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NYS Comptroller Thomas P. DiNapoli

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NYS Comptroller DiNapoli and the Fire and Police Pension Association of Colorado Statements on Proposed Settlement of Boeing Lawsuit

Shareholder Derivative Lawsuit Sought Reforms and Damages After Board of Directors Failed to Protect Against Catastrophic Safety Risks

November 5, 2021

New York State Comptroller Thomas P. DiNapoli and the Fire and Police Pension Association of Colorado (FPPA) issued the following statements today regarding the proposed settlement of their derivative lawsuit against the directors of The Boeing Company. State Comptroller DiNapoli, as trustee of the New York State Common Retirement Fund, and the FPPA were appointed co-lead plaintiffs in the lawsuit.

In a derivative lawsuit, shareholders sue a company's board of directors on the company's behalf alleging that the board breached its fiduciary duties in a manner that harmed the company. The pension funds' lawsuit sought damages and corporate governance reforms, following two mass casualty 737 MAX crashes and the subsequent grounding of the aircraft. Under the proposed settlement, which requires court approval, Boeing must adopt enhanced safety and oversight protocols including, among other measures,

implementing an ombudsman program that will provide a channel for Boeing employees to raise work-related concerns, and adding an additional director with aviation, engineering, or product-safety oversight experience. Boeing will also recover \$237.5 million from the directors' insurers. If approved, the settlement will be the largest monetary recovery in a suit filed in the Delaware Courts alleging that directors failed to protect against the risk of harm to the company, which is known as a "Caremark action."

State Comptroller DiNapoli said: "We sued Boeing's board because they failed in their fiduciary responsibility to monitor safety and protect the company, its shareholders and its customers from unsafe business practices and admitted illegal conduct. It is our hope, moving forward, that the reforms agreed to in this settlement will help safeguard Boeing and the flying public against future tragedy and begin to restore the company's reputation. This settlement will send an important message that directors cannot shortchange public safety and other mission-critical risks."

Kevin Lindahl, General Counsel on behalf of FPPA said: "The 737 MAX crashes were catastrophic tragedies. As shareholders, we sued Boeing's Board of Directors to ensure the safety of its aircraft and to hold the directors accountable for their failure to uphold their fiduciary duties. We are extremely proud of the monetary recovery obtained in the proposed settlement, and notably the corporate governance enhancements we delivered which will further drive Boeing to regain its reputation, re-establish safety as its primary priority and maintain shareholder value."

Court Filing

Full text of settlement proposal

About the New York State Common Retirement Fund

The New York State Common Retirement Fund is the third largest public pension fund in the United States. The Fund holds and invests the assets of the New York State and Local Retirement System on behalf of more than one million state and local government employees and retirees and their

beneficiaries. The Fund has consistently been ranked as one of the best managed and best funded plans in the nation. The Fund's fiscal year ends March 31.

About the FPPA

The Fire and Police Pension Association of Colorado (FPPA) administers retirement benefits and invests pension assets for firefighters and police officers throughout the State of Colorado. FPPA has assets of \$7.4 billion as of September 31, 2021. FPPA's statewide plan continues a fully funded status.

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