BOSTON SCIENTIFIC CORP
Form DEF 14A
March 28, 2011

Table of Contents

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

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, For Use of the Commission Only (as Permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Boston Scientific Corporation
(Name of Registrant as Specified in Its Charter)
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Natick, Massachusetts
March 28, 2011

Dear Boston Scientific Stockholder:

You are cordially invited to attend Boston Scientific Corporation s Annual Meeting of Stockholders to be held on Tuesday, May 10, 2011, at 10:00 a.m. Eastern Time, at the Bank of America Auditorium, 100 Federal Street, Boston, Massachusetts.

This year you are being asked to:

- elect to the Board of Directors 10 nominees for director;
- consider and vote upon an advisory vote on our executive compensation;
- consider and vote upon an advisory vote on the frequency of holding an advisory vote on our executive compensation;
- approve our 2011 Long-Term Incentive Plan;
- approve an amendment and restatement of our 2006 Global Employee Stock Ownership Plan;
- ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2011 fiscal year; and
- to consider and vote upon such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

These matters are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement. Our Board of Directors urges you to read the accompanying Proxy Statement and recommends that you vote FOR all of the director nominees, our executive compensation, an annual frequency of holding an advisory vote on executive compensation, our 2011 Long-Term Incentive Plan, an amendment and restatement of our 2006 Global Employee Stock Ownership Plan and the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm. At the meeting, you will be provided with the opportunity to ask questions.

We are pleased to continue to take advantage of the Securities and Exchange Commission rule allowing companies to furnish proxy materials to their stockholders on the Internet. We believe this e-proxy process, also known as notice and access, expedites stockholders receipt of proxy materials, lowers our printing and mailing costs and reduces the environmental impact of producing the materials for our Annual Meeting. On or about March 28, 2011, we will mail to our stockholders of record and beneficial owners as of Friday, March 18, 2011, the record date for our Annual Meeting, an Important Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access our Proxy Statement and Annual Report on the Internet and also how to vote their shares via the Internet or by telephone. If you received a Notice by mail you will not receive printed proxy materials unless you specifically request them. Both the Notice and this Proxy Statement contain instructions on how you can request a paper copy of the Proxy Statement and Annual Report.

The Board of Directors appreciates and encourages stockholder participation in the Company s affairs. Whether or not you plan to attend the Annual Meeting, we encourage you to vote your shares. Accordingly, we request that as soon as possible, you vote via the Internet or by telephone or, if you have received printed proxy materials, you vote by telephone or by mailing your completed proxy card or voter instruction form.

Thank you for your continuing support.

Pete M. Nicholas
Chairman of the Board of Directors

TABLE OF CONTENTS

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Natick, Massachusetts
March 28, 2011

The Annual Meeting of Stockholders of Boston Scientific Corporation will be held on Tuesday, May 10, 2011, at 10:00 a.m. Eastern Time, at the Bank of America Auditorium, 100 Federal Street, Boston, Massachusetts, for the following purposes:

(1) elect to the Board of Directors 10 nominees for director;

(2) consider and vote upon an advisory vote on our executive compensation;

(3) consider and vote upon an advisory vote on the frequency of holding an advisory vote on our executive compensation;

(4) approve our 2011 Long-Term Incentive Plan;

(5) approve an amendment and restatement of our 2006 Global Employee Stock Ownership Plan;

(6) ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2011 fiscal year; and

(7) to consider and vote upon such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

Only stockholders who held shares at the close of business on Friday, March 18, 2011, are entitled to notice of and to vote at the meeting or any adjournments or postponements thereof.

