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

DIVISION OF
CORPORATION FINANCE

June 5, 2024

Matthew E. Kaplan
Debevoise & Plimpton LLP

Re: Booz Allen Hamilton Holding Corporation (the "Company")
Incoming letter dated March 8, 2024

Dear Matthew E. Kaplan:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by John Chevedden for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

The Proposal requests that the Company amend its bylaws to include specified requirements for fixing the compensation of directors.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(i)(7). In our view, the Proposal seeks to micromanage the Company. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(i)(7). In reaching this position, we have not found it necessary to address the alternative bases for omission upon which the Company relies.

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2023-2024-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: John Chevedden

Debevoise & Plimpton

Debevoise & Plimpton LLP
66 Hudson Boulevard
New York, NY 10001
+1 212 909 6000

March 8, 2024

Via Online Shareholder Proposal Form

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

Re: Booz Allen Hamilton Holding Corporation: Omission of Stockholder Proposal Submitted by John Chevedden for 2024 Annual Meeting of Stockholders

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on behalf of our client, Booz Allen Hamilton Holding Corporation, a Delaware corporation (the "Company"), we are writing to notify the Securities and Exchange Commission (the "SEC") of the Company's intention to exclude from the Company's proxy materials (the "Proxy Materials") to be distributed by the Company in connection with its 2024 annual meeting of stockholders (the "2024 Annual Meeting") a stockholder proposal (the "Proposal") received from Mr. John Chevedden (the "Proponent") by letter dated February 13, 2024. The full text of the Proposal and related supporting statement submitted to the Company are attached hereto as Exhibit A, and all related correspondence with the Proponent is attached hereto as Exhibit B.

The Company intends to exclude the Proposal from the Proxy Materials and hereby respectfully requests confirmation that the staff of the Division of Corporation Finance (the "Staff") of the SEC will not recommend any enforcement action if, in reliance on Rule 14a-8, the Company omits the Proposal in its entirety from the Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB 14D") and Rule 14a-8(j), this letter is being submitted using the Staff's online Shareholder Proposal Form, no later than 80 calendar days before the Company intends to file its definitive Proxy Materials. This letter constitutes the Company's statement of the reasons it deems the omission of the Proposal from the Proxy Materials to be proper.

Pursuant to Rule 14a-8(j), we are simultaneously sending a copy of this letter (including the related attachments) to the Proponent as notice of the Company's intent to omit the Proposal from the Proxy Materials. In addition, in accordance with Rule 14a-8(k) and SLB 14D, the Company takes this opportunity to inform the Proponent that if he elects to submit additional correspondence to the SEC or the Staff with respect to the Proposal, a copy of that

correspondence should concurrently be furnished to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

Pursuant to the guidance provided in Section F of Staff Legal Bulletin 14F (Oct. 18, 2011), we ask that the Staff provide its response to this request to the undersigned via e-mail at the address noted in the last paragraph of this letter.

The Company currently intends to file its definitive Proxy Materials with the SEC in June of 2024.

THE PROPOSAL

The Proposal requests that the following proposal be voted on by the Company's stockholders at the 2024 Annual Meeting:

> "The Bylaws of Booz Allen Hamilton Inc. are amended as follows:
>
> Article II, Section 2.15 is deleted and replaced in its entirety as follows:
>
> Compensation. The directors shall be entitled to compensation for their services (whether as directors or as officers or employees of the corporation) to the extent approved by the stockholders as set forth in this Section 2.15. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of stockholders at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of stockholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation. In the fiscal year in which this Section 2.15 takes effect, the Board shall continue to pay, grant, or award any such compensation that the Board has previously approved for such fiscal year. The Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement."

BASES FOR EXCLUSION

The Company believes that the Proposal may be properly omitted from the Proxy Materials pursuant to:

1. Rule 14a-8(i)(2), because implementation of the Proposal would cause the Company to violate Delaware law;

2. Rule 14a-8(i)(3), because the Proposal is so vague and indefinite as to be inherently misleading;

3. Rule 14a-8(i)(6), because the Company lacks the power and authority to implement the Proposal; and

4. Rule 14a-8(i)(7), because the Proposal deals with a matter relating to the Company's ordinary business operations.

BACKGROUND

The board of directors (the "Board") of the Company is composed of 12 directors,[1] and one of the directors also serves as the Chief Executive Officer of the Company.

At the time of receiving the Proposal, Section 2.14 of the amended and restated bylaws of the Company (the "Bylaws"), amended as of July 26, 2023, provided that the amount, if any, of each director's compensation shall be fixed from time to time by the Board; Section 4.03 of the Bylaws provided that the salaries and other compensation of all officers and agents of the Company shall be fixed by the Board or in the manner established by the Board; and Article 7(e) of the Company's amended and restated certificate of incorporation, as amended (the "Certificate of Incorporation"), provided that all corporate powers and authority of the Company (except as otherwise provided by law, the Certificate of Incorporation or the Bylaws) shall be vested in and exercised by the Board.

Additionally, compensation of the Company's directors and executive officers, including the Chief Executive Officer of the Company, is approved by the Company's Compensation, Culture and People Committee of the Board (the "CCP Committee"). The CCP Committee approves and determines changes to director and executive compensation on recommendations from management, which engages an external advisor to survey market practice as to compensation and, in relation to named executive officer compensation specifically, performs a comprehensive review of peer companies that are similar in size, industry and operations.

[1] Effective as of April 1, 2024. The Board is presently composed of 11 directors.

ANALYSIS

I. The Proposal may be omitted under Rule 14a-8(i)(2) because implementation of the Proposal would cause the Company to violate Delaware law.

A. Rule 14a-8(i)(2) permits exclusion of a stockholder proposal if implementation of that proposal would cause a company to violate a state law to which it is subject.

Under Rule 14a-8(i)(2), a company may exclude a stockholder proposal if implementation of such proposal would "cause the company to violate any state, federal or foreign law to which it is subject." The Company is incorporated under the laws of the State of Delaware. As more fully explained in the legal opinion of Richards, Layton & Finger, P.A., special Delaware counsel to the Company, attached hereto as Exhibit C (the "Delaware Legal Opinion"), the Proposal, if approved by the Company's stockholders, would cause the Company to violate Delaware law. On numerous prior occasions, the Staff has concurred with the exclusion of stockholder proposals pursuant to Rule 14a-8(i)(2) where, according to a legal opinion issued by counsel in the jurisdiction of incorporation, implementation of the proposal would cause a company to violate state law:

- *The Goldman Sachs Group, Inc.* (Feb. 1, 2016) (concurring with the exclusion under Rule 14a-8(i)(2) of a proposal that, if implemented, would cause the company to violate Delaware law relating to the appointment of non-directors to board committees);

- *Dominion Resources, Inc.* (Jan. 14, 2015) (concurring with the exclusion under Rule 14a-8(i)(2) of a proposal that, if implemented, would result in a director being appointed by the board without a stockholder vote, in violation of Virginia law);

- *Citigroup Inc.* (Feb. 22, 2012) (concurring with the exclusion under Rule 14a-8(i)(2) of a proposal that, if implemented would cause the company to minimize the indemnification of directors in a manner that would violate Delaware law);

- *AT&T Inc.* (Feb. 12, 2010) (concurring with the exclusion under Rule 14a-8(i)(2) of a proposal that, if implemented, would cause the company to violate Delaware law relating to stockholders' ability to act by written consent);

- *Bank of America* (Feb. 11, 2009) (concurring with the exclusion under Rule 14a-8(i)(2) of a proposal that, if implemented, would result in providing stockholders a right to specify the appointment of committee members, in violation of Delaware law);

- *Marathon Oil Corp.* (Feb. 6, 2009) (concurring with the exclusion under Rule 14a-8(i)(2) of a proposal that, if implemented, would cause the company to violate

Delaware law relating to discrimination among holders of the same class of stock); and

- *Northrop Corp.* (Mar. 8, 1991) (concurring with the exclusion under the predecessor rule to Rule 14a-8(i)(2) of a proposal requesting the establishment of a position on the company's board of directors to represent the interests of the company's employees and retirees because the proposal would require the new director to act in a manner inconsistent with the fiduciary duty to act in the interest of the company and its stockholders as a whole under Delaware law).

As the Delaware Legal Opinion explains, the Proposal would, if adopted and implemented, impermissibly (i) eliminate the authority of the Board to fix director compensation under Section 141(h) of the General Corporation Law of the State of Delaware (the "DGCL") and (ii) impinge upon the authority of the Board to fix the compensation of any officer or employee who also serves as a director in violation of Section 141(a) of the DGCL. As a result, the proposal would, if implemented, cause the Company to violate Delaware law and may be omitted under Rule 14a-8(i)(2).

