sent: Monday, November 02, 2020 6:49 PM
To: GRP CSO; Dixton (US), Grant M
Cc: George Wong
Subject: [EXTERNAL] Shareholder Request
Attachments: Boeing Company- NYSCRF Proposal.pdf

Good evening,

Please see the attached copy of the New York State Common Retirement Fund's filing letter and shareholder proposal, which was also sent to you today via UPS. If you have any further questions regarding this transmission, please feel free to contact us.

THOMAS P. DiNAPOLI
STATE COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

November 2, 2020

Mr. Grant M. Dixton
The Boeing Company
Vice President, Deputy General Counsel and Corporate Secretary
100 North Riverside Plaza
MC 5003-1001
Chicago, Illinois 60606-1596

Dear Mr. Dixton,

The Comptroller of the State of New York, Thomas P. DiNapoli, is the Trustee of the New York State Common Retirement Fund (the "Fund") and the Administrative Head of the New York State and Local Retirement System. The Comptroller has authorized me to inform you of his intention to offer the enclosed shareholder proposal for consideration of stockholders at the next annual meeting.

I submit the enclosed proposal to you in accordance with Rule 14a-8 of the Securities Exchange Act of 1934 and ask that it be included in your proxy statement.

A letter from J.P. Morgan Chase, the Fund's custodial bank, verifying the Fund's ownership of The Boeing Company shares, continually for over one year, is enclosed. The Fund intends to continue to hold at least $2,000 worth of these securities through the date of the annual meeting.

We would be happy to discuss this initiative with you. Should The Boeing Company decide to endorse its provisions as company policy, the Comptroller will ask that the proposal be withdrawn from consideration at the annual meeting. Please feel free to contact George Wong by email at gwong@osc.ny.gov should you have any further questions on this matter..

Sincerely,

George wong

George Wong
Corporate Governance Officer

Enclosures

Share Buybacks and Share Retention

RESOLVED: Shareholders of The Boeing Company ("Company") urge the Compensation Committee of the Board of Directors ("Committee") to disclose if, and how, it seeks to require that named executive officers retain a significant percentage of shares acquired through equity compensation programs until reaching normal retirement age.

In its discretion, the Committee may wish to consider:

- Defining normal retirement age based on the Company's qualified retirement plan with the largest number of participants,
- Adopting a share retention requirement of at least 25 percent of net after-tax shares awarded, and
- Whether this supplements any other share ownership requirements that have been established for senior executives.

This policy should be implemented so as not to violate the Company's existing contractual obligations or the terms of any compensation or benefit plan currently in effect.

SUPPORTING STATEMENT:

Equity-based compensation is an important component of senior executive compensation at our Company. While we encourage the use of equity-based compensation for senior executives, we are concerned that our Company's senior executives are generally free to sell shares received from equity compensation plans. Our proposal seeks to better link executive compensation with long-term performance by requiring meaningful retention of shares senior executives receive from the Company's equity compensation plans. Requiring named executives to hold a significant percentage of shares obtained through equity compensation plans until they reach retirement age, regardless of when the executive actually retires, will better align the interests of executives with the interests of shareholders and the Company. In addition, when Company senior executives sell their shares during a share buyback, it may send a mixed message to shareholders—on one hand, the Board may convey that the company stock is undervalued enough to make the buyback worthwhile while management is indicating that it is valued highly enough to be worth selling.

In our opinion, the Company's current share ownership guidelines for senior executives do not go far enough to ensure that the Company's equity compensation plans continue to build stock ownership by senior executives over the long-term. We believe that requiring senior executives to only hold shares equal to a set target loses effectiveness over time. After satisfying these target holding requirements, senior executives are free to sell all the additional shares they receive in equity compensation. We believe that requiring executives to retain a portion of all annual stock awards provides incentives to avoid short-term thinking and to promote long-term, sustainable value.

J.P.Morgan

Miriam Awad
Vice President
CIB Client Service Americas

November 2, 2020

Mr. Grant M. Dixton
The Boeing Company
Vice President, Deputy General Counsel and Corporate Secretary
100 North Riverside Plaza
MC 5003-1001
Chicago, Illinois 60606-1596

Dear Mr. Dixton,

This letter is in response to a request by The Honorable Thomas P. DiNapoli, New York State Comptroller, regarding confirmation from JP Morgan Chase that the New York State Common Retirement Fund has been a beneficial owner of The Boeing Company. continuously for at least one year as of and including November 2, 2020.