It is important that your shares be represented and voted at the Annual Meeting. Whether or not you plan to attend the Annual Meeting in person, we encourage you to submit your proxy as soon as possible. For specific instructions, please refer to the Notice or to the question on page 3 of this Proxy Statement entitled *How do I vote by proxy?*

BOSTON SCIENTIFIC CORPORATION

Timothy A. Pratt
Secretary

Table of Contents

One Boston Scientific Place
Natick, Massachusetts 01760

March 28, 2011

PROXY STATEMENT
Information About the Annual Meeting and Voting

The Annual Meeting

The Annual Meeting of Stockholders of Boston Scientific Corporation will be held on Tuesday, May 10, 2011, at 10:00 a.m. Eastern Time, at the Bank of America Auditorium, 100 Federal Street, Boston, Massachusetts. At this meeting, stockholders will be asked to elect 10 directors, consider and vote upon an advisory vote on our executive compensation and an advisory vote on the frequency of holding an advisory vote on our executive compensation, approve our 2011 Long-Term Incentive Plan and an amendment and restatement of our 2006 Global Employee Stock Ownership Plan, and ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2011 fiscal year. Management will also report on our performance during fiscal year 2010 and will respond to appropriate questions from stockholders. When used in this Proxy Statement, the terms we, us, our and th Company mean Boston Scientific Corporation and its divisions and subsidiaries.

Why am I receiving these materials?

Our Board of Directors has made these materials available to you on the Internet or, upon your request, has delivered or will deliver printed versions of these materials to you by mail, in connection with its solicitation of proxies for use at our Annual Meeting. As a stockholder of record or beneficial owner of our stock on March 18, 2011, you are invited to attend the Annual Meeting, and are entitled to and requested to vote on the items of business described in this Proxy Statement.

Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of printed proxy materials?

Pursuant to the rules adopted by the Securities and Exchange Commission (SEC), we are making this Proxy Statement and our Annual Report for the year ended December 31, 2010 (the proxy materials) available to stockholders electronically via the Internet. All stockholders will be able to access the proxy materials on the website referred to in the Important Notice Regarding the Availability of Proxy Materials (Notice) or request to receive printed copies of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a printed copy may be found in the Notice and in this Proxy Statement. We believe that this electronic process will expedite your receipt of the proxy materials and reduce the cost and environmental impact of printing proxy materials for our Annual Meeting.

On or about March 28, 2011, we will send all stockholders of record as of March 18, 2011 a Notice instructing them as to how to receive their proxy materials via the Internet this year. The proxy materials will be available on the Internet as of March 28, 2011.

How can I electronically access the proxy materials?

Beginning March 28, 2011, you can access the proxy materials and vote your shares online at *www.proxyvote.com*. Our own website (*www.bostonscientific.com*) will also direct you to the proxy materials and website for you to vote online.

Table of Contents

How can I obtain a full set of printed proxy materials?

If you prefer to receive paper copies of the proxy materials, you can still do so. You may request the printed proxy materials by (i) calling 1-800-579-1639; (ii) sending an email to *sendmaterial@proxyvote.com*; or (iii) logging onto *www.proxyvote.com*.

Who is entitled to vote at the Annual Meeting?

Stockholders who held shares of our common stock at the close of business on Friday, March 18, 2011 are entitled to vote at the Annual Meeting. Each share of our common stock is entitled to one vote.

How many shares are eligible to be voted and how many shares are required to hold the Annual Meeting?

A quorum is required to hold the meeting and conduct business. The presence at the Annual Meeting, in person or by proxy, of stockholders having a majority of our common stock outstanding as of the close of business on Friday, March 18, 2011, the record date, will constitute a quorum for purposes of holding the Annual Meeting. As of March 18, 2011, we had 1,528,023,437 shares of our common stock outstanding each entitled to one vote at the Annual Meeting meaning that 764,011,720 shares of common stock must be represented in person or by proxy to have a quorum. For purposes of determining whether a quorum exists, broker non-votes and proxies received but marked ABSTAIN will be counted.

What am I voting on?