B. The Proposal impermissibly eliminates the Board's authority to fix compensation of its directors.

The board of directors of a Delaware corporation has the authority to fix director compensation. Section 141(h) of the DGCL provides that "[u]nless otherwise restricted by the certificate of incorporation or bylaws, the board of directors shall have the authority to fix the compensation of directors." Accordingly, such authority may be *restricted* by a corporation's organizational documents, but it may not be *eliminated*. The Proposal would mandate the adoption of a bylaw that does not merely restrict the Board's authority to fix director compensation but rather eliminates it entirely. By fixing director compensation at $1 and vesting in the Company's stockholders the sole authority to approve any changes to such amount, the Proposal would eliminate the Board's authority to fix director compensation, contrary to Delaware law.

As explained in the Delaware Legal Opinion, the Delaware courts have held that "restrict[]" is not synonymous with "eliminate." See, e.g., *Gotham Partners, L.P. v. Hallwood Realty Partners, L.P.*, 817 A.2d 160, 167-68 (Del. 2002) (noting that the statutory provision in Delaware's Limited Partnership Act that permitted a person's duties and liabilities to be "expanded and restricted" in a partnership agreement did not permit such duties and liabilities to be "eliminate[d]" in the partnership agreement). Section 109(b) of the DGCL provides that a bylaw provision that is contrary to statute is void. As explained in the Delaware Legal Opinion, because the bylaw contemplated by the Proposal eliminates the Board's authority to fix director compensation, it violates Section 141(h) and is void under Section 109(b) of the DGCL.

C. The Proposal impermissibly infringes upon the Board's authority to fix the compensation of certain officers and employees.

Section 141(a) of the DGCL provides that the "business and affairs of every corporation organized under this chapter shall be managed by or under the direction of a board of directors, except as may be otherwise provided in this chapter or in its certificate of incorporation." Article 7(e) of the Certificate of Incorporation specifically confers upon the Board the full power and authority to manage the business and affairs of the Company, subject to certain exceptions, and the Certificate of Incorporation does not provide for management of the Company by persons other than directors. Additionally, Delaware courts have consistently held that stockholders cannot commit the board of directors of a Delaware corporation to a course of action that would preclude the directors from fully discharging their fiduciary duties to the corporation and its stockholders, whether by contract, bylaw, stockholder resolution or otherwise.

Moreover, Delaware courts have historically given "great deference" to boards of directors' decisions as to officer and employee compensation, indicating that employee compensation decisions are core functions of a board of directors, protected by the business judgment rule. See, e.g., *Brehm v. Eisner*, 746 A.2d 244, 263 (Del. 2000). Similarly, the Delaware courts have invalidated bylaw provisions purporting to give stockholders substantive authority over other officer-related decisions, such as the removal and replacement of an officer, including executive officers such as the chief executive officer. See, e.g., *Gorman v. Salamone*, 2015 WL 4719681.

The bylaw contemplated by the Proposal, if adopted and implemented, would prevent the Board from fulfilling its core function of hiring officers and employees. The Board would be required to pay officers and employees who also serve as directors, such as the current Chief Executive Officer of the Company, $1 unless otherwise approved by the stockholders. Doing so would infringe upon the Board's ability to hire senior officers and employees, contrary to Delaware law.

II. The Proposal may be omitted under Rule 14a-8(i)(3) because it is so vague and indefinite as to be inherently misleading.

A. A stockholder proposal may be excluded under Rule 14a-8(i)(3) if it is so vague and indefinite that neither stockholders nor the company is able to determine with any reasonable certainty exactly what actions or measures the proposal requires.

Pursuant to Staff Legal Bulletin No. 14B (Sep. 15, 2004), a stockholder proposal is excludable under Rule 14a-8(i)(3) if the proposal is "so vague and indefinite that neither the stockholders 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," rendering the proposal materially misleading. See, e.g., *New York City*

Employees' Retirement System v. Brunswick Corp., 789 F. Supp. 144, 146 (S.D.N.Y. 1992); *Dyer v. Securities and Exchange Comm'n*, 287 F.2d 773, 781 (8th Cir. 1961). A proposal may be so vague and indefinite as to be materially misleading when the "meaning and application of terms and conditions . . . in the proposal would have to be made without guidance from the proposal and would be subject to differing interpretations" such that "any action ultimately taken by the [c]ompany upon implementation [of the proposal] could be significantly different from the actions envisioned by shareholders voting on the proposal." See *Fuqua Industries, Inc.* (Mar. 12, 1991). The courts have also ruled on cases involving similar proposals, finding that "shareholders are entitled to know precisely the breadth of the proposal on which they are asked to vote" and that a proposal should be excluded when "it [would be] impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail."

B. The Proposal is so vague and indefinite that it would be impossible for the Company's stockholders to know what they are voting on.

The Proposal is vague and indefinite in a multitude of ways.

The Proposal creates significant uncertainty about whether or how its proposed Bylaw amendment would apply to the compensation of directors who are also executive officers of the Company. The text of the proposed bylaw amendment states "directors shall be entitled to compensation for their services (whether as directors *or as officers or employees* of the corporation) to the extent approved by the stockholders as set forth in this Section" (emphasis added). The Proposal then continues to refer only to "compensation of directors" in setting out that "[t]he compensation of directors the corporation pays shall be fixed at $1" and in describing how different director compensation may be approved by stockholders. Further, the supporting statement refers solely to directors and the compensation of the directors of the Company. These inconsistencies create significant ambiguity. For instance, the Proposal purports to limit compensation of officers or employees who also serve as directors "to the extent approved by the stockholders as set forth in this Section," but the Section does not set forth a mechanism for fixing the compensation of officers or employees. To implement the Proposal, the Company would thus need to either (i) assume the provision is not intended to address compensation paid to officers or employees, as such, or (ii) assume that the mechanics to fix director compensation also apply to officers and employees. There is no guidance in the Proposal indicating which of these two interpretations is intended. As a result, the application of the Proposal to the compensation of directors who are also officers or employees of the Company is so vague and indefinite that it would be impossible for stockholders to know what they are voting on. This ambiguity is material to stockholders' understanding of the Proposal and their voting decision with respect to the Proposal. The Chief Executive Officer of the Company also currently serves as a director, as is often the case. As a result, in addition to purportedly stripping the board of its authority to determine compensation of the Company's most important officer, the Proposal fails to establish any clear mechanism to fix the compensation of the Chief Executive Officer of the Company for so long as he also serves as a director.

Additionally, the Proposal proposes an amendment to the bylaws of "Booz Allen Hamilton Inc.," a subsidiary of the Company, rather than the Bylaws. As the Proxy Materials and the 2024 Annual Meeting do not relate to Booz Allen Hamilton Inc., but rather to the Company, the Proposal is ambiguous with respect to which entity's bylaws it relates to. Stockholders voting on the Proposal would be unable to determine whether the Proposal calls for an amendment to the Bylaws or the bylaws of the Company's subsidiary, and the Company would be unable to determine how to implement the Proposal in light of its direction to amend a subsidiary's bylaws, the amendment of which is not a matter that may be voted on by the Company's stockholders.

Further, the Proposal proposes that Section 2.15 of the Bylaws be deleted and replaced with the text of the proposed Bylaws amendment, however, Section 2.14 of the Bylaws provides that the amount, if any, of each director's compensation shall be fixed by the Board. Thus, as implementation of the Proposal would result in a conflict between Section 2.14 of the Bylaws and the proposed Section 2.15 of the Bylaws, the Proposal is ambiguous as to whom the decision-making authority to fix director compensation is conferred to. Stockholders voting on the Bylaws would be unable to determine whether director compensation is to be fixed by the stockholders of the Company or the Board.

Moreover, although the supporting statement states that "[s]tock owned by directors will not count in the vote," the proposed Bylaws amendment is silent regarding the rights of particular stockholders in voting with respect to director compensation. As a result, stockholders voting on the Proposal would be unable to determine whether the restriction on stock owned by directors would apply, and the Company would be unable to determine how to implement the Proposal.

As a result of the significant and unresolved ambiguities created by the Proposal and supporting statement, the Company would be unable to determine how to implement the Proposal if the Proposal were approved. Because neither the Company nor its stockholders would be able to determine with any reasonable certainty exactly what actions or measures the Proposal requires, the Proposal is so vague and indefinite as to be inherently misleading. The Proposal may therefore be properly omitted from the Proxy Materials pursuant to Rule 14a-8(i)(3).