Please note that J.P. Morgan Chase, as custodian for the New York State Common Retirement Fund, held a total of 1,072,327 shares of common stock as of November 2, 2020 and continues to hold shares in the company. The value of the ownership stake continuously held by the New York State Common Retirement Fund had a market value of at least $2,000.00 for at least twelve months prior to, and including, said date.

If there are any questions, please contact me at (212) 623 8481.

Regards,

Miriam Awad

Miriam Awad

cc: Kyle Seeley - NYSCRF
John White - NYSCRF

4 Chase Metrotech Center 6th Floor, Brooklyn, NY 11245
Telephone: +1 212 623 8481 Facsimile: +1 718 242 4508 miriam.g.awad@jpmorgan.com
JPMorgan Chase Bank, N.A.

Exhibit B

Boeing's Statement in Opposition

Executive Stock Ownership and Stock Holding Requirements value of $7.3 million in 2018 and $5.7 million in 2017, enabling him to satisfy the ownership requirement in just two years. Without stronger retention requirements, the CEO is generally free to sell any additional equity awards granted. We believe that requiring executives to retain a portion of all annual stock awards provides incentives to avoid short-term thinking and to promote long-term shareholder value.

Board of Directors' Statement Against the Shareholder Proposal

The Board has considered this proposal and believes that it is not in the best interests of our shareholders. We have discussed the subject matter of this proposal with many of our shareholders, and the Board's view with respect to this proposal was informed by those discussions. For the following reasons, the Board recommends that you vote AGAINST Item 8.

Senior executives are already required to own significant amounts of Boeing stock throughout the term of their employment.

Our minimum ownership requirements for executives are based on pay grade and range from three times base salary for senior vice presidents to six times base salary for the CEO. Our Compensation Committee annually reviews officers' ownership relative to these requirements, and may adjust the cash/equity mix of an executive's compensation if needed. Many of our senior executives own Boeing stock at levels far in excess of these requirements. Executive officers must hold all newly-vested stock (net of shares withheld for tax purposes) until their minimum stock ownership has been satisfied. The Company also prohibits executives from pledging Boeing stock and from reducing their economic exposure to Boeing stock through hedging transactions. As a result, our policies already ensure that executives' interests are aligned with those of our shareholders. The Compensation Committee also believes that these policies compare favorably with those of our peer companies.

Our executive compensation program already emphasizes long-term equity ownership by executives, which the Board believes is the best way to motivate management to build sustained shareholder value.

Boeing delivers a significant percentage of its executive compensation in long-term incentive-based equity awards. Our restricted stock units reward long-term value creation because they generally do not vest until the third anniversary of the grant date and increase in value only to the extent the value of Boeing stock increases. Similarly, our performance-based restricted stock units pay out in shares of Boeing stock based on Boeing's total shareholder return over the three-year performance period relative to a group of peer companies. Finally, our performance awards pay out only upon achievement of the Company's long-term financial performance goals over a three-year period. The Board believes that each of these compensation elements ties executive pay to long-term shareholder value, rendering unnecessary additional requirements such as mandatory post-termination stock ownership. Additional detail about our executive compensation program is set forth in "Compensation Discussion and Analysis," beginning on page 33.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE AGAINST THIS PROPOSAL.

Shareholder Proposal — Additional Disclosure of Compensation Adjustments (Item 9)

Resolved: Shareholders of The Boeing Company (the "Company") urge the Board of Directors (the "Board") to adopt a policy that when the Company adjusts or modifies any generally accepted accounting principles ("GAAP") financial performance metric for determining senior executive compensation, the Compensation Committee's Compensation Discussion and Analysis shall include a specific explanation of the Compensation Committee's rationale for each adjustment and a reconciliation of the adjusted metrics to GAAP.

Supporting Statement:

Our Company selects several metrics to assess senior executive performance for purposes of determining incentive compensation. On page 28 of the 2019 Proxy Statement the Company detailed the metrics sued for the 2018 Annual Incentive Plan and the 2016-2018 Performance Awards. However, several of these metrics were "adjusted by the Compensation Committee to better reflect core operating performance."