You are voting on proposals to:

(1) elect to the Board of Directors 10 nominees for director;

(2) consider and vote upon an advisory vote on our executive compensation;

(3) consider and vote upon an advisory vote on the frequency of holding an advisory vote on our executive compensation;

(4) approve our 2011 Long-Term Incentive Plan;

(5) approve an amendment and restatement of our 2006 Global Employee Stock Ownership Plan;

(6) ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the 2011 fiscal year; and

(7) to consider and vote upon such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

How does the Board of Directors recommend that I vote?

The Board recommends that you vote:

(1) ***FOR*** the election of each of the 10 director nominees;

(2) ***FOR*** our executive compensation;

(3) ***FOR*** an annual frequency of holding an advisory vote on our executive compensation;

(4) ***FOR*** our 2011 Long-Term Incentive Plan;

(5) ***FOR*** an amendment and restatement of our 2006 Global Employee Stock Ownership Plan; and

(6) ***FOR*** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.

Table of Contents

How are votes counted?

In the election of directors, your vote may be cast FOR all of the nominees or your vote may be WITHHELD with respect to one or more of the nominees.

In the advisory vote on our executive compensation, your vote may be cast FOR or AGAINST or you may ABSTAIN. If you ABSTAIN, it will not count as a share actually voted with respect to determining if a majority vote is obtained under our By-Laws. If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendation of the Board.

In the proposal on the frequency of holding an advisory vote on our executive compensation, your vote may be cast 1 YEAR, 2 YEARS, 3 YEARS or you may ABSTAIN. If you ABSTAIN, it will have no effect on the determinatio this proposal. If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendation of the Board.

In the proposal on our 2011 Long-Term Incentive Plan, your vote may be cast FOR or AGAINST or you may ABSTAIN. If you ABSTAIN, it will not count as a share actually voted with respect to determining if a majority vote is obtained under our By-Laws. If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendation of the Board.

In the proposal on an amendment and restatement of our 2006 Global Employee Stock Ownership Plan, your vote may be cast FOR or AGAINST or you may ABSTAIN. If you ABSTAIN, it will not count as a share actually vote with respect to determining if a majority vote is obtained under our By-Laws. If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendation of the Board.

In the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm, your vote may be cast FOR or AGAINST or you may ABSTAIN. If you ABSTAIN, it will not count as a share actually voted with respect to determining if a majority vote is obtained under our By-Laws. If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendation of the Board.

How do I vote by proxy?

Your vote is very important. Whether or not you plan to attend the Annual Meeting in person, you may give a proxy to be voted at the Annual Meeting either:

- via the Internet or by telephone pursuant to the instructions provided in the Notice; or

- if you received printed proxy materials, by mail or by telephone pursuant to the instructions provided on the proxy card.

If you vote by mail, no postage is required if your proxy card is mailed in the United States. If you properly vote pursuant to the instructions provided in the Notice or properly complete and deliver your proxy card (whether electronically, by mail or by telephone) and our Inspector of Election receives your instructions in time to vote at the Annual Meeting, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign and return your proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board. If any other matter is properly presented at the Annual Meeting, including a proposal to postpone or adjourn the meeting, your proxy will vote your shares in accordance with his or her discretion. At present, the Board knows of no other business that is intended to be brought before or acted upon at the Annual Meeting.

How many votes are required to approve each proposal?

(1) Under our By-Laws, in an uncontested election such as this, our directors are elected by plurality vote. That means that for Proposal 1, the 10 nominees for director named in this Proxy Statement receiving the most votes from those shares present or represented at the Annual Meeting will be elected as directors. Our Majority Voting policy requires any director who receives a greater number

Table of Contents

of votes WITHHELD from his or her election than votes FOR his or her election to tender his or her resignation from the Board. The Board will then decide whether to accept the resignation (based on the recommendation of the Nominating and Governance Committee) within 90 days following certification of the stockholder vote, and will disclose its determination and its reasoning either in a press release or an SEC filing.