III. The Proposal may be omitted under Rule 14a-8(i)(6) because the Company lacks the power and authority to implement the Proposal.

Under Rule 14a-8(i)(6), a company may exclude a stockholder proposal "[i]f the company would lack the power or authority to implement the proposal." As described above, the Proposal would, if adopted and implemented, cause the Company to violate Delaware law. The Company does not have the power or authority to implement a proposal that would violate Delaware law. As a result, the Proposal is excludable under 14a-8(i)(6).

The Staff has concurred on numerous occasions that a company may exclude a proposal under Rule 14a-8(i)(6) where the Company lacks authority to implement the proposal because it would cause the company to violate applicable state law:

- *Arlington Asset Investment Corp.* (Apr. 23, 2021) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate Virginia law);
- *eBay Inc.* (Apr. 1, 2020) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate New York law);
- *Trans World Entertainment Corp.* (May 2, 2019) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate New York law);
- *IDACORP, Inc.* (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate Idaho law) (Mar. 13, 2012);
- *NiSource Inc.* (Mar. 22, 2010) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate Indiana law);
- *Schering-Plough Corp.* (Mar. 27, 2008) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate New Jersey law);
- *AT&T, Inc.* (Feb. 19, 2008) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate Delaware law); and
- *Noble Corp.* (Jan. 19, 2007) (concurring with the exclusion under Rule 14a-8(i)(6) of a proposal that would violate Cayman Islands law).

IV. The Proposal may be omitted under Rule 14a-8(i)(7) because its subject matter relates to the Company's ordinary business operations.

A. A stockholder proposal may be excluded under Rule 14a-8(i)(7) if it addresses a company's ordinary business operations and does not raise a significant issue that transcends ordinary business operations.

A stockholder proposal may be excluded under Rule 14a-8(i)(7) if "the proposal deals with a matter relating to the company's ordinary business operations." In SEC Release No. 34-40018 (May 21, 1998) (the "1998 Release"), the SEC noted that the term "ordinary business" refers to matters that are not necessarily "ordinary" in the common meaning of the word; instead, the term "is rooted in the corporate law concept of providing management with flexibility in directing certain core matters involving the company's business and operations." The SEC also noted that the principal policy for this exclusion is "to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to

decide how to solve such problems at an annual shareholders meeting" and identified two central considerations that underlie this policy: first, that "[c]ertain tasks are so fundamental to the management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." Second, "the degree to which the proposal seeks to 'micro-manage' the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." Further, proposals focusing on "sufficiently significant social policy issues" are generally not excludable because they would "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for shareholder vote."

Pursuant to Section B of Staff Legal Bulletin No. 14L (Nov. 3, 2021) ("SLB 14L"), in evaluating whether a proposal seeks to micromanage a company, the analysis focuses on "the level of granularity sought in the proposal and whether and to what extent it inappropriately limits discretion of the board or management" and may consider "the sophistication of investors generally on the matter, the availability of data, and the robustness of public discussion and analysis on the topic."

B. The Proposal addresses a subject matter that is a core function of the board of directors.

Decisions regarding the compensation of directors and officers are a core function of a company's board of directors. As described above, the DGCL and Delaware courts recognize boards of directors' authority to determine director compensation and accord "great deference" to boards of directors' decisions as to officer and employee compensation. Setting director and officer compensation has significant impacts on a company's ability to recruit and retain qualified individuals for these roles and, consequently, is fundamental to management's ability to run the Company on a day-to-day basis. Fixing director compensation at $1, subject to advance stockholder approval for any changes from that fixed amount, would limit the Company's ability to recruit and retain directors and officers with qualifications, background and experience needed to advance the Company's mission and generate value for all stockholders. Accordingly, the Bylaw amendment sought by the Proposal would restrict the Board's ability to align officer and director compensation in a manner that serves the long-term interests of the Company, impeding a function that is fundamental to the management of the Company on a day-to-day basis.

C. The Proposal is overly granular and prescriptive and seeks to micromanage the Company.

The Staff has consistently permitted exclusion of stockholder proposals that attempt to micromanage a company by requiring advance stockholder approval of items that relate to complex day-to-day business operations that are beyond the knowledge and expertise of stockholders. The Staff has recognized that compensation matters are one such item:

- *AT&T Inc.* (Mar. 15, 2023) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal that requested a policy requiring stockholder approval for any future agreements and corporate policies that could obligate the company to make payments or awards following the death of a senior executive in the form of unearned salary or bonuses, accelerate vesting or the continuation in force of unvested equity grants, perquisites or other payments made in lieu of compensation);

- *Rite Aid Corp.* (Apr. 23, 2021, recon. denied May 10, 2021) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal that would prohibit equity compensation grants to senior executives under specified circumstances without providing any discretion to the company);

- *Gilead Sciences, Inc.* (Dec. 23, 2020) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal that would reduce the company's pay ratio each year until it reached 20 to one); and

- *JPMorgan Chase & Co.* (Mar. 22, 2019) (concurring with the exclusion under Rule 14a-8(i)(7) of a proposal that would require the company to adopt a policy prohibiting the vesting of equity-based awards for senior executives due to a voluntary resignation to enter government service).

The compensation of directors and the Chief Executive Officer of the Company is reviewed and determined by the CCP Committee. The CCP Committee undertakes a rigorous process, in consultation with management, which in turn engages an external advisor to survey market-wide compensation practices and performs a comprehensive review of peer companies that are similar in size, industry and operations.

Each member of the CCP Committee is an independent director and has extensive experience in policy and strategic decision-making, alongside public company directorship experience, making each well suited to oversee strategic determinations regarding the compensation of directors and executive officers, balancing a range of complex considerations, including market conditions, director and prospective director incentives, and recruitment and retention. For example, the Company promotes alignment of directors and executive officers to the interests of stockholders through, among other things, equity ownership guidelines. In the Company's Proxy Materials distributed by the Company in connection with its 2023 annual meeting of stockholders, the Company notes that, with respect to directors, "equity ownership guidelines for all of our non-employee directors are in place to further align their interests to those of our stockholders," and with respect to executive officers, "equity ownership requirements are in place for our executives, including our named executive officers, to further align their interests to those of our stockholders. Our ownership requirements extend beyond market expectations." The Company's directors are required to achieve equity ownership with a value equivalent to five times their annual retainer. The Chief Executive Officer of the Company is required to achieve equity ownership with a value equivalent to seven times their annual base

salary. Fixing compensation at $1 would render the equity ownership guidelines and their underlying principles meaningless and ineffective. As a result, if adopted and implemented, the Proposal would frustrate and mismanage a fundamental tool to align stockholder and director interests, highlighting the misinformed nature of the Proposal and just one example of how the Proposal probes too deeply into a complex matter upon which stockholders, as a group, are not in a position to make an informed judgment.

D. The Proposal does not raise significant social policy issues that transcend the Company's ordinary business.

The Proposal addresses ordinary-course director and officer compensation decisions. Decisions of this nature do not transcend day-to-day business matters or raise social policy issues so significant that it would be appropriate for a stockholder vote. As noted in SLB 14L, in evaluating whether a proposal raises a social policy issue that transcends the ordinary business of a company, the Staff focuses on the social policy significance of the issue that is the subject of the stockholder proposal and whether the proposal raises issues with a broad societal impact. The Bylaw amendment sought by the Proposal, however, does not address any issues of broad social concern or raise any significant social policy issues. The supporting statement accompanying the Proposal reasons that the Company's "stockholders seek an independent board, one that has as its sole objective representing stockholders without conflict of interest." However, this is not a social policy issue that transcends the ordinary business of a company—it is a part of the day-to-day management of all public companies. For example, the supporting statement fails to consider that independence standards are part of the ordinary governance of all U.S.-listed companies, including the Company. Accordingly, 11 of the Company's 12 directors[2] are independent under the applicable New York Stock Exchange listing standards and the Company's Corporate Governance Guidelines. Moreover, stockholders vote on the election of all of the Company's directors each year, demonstrating both a high degree of independence and accountability to stockholders, which has been established as a matter of ordinary course governance.