For example, the 2018 Annual Incentive Plan used Free Cash Flow, Core EPS, and Revenue as the performance metrics. The Company excluded capital expenditures from GAAP operating cash flow to calculate free cash flow. (2019 Proxy Statement, Page 27) In addition, "the Compensation Committee, consistent with its authority and past practices,

Compensation Consultants

Compensation Committee's Independent Consultant	Management's Consultant
• Presents peer group pay practices and other relevant benchmarks for CEO and nonemployee director compensation to the Compensation Committee and GON Committee, respectively, as well as management. • Reviews and provides recommendations concerning management's data and work product and compensation-related practices and proposals. • Advises the Compensation Committee Chair and the Compensation Committee with respect to management's proposals. • Meets with the Compensation Committee in executive session following regular meetings of the Committee. • Available on as-needed basis throughout the year to consult with directors or management.	• Presents peer group pay practices and other relevant compensation and performance benchmarks (except for the CEO and nonemployee directors) for the Compensation Committee and management. • Reviews and provides recommendations based on comprehensive pay tally sheets for executive officers prepared for Compensation Committee review. The pay tally sheets provide total annual compensation and accumulated wealth (value of equity holdings, outstanding long-term incentives, deferred compensation, and pension). • Provides periodic updates regarding tax, accounting, and regulatory issues that may impact executive compensation design, administration, and/or disclosure.

Benchmarking Against Our Peer Group

We benchmark executive compensation against a peer group of leading U.S.-based companies (with an emphasis on aerospace and industrial manufacturing companies) that have a technology focus, large global operations, a diversified business, and/or roughly comparable annual sales and market capitalizations. On at least an annual basis, the Compensation Committee, working with its independent consultant, reviews the composition of the peer group and determines whether any changes should be made. In 2019, Boeing's peer group consisted of the 20 companies listed in the box to the right, which (along with General Electric) were included in the peer group used for 2018. The 2019 peer group will also be used for 2020. The median revenue of our peer group for the year ended December 31, 2019 was approximately $73 billion as compared to our revenue of $76.56 billion. As of December 31, 2019, the median market capitalization of our peer group was approximately $127 billion as compared to our market capitalization of $183.34 billion. Individual executive pay is generally targeted at the median of our peer group, but can vary based on the requirements of the job (competencies and skills), the executive's experience, contribution, and performance, and the organizational structure of the businesses (internal alignment and pay relationships).

This peer group, plus Airbus, is also used to measure our relative TSR performance for purposes of our PBRSUs. For additional information on the PBRSUs, see page 39. Airbus is not included in our compensation benchmarking peer group due to the lack of publicly available and comparable compensation and benefit program information.

Peer Companies

3M
AT&T
Caterpillar
Chevron
Cisco Systems
Exxon Mobil
Ford
General Dynamics
Honeywell
IBM
Intel
Johnson & Johnson
Lockheed Martin
Microsoft
Northrop Grumman
Procter & Gamble
Raytheon
United Parcel Service
United Technologies
Verizon Communications

Additional Considerations

Executive Stock Ownership and Stock Holding Requirements

In order to further align the interests of our senior executives with the long-term interests of shareholders, we require NEOs and other senior executives to own significant amounts of Boeing stock. Senior executives are required to attain and maintain throughout their term of employment with us the following investment position in Boeing stock and stock equivalents:

- CEO: 6x base salary
- Executive Vice Presidents: 4x base salary
- Senior Vice Presidents: 3x base salary
- Vice Presidents: 1x or 2x base salary based on executive grade

Senior executives must fulfill this requirement within five years after joining the executive grade to which the requirement applies. During the five-year period, executives are expected to accumulate qualifying equity until they meet the minimum stock ownership requirement. In addition, executive officers must hold all newly-vested stock until their minimum stock ownership requirement has been satisfied. Shares owned directly by the executive as well as stock units, RSUs, deferred stock units, and shares held through our savings plans are included in calculating ownership levels. Shares underlying stock options and PBRSUs do not count toward the ownership guidelines. As of December 31, 2019, each NEO employed as of that date exceeded the applicable stock ownership requirement.

Each year, the Compensation Committee reviews the ownership position of each executive officer as well as a summary covering all senior executives. In assessing stock ownership, the average daily closing stock price over a one-year period (ending September 30 of each year) is used. This approach mitigates the effect of stock price volatility and is consistent with the objective of requiring long-term, sustained stock ownership. The Compensation Committee may, at its discretion, elect at any time to pay some or all performance awards in stock, including for executives who are currently not in compliance with the applicable ownership requirement.

Granting Practices

The Compensation Committee typically grants long-term incentive awards each February. The Compensation Committee meeting date, or the next business day if the meeting falls on a day when the NYSE is closed for trading, is the effective grant date for the grants.

Executive officers who join the Company after mid-February will generally receive a pro-rated long-term incentive award, if any, for that year. Grants are pro-rated based on the time remaining in the 36-month performance or vesting period as of the date of hire. This approach aligns our program with peer practices and provide the executive with an immediate stake in Boeing's long-term performance.