(2) The affirmative vote of a majority of shares present or represented by proxy, entitled to vote and actually voting on the proposal is required to approve (on an advisory basis) our executive compensation. The vote is advisory and non-binding in nature, but our Compensation Committee will take into consideration the outcome of the vote when considering future executive compensation arrangements. You may vote FOR, AGAINST or ABSTAIN. If you abstain, it will be counted for the purpose of determining whether a quorum is present for conducting the Annual Meeting, but it will not count as a share actually voted with respect to determining if a majority vote is obtained and will have no effect on the determination of this proposal.

(3) The frequency of holding an advisory vote on our executive compensation that receives the most votes FOR will be deemed the selection (on an advisory basis) of our stockholders. The vote is advisory and non-binding in nature, but our Board of Directors will take into consideration the outcome of the vote when determining the frequency of holding an advisory vote on our executive compensation. You may vote 1 YEAR, 2 YEARS, 3 YEARS or you may ABSTAIN. If you abstain it will be counted for the purpose of determining whether a quorum is present for conducting the Annual Meeting, but your vote will have no effect on the determination of this proposal.

(4) Under our By-Laws, the affirmative vote of a majority of shares present or represented by proxy, entitled to vote on the proposal and actually voting is required to approve our 2011 Long-Term Incentive Plan. You may vote FOR, AGAINST or ABSTAIN. If you abstain, it will be counted for the purpose of determining whether a quorum is present for conducting the Annual Meeting, but your vote will not count as a share actually voted with respect to determining if a majority vote is obtained and will have no effect on the determination of whether stockholder approval is obtained for this proposal under our By-Laws. Under the listing requirements of the NYSE, approval of a majority of votes cast on this proposal is required, provided that the total votes cast on this proposal represent over fifty percent (50%) of all the shares entitled to vote on the proposal.

(5) Under our By-Laws, the affirmative vote of a majority of shares present or represented by proxy, entitled to vote on the proposal and actually voting is required to approve an amendment and restatement of our 2006 Global Employee Stock Ownership Plan. You may vote FOR, AGAINST or ABSTAIN. If you abstain, it will be counted for the purpose of determining whether a quorum is present for conducting the Annual Meeting, but your vote will not count as a share actually voted with respect to determining if a majority vote is obtained and will have no effect on the determination of whether stockholder approval is obtained for this proposal under our By-Laws. Under the listing requirements of the NYSE, approval of a majority of votes cast on this proposal is required, provided that the total votes cast on this proposal represent over fifty percent (50%) of all the shares entitled to vote on the proposal.

(6) The affirmative vote of a majority of shares present or represented by proxy, entitled to vote on the proposal and actually voting is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011. You may vote FOR, AGAINST or ABSTAIN. If you abstain, it will be counted for the purpose of determining whether a quorum is present for conducting the Annual Meeting, but your vote will not count as a share actually voted with respect to determining if a majority vote is obtained and will have no effect on the determination of whether stockholder approval is obtained for this proposal.

At present, the Board knows of no matters other than these to be presented for stockholder action at the Annual Meeting.

Table of Contents

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

If your shares are registered directly in your name with our transfer agent, BNY Mellon Shareowner Services, you are considered, with respect to those shares, the *stockholder of record*. As the *stockholder of record*, you have the right to grant your proxy directly to us or to vote in person at the Annual Meeting. If your shares are held by a trustee or in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the *beneficial owner* of your shares which are held in *street name*.

If you hold your shares in *street name*, you received the Notice or the proxy materials from the trustee or your brokerage firm, bank, dealer or other similar organization rather than from us. The organization holding your shares is considered the *stockholder of record* for your shares for the purpose of voting at the Annual Meeting. However, as the beneficial owner of the shares, you have the right to direct that organization on how to vote the shares held in your account through your Voting Instruction Form provided by your broker. If you hold your shares in *street name*, follow the instructions on the Notice or Voting Instruction Form you received in order to vote your shares.

What discretion does my broker have to vote my shares held in street name?