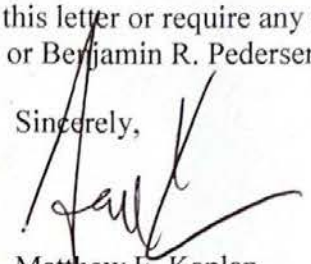
[2] Effective as of April 1, 2024. The Board is presently composed of 11 directors, 10 of whom are independent under the applicable New York Stock Exchange listing standards and the Company's Corporate Governance Guidelines. The incoming director to the Board will also be independent under the applicable New York Stock Exchange listing standards and the Company's Corporate Governance Guidelines.

CONCLUSION

For the foregoing reasons, the Company respectfully requests that the Staff confirm that it will not recommend any enforcement action to the SEC if the Proposal is excluded from the Proxy Materials.

If you have any questions regarding this letter or require any additional materials, please do not hesitate to call me at (212) 909-7334 or Benjamin R. Pedersen at (212) 909-6121.

Sincerely,



Matthew E. Kaplan

cc: Benjamin R. Pedersen, Debevoise & Plimpton LLP
Nancy J. Laben, Executive Vice President and Chief Legal Officer, Booz Allen Hamilton Holding Corporation
Jacob D. Bernstein, Deputy General Counsel and Secretary, Booz Allen Hamilton Holding Corporation
John Chevedden

Enclosures
Exhibit A: The Proposal and Related Supporting Statement
Exhibit B: Correspondence with the Proponent
Exhibit C: Delaware Legal Opinion

Exhibit A
The Proposal and Related Supporting Statement

[BAH: Rule 14a-8 Proposal, February 13, 2024]
[This line and any line above it – *Not* for publication.]

Proposal 4 – Bylaw Amendment Stockholder Approval of Director Compensation

The Bylaws of Booz Allen Hamilton Inc. are amended as follows:

Article II, Section 2.15 is deleted and replaced in its entirety as follows:

Compensation. The directors shall be entitled to compensation for their services (whether as directors or as officers or employees of the corporation) to the extent approved by the stockholders as set forth in this Section 2.15. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of stockholders at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of stockholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation. In the fiscal year in which this Section 2.15 takes effect, the Board shall continue to pay, grant, or award any such compensation that the Board has previously approved for such fiscal year. The Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement.

Supporting statement

Booz stockholders seek an independent board, one that has as its sole objective representing stockholders without conflict of interest. One interest pertains to compensation and how Booz compensates directors for board service. Stockholders seek the authority to approve compensation that directors receive from Booz.

Stockholders want and need authority over how and how much Booz compensates directors. If stockholders approve compensation, then directors have the greatest incentive to work in the sole interest of stockholders. Currently, directors design and approve compensation with no approval from stockholders. Directors receive whatever compensation they desire. This bylaw amendment corrects this problem.

The bylaw amendment provides for a stockholder vote on director compensation. Directors can continue to design and propose compensation structure and amount, including the mix and amount of cash and equity. Stockholders will have final approval over whether directors receive what directors propose. Stockholders will vote on director compensation as disclosed in the proxy statement for a stockholder meeting before the fiscal year in which directors receive that compensation. Stock owned by directors will not count in the vote, so the vote result represents the independent views of stockholders.

We urge stockholders to approve this bylaw amendment and assume proper authority over the compensation of directors who represent us.

Notes:

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

"Proposal 4" stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(I)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. **I intend to continue holding the same required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders as is or will be documented in my ownership proof.**

Please acknowledge this proposal promptly by email [redacted PII].

It is not intend that dashes (–) in the proposal be replaced by hyphens (-).
Please alert the proxy editor.

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified.**

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot.
If there is objection to the title please negotiate or seek no action relief as a last resort.
Please do not insert any management words between the top line of the proposal and the concluding line of the proposal.

Exhibit B
Correspondence with the Proponent

From: John Chevedden <[redacted]>
Sent: Monday, January 1, 2024 8:04 PM
To: Bernstein, Jacob [USA] <[redacted]>; Nicholas Veasey <[redacted]>
Subject: [External] Rule 14a-8 Proposal (BAH)

Rule 14a-8 Proposal (BAH)

Dear Mr. Bernstein,
Please see the attached rule 14a-8 proposal.
Please confirm that this is the correct email address for rule 14a-8 proposals.
Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."
I so request.

Hard copies of any request related to this proposal are not needed as long as you request that I confirm receipt in the email cover message.

The proponent is available for a telephone meeting on the first Monday and Tuesday after 10-days of the proposal submittal date at noon PT.
Please arrange in advance in a separate email message regarding a meeting if needed.
John Chevedden

JOHN CHEVEDDEN

[redacted] [redacted]

Mr. Jacob Bernstein
Booz Allen Hamilton Holding Corporation (BAH)
8283 Greensboro Drive
McLean, Virginia 22102
PH: 703-902-5000

Dear Mr. Bernstein,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

I intend to continue to hold the required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders and beyond as is or will be documented in my ownership proof.

This submitted format, with the shareholder-supplied emphasis, is intended to be used for definitive proxy publication.

Please assign the proper sequential proposal number in each appropriate place.

Please use the title of the proposal in bold in all references to the proposal in the proxy including the table of contents, like Board of Directors proposals, and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message to [redacted] it may very well save you from formally requesting a broker letter from me.

Please confirm that this proposal was sent to the correct email address for rule 14a-8 proposals.
Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."
I so request.

Sincerely,

John Chevedden

January 1, 2024

Date

cc: Nicholas Veasey <[redacted]>

[BAH – Rule 14a-8 Proposal, January 1, 2024]
[This line and any line above it is not for publication.]

Proposal 4 – Special Shareholder Meeting Improvement

Shareholders ask our board to take the steps necessary to amend the appropriate company governing documents to give the owners of a combined 15% of our outstanding common stock the power to call a special shareholder meeting.

This proposal topic won 45% shareholder approval at the 2022 Booz Allen annual meeting. However the 2022 proposal called for a lower 10% of shares to be able to call for a special shareholder meeting. In evaluating the 45%-support it is important to remember that it takes more shareholder conviction to vote for this proposal topic than to simply vote as management directs.

Since a special shareholder meeting can be useful in replacing a director, this proposal may be an incentive for the Booz Allen directors to improve their performance and in turn improve shareholder value.

Calling a special shareholder meeting is hardly ever used by shareholders but the main point of the right to call a special shareholder meeting is that it gives shareholders a Plan B option if management is not interested in good faith shareholder engagement. Management could elect to genuinely engage with shareholders as an alternative to conducting a special shareholder meeting.

With the widespread use of online shareholder meetings it is much easier for management to conduct a special shareholder meeting and our bylaws thus need to be updated accordingly.

Please vote yes:

Special Shareholder Meeting Improvement – Proposal 4

[The line above – *Is* for publication. Please assign the correct proposal number in the 2 places.]

Notes:

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

"Proposal 4" stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(I)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. **I intend to continue holding the same required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders as is or will be documented in my ownership proof.**

Please acknowledge this proposal promptly by email [redacted].

It is not intend that dashes (–) in the proposal be replaced by hyphens (-).
Please alert the proxy editor.

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified**.

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot.
If there is objection to the title please negotiate or seek no action relief as a last resort.
Please do not insert any management words between the top line of the proposal and the concluding line of the proposal.

From: John Chevedden <[redacted]>
Sent: Tuesday, February 13, 2024 8:28:05 PM
To: Bernstein, Jacob [USA] <[redacted]>; Nicholas Veasey <[redacted]>
Subject: [External] Rule 14a-8 Proposal (BAH)

Rule 14a-8 Proposal (BAH)

Dear Mr. Bernstein,
Please see the attached rule 14a-8 proposal.
Please confirm that this is the correct email address for rule 14a-8 proposals.
Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."
I so request.

Hard copies of any request related to this proposal are not needed as long as you request that I confirm receipt in the email cover message.

The proponent is available for a telephone meeting on the first Monday and Tuesday after 10-days of the proposal submittal date at noon PT.
Please arrange in advance in a separate email message regarding a meeting if needed.
John Chevedden

JOHN CHEVEDDEN

[redacted] [redacted]

Mr. Jacob Bernstein
Booz Allen Hamilton Holding Corporation (BAH)
8283 Greensboro Drive
McLean, Virginia 22102
PH: 703-902-5000

Dear Mr. Bernstein,

This Rule 14a-8 proposal is respectfully submitted in support of the long-term performance of our company.

This Rule 14a-8 proposal is intended as a low-cost method to improve company performance – especially compared to the substantial capitalization of our company.

This proposal is for the next annual shareholder meeting.

I intend to continue to hold the required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders and beyond as is or will be documented in my ownership proof.