We also may grant supplemental equity awards to attract and retain high-performing leaders, reward exceptional performance, or recognize expanded responsibility. The effective date of these grants is generally based on the timing of the recognition and is set by the Compensation Committee. The exercise/grant price is the fair market value of Boeing stock on the effective date.

Securities Trading Policy

We have a policy that prohibits all employees from trading in Boeing securities while aware of material non-public information, and that further prohibits executive officers and directors from engaging in hedging, pledging, or monetization transactions (such as zero-cost collars) involving Boeing securities. This policy is described in our Corporate Governance Principles, which may be viewed in the corporate governance section of our website at www.boeing.com/company/general-info/corporate-governance.page.

Clawback Policy

We will require reimbursement of any incentive payments to a senior executive 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. This policy is described in our Corporate Governance Principles. In addition, even absent a financial restatement, the Compensation Committee may require reimbursement of incentive compensation from any executive officer (or, beginning in 2020, any other executive) who has engaged in fraud, bribery, or illegal acts like fraud or bribery, or knowingly failed to report such acts of an employee over whom such officer had direct supervisory responsibility. In 2020, the policy was enhanced to provide that the Compensation Committee may require reimbursement of incentive compensation from any executive who has violated, or engaged in negligent conduct in connection with the supervision of someone who violated, any Company policy, law, or regulation that has compromised the safety of the Company's products or services and has (or could reasonably be expected to have) a material adverse effect on the Company. The Compensation Committee has the flexibility under this policy to direct the Company to publicly disclose any recoupment made pursuant to the policy.

In addition, The Boeing Company 2003 Incentive Stock Plan and certain other executive compensation plans provide that certain compensation payable under the plans may be forfeited or recovered in the event an award recipient engages in various types of conduct deemed detrimental to the Company's interest, including theft or fraud against the Company and engaging in competition with the Company. In 2020, these clawback and forfeiture provisions were further revised to enhance enforceability in certain jurisdictions.

Tax Gross-Ups

We do not provide tax gross-ups other than for certain relocation expenses, in accordance with our standard relocation policies.

Accounting and Tax Implications, Including Limitations on Deductibility of Compensation

The Compensation Committee considers the accounting and tax impact reflected in our financial statements when establishing the amount and forms of long-term and equity compensation. The forms of long-term compensation selected are intended to be cost-efficient. We account for all awards settled in equity in accordance with FASB ASC Topic 718, pursuant to which the fair value of the grant, net of estimated forfeitures, is expensed over the service/vesting period based on the number of options, shares, or units, as applicable, that vest. This includes our PBRSUs and RSUs. The estimated payout amount of performance awards, along with any changes in that estimate, is recognized over the performance period under “liability” accounting. Our ultimate expense for performance awards will equal the value earned by/paid to the executives and, accordingly, will not be determinable until the end of the three-year performance period.

Section 162(m) limits the tax deductibility of compensation paid by a public company to its CEO and certain other highly compensated executive officers to $1 million. Prior to 2018, there was an exception to the limit on deductibility for performance-based compensation that met certain requirements. The Tax Cut and Jobs Act of 2017, or TCJA, largely eliminated that exception starting in 2018. As such, compensation paid to our CEO and the other NEOs in 2018 and thereafter is presumed to be subject to the Section 162(m) deductibility limits as amended by the TCJA, with the exception of certain amounts payable pursuant to a written binding contract in effect as of November 2, 2017 that has not been materially modified thereafter (as permitted by the TCJA). Compensation granted in the past may not qualify as “performance-based compensation” under certain circumstances. We have historically retained flexibility to award compensation that is consistent with our corporate objectives even if it does not qualify for a tax deduction.

Compensation Committee Report

Management has prepared the Compensation Discussion and Analysis, beginning on page 33. The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee
Arthur D. Collins Jr., Chair
Edward M. Liddy
Susan C. Schwab
Mike S. Zafirovski

Mr. Calhoun and Ms. Good served on the Compensation Committee until December 23, 2019.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee during 2019 had a relationship that requires disclosure as a Compensation Committee interlock.

Compensation and Risk

We believe that our compensation programs create appropriate incentives to drive sustained, long-term increases in shareholder value. These programs have been designed and administered in a manner that discourages undue risk-taking by employees. Relevant features of these programs include:

- Compensation Committee-approved limits on annual incentive awards, performance awards, and PBRSUs;
- Compensation Committee annual and ongoing review of our compensation plans and programs as advised by the Compensation Committee’s independent compensation consultant;
- Individual executive pay generally targeted at median level against comparable executive roles at an appropriate set of peer companies;