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Please assign the proper sequential proposal number in each appropriate place.

Please use the title of the proposal in bold in all references to the proposal in the proxy including the table of contents, like Board of Directors proposals, and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

I expect to forward a broker letter soon so if you acknowledge this proposal in an email message to [redacted] it may very well save you from formally requesting a broker letter from me.

Please confirm that this proposal was sent to the correct email address for rule 14a-8 proposals.
Per SEC SLB 14L, Section F, the Securities and Exchange Commission Staff "encourages both companies and shareholder proponents to acknowledge receipt of emails when requested."
I so request.

Sincerely,

John Chevedden

February 13, 2024
Date

cc: Nicholas Veasey <[redacted]>

[BAH: Rule 14a-8 Proposal, February 13, 2024]
[This line and any line above it – *Not* for publication.]

Proposal 4 – Bylaw Amendment Stockholder Approval of Director Compensation

The Bylaws of Booz Allen Hamilton Inc. are amended as follows:

Article II, Section 2.15 is deleted and replaced in its entirety as follows:

Compensation. The directors shall be entitled to compensation for their services (whether as directors or as officers or employees of the corporation) to the extent approved by the stockholders as set forth in this Section 2.15. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of stockholders at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of stockholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation. In the fiscal year in which this Section 2.15 takes effect, the Board shall continue to pay, grant, or award any such compensation that the Board has previously approved for such fiscal year. The Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement.

Supporting statement

Booz stockholders seek an independent board, one that has as its sole objective representing stockholders without conflict of interest. One interest pertains to compensation and how Booz compensates directors for board service. Stockholders seek the authority to approve compensation that directors receive from Booz.

Stockholders want and need authority over how and how much Booz compensates directors. If stockholders approve compensation, then directors have the greatest incentive to work in the sole interest of stockholders. Currently, directors design and approve compensation with no approval from stockholders. Directors receive whatever compensation they desire. This bylaw amendment corrects this problem.

The bylaw amendment provides for a stockholder vote on director compensation. Directors can continue to design and propose compensation structure and amount, including the mix and amount of cash and equity. Stockholders will have final approval over whether directors receive what directors propose. Stockholders will vote on director compensation as disclosed in the proxy statement for a stockholder meeting before the fiscal year in which directors receive that compensation. Stock owned by directors will not count in the vote, so the vote result represents the independent views of stockholders.

We urge stockholders to approve this bylaw amendment and assume proper authority over the compensation of directors who represent us.

Notes:

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot. If there is objection to the title please negotiate or seek no action relief as a last resort.

"Proposal 4" stands in for the final proposal number that management will assign.

This proposal is believed to conform with Staff Legal Bulletin No. 14B (CF), September 15, 2004 including (emphasis added):

Accordingly, going forward, we believe that it would not be appropriate for companies to exclude supporting statement language and/or an entire proposal in reliance on rule 14a-8(I)(3) in the following circumstances:

- the company objects to factual assertions because they are not supported;
- the company objects to factual assertions that, while not materially false or misleading, may be disputed or countered;
- the company objects to factual assertions because those assertions may be interpreted by shareholders in a manner that is unfavorable to the company, its directors, or its officers; and/or
- the company objects to statements because they represent the opinion of the shareholder proponent or a referenced source, but the statements are not identified specifically as such.

We believe that it is appropriate under rule 14a-8 for companies to address these objections in their statements of opposition.

See also: Sun Microsystems, Inc. (July 21, 2005).

The stock supporting this proposal will be held until after the annual meeting and the proposal will be presented at the annual meeting. **I intend to continue holding the same required amount of Company shares through the date of the Company's next Annual Meeting of Stockholders as is or will be documented in my ownership proof.**

Please acknowledge this proposal promptly by email [redacted] PII

It is not intend that dashes (–) in the proposal be replaced by hyphens (-).
Please alert the proxy editor.

The color version of the below graphic is to be published immediately after the bold title line of the proposal at the **beginning** of the proposal and be **center justified**.

Please use the title of the proposal in bold in all references to the proposal in the proxy and on the ballot.
If there is objection to the title please negotiate or seek no action relief as a last resort.
Please do not insert any management words between the top line of the proposal and the concluding line of the proposal.

From: Jacob, John M.
Sent: Friday, February 23, 2024 5:03 PM
To: [redacted]
Cc: Kaplan, Matthew E.; Pedersen, Benjamin R.
Subject: Rule 14a-8 Proposals (BAH) – Letter from BAH
Attachments: BAH - Letter to Shareholder (February 23, 2024).pdf

Dear Mr. Chevedden,

Booz Allen Hamilton is in receipt of your letters dated January 1, 2024, and February 13, 2024, each detailing a shareholder proposal.

Attached is a letter from Booz Allen Hamilton with respect to both shareholder proposals.

Please let us know if you have any further questions about this matter. Separately, please confirm receipt of this e-mail (and the attached letter).

Best,
John

Debevoise & Plimpton

John M. Jacob
International Associate (admitted only in Victoria, Australia)
[redacted]
+1 212 909 6795 (Tel)
www.debevoise.com

Booz | Allen | Hamilton

Booz Allen Hamilton Inc.
8285 Greensboro Drive
McLean, VA 22102

Tel: (202) 905-7944
Email [redacted]

www.boozallen.com

February 23, 2024

Dear Mr. Chevedden:

I am writing on behalf of Booz Allen Hamilton Holding Company (the "Company"), which received your shareholder proposal, dated January 1, 2024, and your separately submitted shareholder proposal, dated February 13, 2024 (each a "Proposal" and together, the "Proposals"). Your submission of both Proposals is procedurally deficient for the reason set forth below and, as required by Securities and Exchange Commission regulations, I am bringing the reason for such deficiency to your attention.

Rule 14a-8(c) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides that a person may submit no more than one proposal, directly or indirectly, to a company for a particular shareholders' meeting and, further, that a person may not rely on the securities holdings of another person for the purpose of meeting the eligibility requirements and submitting multiple proposals for a particular shareholders' meeting. Accordingly, you were not permitted under Rule 14a-8(c) to submit a shareholder proposal to the Company following the submission of your Proposal, dated January 1, 2024 (in the absence of a withdrawal of such Proposal). Submission of both of the Proposals is therefore procedurally deficient under Rule 14a-8 of the Exchange Act.

To remedy this defect, you must reduce the number of submitted Proposals to a maximum of one proposal.

To comply with Rule 14a-8(f), your response to this notice of procedural defect must be postmarked or transmitted no later than 14 calendar days from the date you receive this notice. For your reference, we have attached a copy of Rule 14a-8 regarding stockholder proposals.

Please note that the Company has made no inquiry as to whether or not either of the Proposals, if properly submitted, may be excluded pursuant to Rule 14a-8(i) or for any other reason. The Company will make such a determination once one of the Proposals has been properly submitted.

If you have any questions with respect to the foregoing, please contact me at [redacted]

Sincerely,

Jacob D. Bernstein
Vice President, Deputy General Counsel and Secretary

From: John Chevedden <[redacted]>
Sent: Friday, February 23, 2024 11:11 PM
To: Jacob, John M.; Jacob Bernstein; Nicholas Veasey
Subject: (BAH)

EXTERNAL

Mr. Jacob,
The February 13, 2024 proposal is the one proposal for 2024.
John Chevedden

Exhibit C
Delaware Legal Opinion

March 8, 2024

Booz Allen Hamilton Holding Corporation
8283 Greensboro Drive
McLean, Virginia 22102

Re: Stockholder Proposal on behalf of John Chevedden

Ladies and Gentlemen:

We have acted as special Delaware counsel to Booz Allen Hamilton Holding Corporation, a Delaware corporation (the "Company"), in connection with a stockholder proposal (the "Proposal") on behalf of John Chevedden (the "Proponent"), dated February 13, 2024, for the 2024 annual meeting of stockholders of the Company (the "Annual Meeting"). In this connection, you have requested our opinion as to certain matters under the laws of the State of Delaware.

For the purpose of rendering our opinion as expressed herein, we have been furnished with and have reviewed the following documents: (i) the Seventh Amended and Restated Certificate of Incorporation of the Company as filed with the Secretary of State of the State of Delaware on July 28, 2023 (the "Certificate of Incorporation"); (ii) the Amended and Restated Bylaws of the Company, amended as of July 26, 2023 (the "Bylaws"); and (iii) the Proposal.

With respect to the foregoing documents, we have assumed: (i) the authenticity of all documents submitted to us as originals; (ii) the conformity to authentic originals of all documents submitted to us as copies; (iii) the genuineness of all signatures and the legal capacity of natural persons; and (iv) that the foregoing documents, in the forms thereof submitted to us for our review, have not been and will not be altered or amended in any respect material to our opinion as expressed herein. We have not reviewed any document other than the documents listed above for purposes of rendering this opinion, and we assume that there exists no provision of any such other document that bears upon or is inconsistent with our opinion as expressed herein. In addition, we have conducted no independent factual investigation of our own but rather have relied solely on the foregoing documents, the statements and information set forth therein and the additional factual matters recited or assumed herein, all of which we assume to be true, complete and accurate in all material respects.

THE PROPOSAL

The Proposal states the following:

> The Bylaws of Booz Allen Hamilton Inc. [sic] are amended as follows:

> Article II, Section 2.15 is deleted and replaced in its entirety as follows:
>
> Compensation. The directors shall be entitled to compensation for their services (whether as directors or as officers or employees of the corporation) to the extent approved by the stockholders as set forth in this Section 2.5. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of stockholders at an annual or special meeting of stockholders in advance of the fiscal year in the which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of stockholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation. In the fiscal year in which this Section 2.15 takes effect, the Board shall continue to pay, grant or award any such compensation that the Board has previously approved for such fiscal year. The Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement.

We have been advised that the Company is considering excluding the Proposal from the Company's proxy statement for the Annual Meeting under, among other reasons, Rule 14a-8(i)(2) promulgated under the Securities Exchange Act of 1934, as amended. Rule 14a-8(i)(2) provides that a registrant may omit a proposal from its proxy statement when "the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject." In this connection, you have requested our opinion as to whether, under Delaware law, the Proposal, if adopted by the Company's stockholders, would violate Delaware law.

DISCUSSION

The Proposal would violate Delaware law if implemented.

The Proposal proposes to amend the Bylaws to eliminate the authority of the Board to fix director compensation or the compensation of any officer or employee that also serves as a director by fixing compensation for their services as a director, officer or employee at $1 per fiscal year unless, prior to the beginning of the fiscal year, payment of greater compensation is approved by majority vote of the stockholders. For the reasons set forth below, it is our opinion that the Proposal, if approved by the stockholders, would violate Delaware law because it would

impermissibly (i) eliminate the authority of the Board to set director compensation under Section 141(h) of the General Corporation Law of the State of Delaware (the "General Corporation Law") and (ii) impinges upon the authority of the Board to set the compensation of any officer or employee that also serves as a director in violation of Section 141(a) of the General Corporation Law.[1]

The Proposal Impermissibly Eliminates the Board's Authority to Fix Director Compensation under Section 141(h)

Section 141(h) of the General Corporation Law provides that, "[u]nless otherwise *restricted* by the certificate of incorporation or the bylaws, the board of directors shall have the authority to fix the compensation of directors." 8 *Del. C.* § 141(h) (emphasis added). Thus, the Board has the authority to set director compensation unless the Certificate of Incorporation or Bylaws contain a restriction on that authority. *Id.* By requiring that director compensation be "fixed" at $1 per year unless the stockholders say otherwise, the Proposal mandates a provision of the Bylaws that does not merely restrict the Board's authority to set director compensation but rather eliminates it entirely.[2] The Delaware courts have indicated that "restrict[]" is not synonymous with "eliminate." *See Gotham Partners, L.P. v. Hallwood Realty Partners, L.P.*, 817 A.2d 160, 167-68 (Del. 2002).[3] In *Gotham Partners, L.P.*, the Delaware Supreme Court "in the

[1] In addition, the supporting statement to the Proposal provides that, with respect to stockholder approval of director compensation, "[s]tock owned by directors will not count in the vote, so the vote result represents the independent views of stockholders." While that requirement is not expressly included in the proposed amendment to the Bylaws contemplated by the Proposal, to the extent the Proposal is intended to divest directors of their right to vote as stockholders as described in the supporting statement, the Proposal, if implemented, would violate Section 212(a) of the General Corporation Law, which provides that unless otherwise provided in the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by such stockholder. 8 *Del. C.* § 212(a). The Certificate of Incorporation does not provide for any variation from the one vote per share mandate of Section 212(a) and the phrase "except as otherwise provided by the certificate of incorporation" in Section 212(a) does not include Bylaws adopted by Section 109 of the General Corporation law. *See, e.g*. *Jones Apparel Group, Inc. v. Maxwell Shoe Co., Inc.*, 883 A.2d 837, 848 (Del. Ch. 2004) (finding that when a statutory provision (like Section 212(a)) is subject only to opt-outs "otherwise provided in the certificate of incorporation," the language operates as a "by-law excluder in the sense that those words make clear that the specific grant of authority in that particular statute is one that can be varied only by charter and therefore indisputably not one that can be altered by a § 109 bylaw").

[2] The supporting statement to the Proposal provides that "[s]tockholders want and need authority over how and how much [the Company] compensates directors."

[3] If the Delaware legislature intended for Section 141(h) to permit a provision in the certificate of incorporation or bylaws to eliminate the board's authority to fix director compensation, the language of Section 141(h) could have expressly so provided. *See* 8 *Del. C.* § 102(b)(7) (permitting corporations to include a provision in their certificates of incorporation "*eliminating* or limiting" the personal liability of directors and officers in certain circumstances)

interest of avoiding the perpetuation of a questionable statutory interpretation that could be relied upon adversely by courts, commentators and practitioners in the future[,]" noted that the statutory provision in Delaware's Limited Partnership Act that permitted a person's duties and liabilities to be "expanded and restricted" in a partnership agreement did not permit such duties and liabilities to be "eliminate[d]" in the partnership agreement.[4] *Id.*; *see also State ex rel. Lucey v. Terry*, 39 Del. 32, 40 (Del. Super. Nov. 15, 1937) (noting that "restrict" means "to restrain within bounds; to limit to confine").[5] Section 109(b) of the General Corporation Law provides that a bylaw provision that is contrary to statute is void. 8 *Del. C.* § 109(b) ("bylaws may contain any provision, not inconsistent with law or with the certificate of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its stockholders, directors, officers or employees."); *See, e.g. Datapoint Corp. v. Plaza Securities Co.*, 496 A.2d 1031, 1032 (Del. 1985) (holding that a bylaw that conflicts with the General Corporation Law was unenforceable). Because the Bylaw contemplated by the Proposal eliminates the Board's authority to fix director compensation, it violates Section 141(h) and Section 109(b)[6] of the General Corporation Law and is therefore invalid.[7]

The Proposal Impermissibly Infringes upon the Board's Authority to Set the Compensation of Certain Officers and Employees pursuant to Section 141(a) of the General Corporation Law

Section 141(a) of the General Corporation Law provides that the "business and affairs of every corporation organized under this chapter shall be managed by or under the direction

---

(emphasis added); 6 *Del. C.* § 18-1101(e) (permitting limited liability company agreements to provide for "the limitation or *elimination*" of liabilities for breaches of contract or duties) (emphasis added).

[4] We note that, following the Court's decision in *Gotham Partners, L.P.*, the Limited Partnership Act was amended to expressly allow for elimination of fiduciary duties. *See* 6 *Del. C.* § 17-1101(d) ("the partner's or other person's duties may be expanded or restricted *or eliminated* by the provisions in the partnership agreement") (emphasis added).

[5] *See also* Shorter Oxford English Dictionary (5th ed. 2002) (defining "restrict" as "to limit, bound, confine"); Webster's New College Dictionary (3rd ed. 2005) (defining "restrict as "to hold within limits; confine").

[6] In addition, the Delaware courts have consistently held that the function of a corporation's bylaws is to establish the processes and procedures under which business decisions are made and not to mandate substantive business decisions. *See, e.g.*, *CA, Inc. v. AFSCME Employees Pension Plan*, 953 A.2d 227, 234-35 (Del. 2008) ("It is well-established Delaware law that a proper function of bylaws is not to mandate how the board should decide specific substantive business decisions, but rather, to define the process and procedures by which those decisions are made"). The bylaw provision contemplated by the Proposal imposes substantive limitations on the Board's and the Company's powers.

[7] Similarly, "restrict" is not synonymous with "fix." Because the Bylaw provision contemplated by the Proposal fixes director compensation at $1 and the Board has no discretion to

of a board of directors, except as may be otherwise provided in this chapter or in its certificate of incorporation." 8 *Del. C.* § 141(a). Significantly, if there is to be any variation from the mandate of Section 141(a), it can only be as "otherwise provided in this chapter or in its certificate of incorporation." *See*, *e.g.*, *Lehrman v. Cohen*, 222 A.2d 800, 808 (Del. 1966). The Certificate of Incorporation does not provide for management of the Company by persons other than directors. Thus, the Board possesses the full power and authority to manage the business and affairs of the Company. *CA, Inc.*, 953 A.2d at 232 ("it is well-established that stockholders of a corporation subject to the [General Corporation Law] may not directly manage the business and affairs of the corporation, at least without specific authorization in either the statute or the certificate of incorporation'"); *Quickturn Design Sys., Inc. v. Shapiro*, 721 A.2d 1281, 1291 (Del. 1998) ("One of the most basic tenets of Delaware corporate law is that the board of directors has the ultimate responsibility for managing the business and affairs of a corporation.") (footnote omitted); *Paramount Commc'ns Inc. v. QVC Network Inc.*, 637 A.2d 34, 41-42 (Del. 1994) ("the management of the business and affairs of a Delaware corporation is entrusted to its directors, who are the duly elected and authorized representatives of the stockholders").

In making business decisions, directors owe duties of care and loyalty to the corporation and all of its stockholders which requires them to base their decisions on what they reasonably believe to be in the best interests of the corporation and its stockholders. *Mills Acq. Co. v. Macmillan, Inc.*, 559 A.2d 1261,1280 (Del. 1989). Under Delaware law, stockholders cannot "commit the board of directors to a course of action that would preclude them from fully discharging their fiduciary duties to the corporation and its shareholders." *See, e.g. CA, Inc.*, 953 A.2d at 238. The Delaware courts have consistently applied this principle which is derived from Section 141(a) of the General Corporation Law, to prevent attempts to dictate future conduct or decisions by directors, whether by contract, bylaw, stockholder resolution or otherwise. *See, e.g.*, *id.* at 239 (holding that neither the board nor stockholders could adopt a bylaw requiring future boards to reimburse the reasonable expenses of stockholders incurred in connection with a proxy contest since it would impermissibly "prevent the directors from exercising their full managerial power in circumstances where their fiduciary duties would otherwise require them to deny reimbursement to a dissident slate"); *Quickturn Design Sys., Inc.* 721 A.2d at 1291 (invalidating a provision of a stockholder rights plan preventing any newly elected board from redeeming the rights plan for six months because the provision would "impermissibly deprive any newly elected board of both its statutory authority to manage the corporation [under the General Corporation Law] and its concomitant fiduciary duty pursuant to that statutory mandate"); *West Palm Beach Firefighters' Pension Fund v. Moelis & Company [Moelis]*, 2024 WL 747180, at *5 (Del. Ch. Feb. 23, 2024 (invalidating provisions of a stockholder agreement that improperly constrained the board's authority to manage the company by, among other things, requiring the approval of the founder for the company to take most actions that are typically taken by board).

Indeed, under Delaware law, the Delaware courts have held that governance restrictions on the board of directors violate Section 141(a) when they "have the effect of removing

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change it unless approved in advance by stockholders, the Proposal would also violate Section 141(h) of the General Corporation Law.

from directors in a very substantial way their duty to use their own best judgment on management matters" or "tend[ ] to limit in a substantial way the freedom of director decisions on matters of management policy." *Abercrombie v. Davies*, 123 A.2d 893, 899 (Del. Ch. 1956); *Moelis*, 2024 WL 747180, at *44. The Board's power and authority to manage the business and affairs of the Company includes broad power to set the compensation of the Company's officers and employees. *See*, *e.g.*, *Grimes v. Donald*, 673 A.2d 1207, 1215 (Del. 1996); *Haber v. Bell*, 465 A.2d 353, 359 (Del. 1983) ("generally directors have the sole authority to determine compensation levels"). The Delaware courts have historically given "great deference" to the Board's decision on employee compensation. *Brehm v. Eisner*, 746 A.2d 244, 263 (Del. 2000) (concluding that "that a board's decision on executive compensation is entitled to great deference" and that "[i]t is the essence of business judgment for a board to determine if 'a 'particular individual warrant[s] large amounts of money, whether in the form of current salary or severance provisions.'"); *Pogostin v. Rice*, 1983 WL 17985, at *4 (Del. Ch. Aug. 12, 1983) ("compensation levels are generally held to be within the discretion of the board of directors and the setting of compensation is presumed to have been in good faith and in the best interests of the corporation"); *Seinfeld v. Slager*, 2012 WL 2501105, at *6 (Del. Ch. 2012) ("Employment compensation decisions are core functions of a board of directors, and are protected, appropriately, by the business judgment rule").

Delaware courts have historically held that the hiring and firing of officers is a core function of the Board and have even described the hiring and firing of the Chief Executive Officer as the "most important task" of the Board. *Klaassen v. Allegro Dev. Corp.*, 2013 WL 5967028, at *15 (Del. Ch. Nov. 7, 2013) ("Often it is said that a board's most important tasks is to hire, monitor and fire the CEO"); *Gorman v. Salamone*, 2015 WL 4719681, at *6 (Del. Ch. July 31, 2015) ("A primary way by which a corporate board manages a company is by exercising its independently information judgment regarding who should conduct the company's daily business"); *Schroeder v. Buhannic*, 2018 WL 11264517 at *4 (Del. Ch. Jan. 10, 2018) (holding that appointing a Chief Executive Officer is a core board function). Compensation is an integral part of hiring and retaining officers and employees, and, as such, a board of directors must have authority to determine the appropriate compensation of its officers and employees to effectively fulfill this core function. Indeed, the Delaware courts have invalidated bylaw provisions that purported to give stockholders substantive authority over another officer-related decision: removal and replacement of officers. *Gorman*, 2015 WL 4719681, at *6; *see also Moelis*, 2024 WL 747180, at *14 (noting that Delaware courts will invalidate a provision that "requires or forbids action on an issue that falls exclusively within the board's authority"). In *Gorman*, the Court held that the removal and replacement of officers are "substantive business decisions" and that a bylaw provision allowing stockholders to remove and replace officers was invalid because it would improperly "take an important managerial function from the board." *Id.* Similarly, the bylaw contemplated by the Proposal, if implemented, would essentially prevent the Board from fulfilling its core function of hiring officers and employees because the Board would be required to pay officers and employees who also serve as directors (which is often the case for the most senior executive, such as the Chief Executive Officer) $1 unless otherwise approved by the stockholders at the next annual meeting of stockholders. As was the case in *Gorman*, such a bylaw would impermissibly wrest authority over a key substantive business decision from the Board and place that important managerial function in the hands of the stockholders.

Decisions regarding the compensation, appointment and removal of officers are core management matters that are reserved by statute to the discretion of the Board. The Proposal, if implemented, would allow stockholders to set the compensation of the Company's officers and employees who also serve as directors and would infringe upon the Board's ability to hire senior officers and employees who will also serve as directors. As a result, the Proposal violates Section 141(a) of the General Corporation Law.

CONCLUSION

Based upon and subject to the foregoing and subject to the limitations stated herein, it is our opinion that the Proposal, if implemented, would violate Delaware law.

The foregoing opinion is limited to the laws of the State of Delaware. We have not considered and express no opinion on the laws of any other state or jurisdiction, including federal laws regulating securities or any other federal laws, or the rules and regulations of stock exchanges or of any other regulatory body.

The foregoing opinion is rendered solely for your benefit in connection with the matters addressed herein. We understand that you may furnish a copy of this opinion letter to the Securities and Exchange Commission and to the Proponent in connection with the matters addressed herein, and we consent to your doing so. Except as stated in this paragraph, this opinion letter may not be furnished or quoted to, nor may the foregoing opinion be relied upon by, any other person or entity for any purpose without our prior written consent.

Very truly yours,

Richards, Layton & Finger, P.A.

MJG/NS/JJV

March 13, 2024

Office of Chief Counsel
Division of Corporation Finance
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

 # 1 Rule 14a-8 Proposal
Booz Allen Hamilton Holding Corporation (BAH)
Stockholder Approval of Director Compensation
John Chevedden
537866

Ladies and Gentlemen:

This is a counterpoint to the March 8, 2024 no-action request.

BAH asserts four bases for excluding the proposal:

1. Implementation of the proposal will cause BAH to violate Delaware law (Rule 14a-8(i)(2))
2. The proposal is so vague and indefinite as to be inherently misleading (Rule 14a-8(i)(3))
3. BAH lacks the power and authority to implement the proposal (Rule 14a-8(i)(6)
4. The proposal deals with matters related to BAH ordinary business operations (Rule 14a-8(i)(7)).

This letter rebuts those bases and urges the SEC to seek an enforcement action if BAH so omits the proposal.

The first and third bases constitute a single basis, namely the proposal will cause BAH to violate Delaware law. In the third listed basis, BAH asserts it lacks the power and authority to implement the proposal because doing so will violate Delaware law. Below, we rebut both bases together in demonstrating that the proposal does not violate Delaware law.

We also address the second and fourth bases, vague and indefinite and ordinary business operations.

1. Violation of Delaware Law

BAH asserts implementing the proposal would cause it to violate Delaware law, in two ways. First, it purportedly eliminates Board authority to fix compensation. Second, it purportedly infringes on Board authority to set compensation of officers and employees. It does neither.

Authority to set compensation
BAH asserts the proposal will "eliminate…entirely" the power of the Board to determine director compensation. This allegedly violates Delaware law in that it "eliminates …

entirely" the Board authority to set director compensation, rather than merely "restrict" it, as BAH reads Delaware statute to allow.

The proposal hardly "eliminates" Board authority to set director compensation. In fact, the proposal allows the Board to design and recommend, in whatever structure and amount it wishes, in whatever detail the Board desires, the proposed director compensation for a fiscal year. It must then disclose whatever it designs, submit that design to a vote, and win a majority of shares voting. The bylaw term does not prescribe any element or detail of director compensation, nor does it provide in any way for shareholders to so prescribe. It merely provides for shareholders to vote on and approve whatever compensation the Board discloses, which does "restrict" the Board.

Authority to compensate officers and employees
BAH asserts the proposal will require it "…to pay officers and employees who also serve as directors…$1 unless otherwise approved by the stockholders."

This assertion badly misreads the proposal. The bylaw term pertains only to directors of the corporation, reading "[t]he compensation of *directors* of the corporation shall be fixed at $1 in a fiscal year…" (our emphasis). It refers to officers and employees only in their capacity as directors, and in no way restricts BAH from compensating officers and employees as such.

2. <u>Vague and indefinite</u>

BAH asserts the proposal is vague and indefinite in "a multitude of ways". Again, either BAH did not read the proposal closely, or misstates and misunderstands, inadvertently or willfully, the contents of the proposal. BAH fails to show how the specific bylaw term, providing for a shareholder vote on director compensation, is vague and indefinite, and thus it becomes "impossible…for stockholders to know what they are voting on."

Confusing directors on the one hand, and officers and employees on the other hand
BAH asserts the bylaw term "creates significant uncertainty about whether or how [it] would apply to the compensation of directors who are also executive officers…".
The proposal is quite clear. The bylaw term refers to only "compensation of directors". If executive officers now or in the future receive additional compensation as directors, besides what they receive as executives, then that additional compensation would fall within the bounds of the bylaw term. To our knowledge, BAH executive officers do not receive compensation for service on the Board, as is the customary practice in US corporations. Otherwise, a fair reading of the plain text of the bylaw term refers only to compensation of directors, as directors.

Confusing corporate name and bylaw section reference.
BAH asserts the proposal pertains to "Booz Allen Hamilton Inc.", a subsidiary, when the bylaws pertain to Booz Allen Hamilton Holding Corporation. It also asserts the proposal amends Section 2.15 of the bylaws when it should amend Section 2.14.

It is absurd to think that the proposal as stated will confuse shareholders. The specific names of the corporation are sufficiently similar, indeed almost identical, that shareholders are highly unlikely to become confused when voting on the matter. Also, while the section numbers for the bylaw and the proposed amendment are different, the headings make clear the intent and specific content of both the original bylaw section ("Director Fees and Expenses") and the proposed amendment ("Compensation"). We expect shareholders to not

concern themselves with the section numbering, and instead to understand completely and clearly what they are voting on.

Excluding director shares from voting
BAH refers to the Supporting Statement, which states "[s]tock owned by directors will not count in the vote." The specific bylaw amendment does not provide for the vote to exclude director shares. BAH claims it "would be unable to determine how to implement" the bylaw amendment.

This is far from vague and misleading. The bylaw amendment is clear, and stockholders know exactly what they are voting on. BAH would implement it exactly as stated. The company would not rely on the supporting statement for implementation guidance, and shareholders are unlikely to rely on it in deciding how BAH would implement it.

3. **Ordinary Business**

BAH asserts the bylaw term will "micromanage the Company" and concerns matters that are "beyond the knowledge and expertise of stockholders." It thus allegedly represents ordinary business, subject to exclusion under Rule 14a-8(i)(7). Either BAH did not read the proposal closely, or misstates and misunderstands, inadvertently or willfully, the contents of the proposal. BAH fails to show how the specific bylaw term, providing for a shareholder vote on director compensation, represents ordinary business.

BAH makes two arguments, following two general principles the SEC uses in assessing whether a proposal represents "ordinary business". First, it asserts the proposal "addresses a subject matter that is a core function" of the board and is "overly granular and prescriptive." Second, the proposal is "too complex" for shareholders to decide on.

Board discretion: As for the first principle, BAH asserts the proposal" [f]ixe[s] director compensation at $1…". Clearly, the Board can design and recommend, in whatever structure and amount it wishes, in whatever detail the Board desires, the proposed director compensation for a fiscal year, The Board can design whatever compensation plan it wishes, without any restriction from shareholders. It must then disclose whatever it designs, submit that design to a vote, and win a majority of shares voting. The bylaw term does not prescribe any element or detail of director compensation, nor does it provide in any way for shareholders to so prescribe. It merely provides for shareholders to vote on and approve whatever compensation the Board discloses.

Too complex for shareholders: As for the second principle, BAH asserts the bylaw term "probes matters too complex for shareholders, as a group, to make an informed judgment." BAH fails to show in any way how director compensation is too complex a subject for shareholders to vote on. We note shareholders now vote annual on executive compensation, a subject of at least as much and probably deeper complexity.

Oddly, BAH also asserts the proposal "does not raise significant social policy issues that transcend…ordinary business." However, at no point do I assert that this proposal addresses a significant social policy issue, and thus BAH would need include it.

Sincerely,

John Chevedden

cc: Jacob Bernstein

[BAH: Rule 14a-8 Proposal, February 13, 2024]
[This line and any line above it – *Not* for publication.]

Proposal 4 – Bylaw Amendment Stockholder Approval of Director Compensation

The Bylaws of Booz Allen Hamilton Inc. are amended as follows:

Article II, Section 2.15 is deleted and replaced in its entirety as follows:

Compensation. The directors shall be entitled to compensation for their services (whether as directors or as officers or employees of the corporation) to the extent approved by the stockholders as set forth in this Section 2.15. The compensation of directors the corporation pays shall be fixed at $1 in a fiscal year; provided, however, the corporation may pay, grant, or award compensation greater than $1 in a fiscal year if such compensation has been (1) disclosed to stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation; (2) submitted to an approval vote of stockholders at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such disclosed compensation; and (3) approved by a majority of stockholder votes present in person or represented by proxies and entitled to vote cast in favor of the disclosed annual compensation at an annual or special meeting of stockholders in advance of the fiscal year in which the corporation will pay, grant, or award such compensation. In the fiscal year in which this Section 2.15 takes effect, the Board shall continue to pay, grant, or award any such compensation that the Board has previously approved for such fiscal year. The Board may by resolution determine the expenses in the performance of such services for which a director is entitled to reimbursement.

Supporting statement

Booz stockholders seek an independent board, one that has as its sole objective representing stockholders without conflict of interest. One interest pertains to compensation and how Booz compensates directors for board service. Stockholders seek the authority to approve compensation that directors receive from Booz.

Stockholders want and need authority over how and how much Booz compensates directors. If stockholders approve compensation, then directors have the greatest incentive to work in the sole interest of stockholders. Currently, directors design and approve compensation with no approval from stockholders. Directors receive whatever compensation they desire. This bylaw amendment corrects this problem.

The bylaw amendment provides for a stockholder vote on director compensation. Directors can continue to design and propose compensation structure and amount, including the mix and amount of cash and equity. Stockholders will have final approval over whether directors receive what directors propose. Stockholders will vote on director compensation as disclosed in the proxy statement for a stockholder meeting before the fiscal year in which directors receive that compensation. Stock owned by directors will not count in the vote, so the vote result represents the independent views of stockholders.

We urge stockholders to approve this bylaw amendment and assume proper authority over the compensation of directors who represent us.