The New York Stock Exchange (NYSE) rules allow your broker to vote your shares in its discretion on routine proposals when it has not received instructions from the beneficial owner of the shares at least ten days prior to the Annual Meeting. We believe the ratification of the appointment of our independent registered public accounting firm is a routine matter, and as a result, your broker may vote on your behalf for this matter if you do not otherwise provide instructions. The election of directors, the vote on our executive compensation, the frequency of holding an advisory vote on our executive compensation, our 2011 Long-Term Incentive Plan and an amendment and restatement of our 2006 Global Employee Stock Ownership Plan are not considered routine matters. If you do not instruct your broker how to vote your shares on the non-routine matters, your broker will not be permitted to vote your shares on the non-routine matters. This is referred to as a broker non-vote.

Broker non-votes (shares held by brokers that do not have discretionary authority to vote on the matter and have not received voting instructions from their clients) are counted for purposes of determining whether a quorum is present, but are not counted or deemed to be present or represented for the purpose of determining whether stockholders have approved that proposal. A broker non-vote will have no effect on the outcome of the non-routine proposals.

How do I vote my 401(k) and GESOP shares?

If you participate in the Boston Scientific Corporation 401(k) Retirement Savings Plan (401(k) Plan) or in our 2006 Global Employee Stock Ownership Plan (GESOP), you will receive a single Notice that covers all shares credited to your plan account(s) and shares that you own of record that are registered in the same name. If your plan account(s) are registered in different names, you will receive separate Notices for your record and plan holdings. You may vote your shares via the Internet by logging onto *www.proxyvote.com* or telephone by calling 1-800-690-6903. Your vote will serve to instruct the trustees and fiduciaries of our 401(k) Plan and GESOP how to vote any Boston Scientific shares held in these plans on your behalf. The 401(k) Plan and GESOP trustees and fiduciaries may vote at their discretion shares for which timely instructions are not received.

What happens if I don t specify how I want my shares voted on one or all of the proposals?

If you are the *stockholder of record* and you sign, date and return your proxy and do not mark how you want to vote, your proxy will be counted as a vote FOR all of the nominees for directors, FOR our executive compensation, FOR an annual frequency of holding an advisory vote on our executive compensation, FOR our 2011 Long-Term Incentive

Plan, FOR an amendment and restatement of our 2006 Global Employee Stock Ownership Plan and FOR the ratification of our independent registered public accounting firm, Ernst & Young LLP. If you hold your shares in *street name,* please see the discussion on *What discretion does my broker have to vote my shares held in street name?* above.

Table of Contents

Can I change my vote or revoke my proxy after I have already voted or given my proxy?

Yes. If you are a *stockholder of record*, you may change your vote or revoke your proxy at any time before the proxy is exercised at the Annual Meeting. To change your vote, you may:

mail a written notice revoking your earlier vote to Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, NY 11717;

submit to Broadridge a properly completed and signed proxy card with a later date;

vote again telephonically or electronically (available until 11:59 p.m. Eastern Time on May 9, 2011); or

vote in person at the Annual Meeting; however, your attendance at the Annual Meeting alone will not revoke your proxy.

Your last dated proxy received or vote cast prior to the Annual Meeting will be counted.

If you own your shares in *street name*, please contact your broker for instructions on changing your vote or revoking your proxy.

Can I vote in person at the meeting?

Yes. If you are the *stockholder of record* of the shares, you can vote in person by coming to the Annual Meeting and we will give you a ballot or a new proxy card when you arrive. However, since a beneficial owner is not the *stockholder of record*, if you are a beneficial owner of the shares, you may not vote the shares in person at the Annual Meeting, unless you obtain a legal proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the Annual Meeting. Please bring the legal proxy with you to the Annual Meeting. If you plan to attend the Annual Meeting in person, you must provide proper identification. Please visit our website, *www.bostonscientific.com*, for directions to the Annual Meeting.

Who will count the votes?

Broadridge Financial Solutions, Inc. has been engaged as our independent agent to tabulate stockholder votes and act as Inspector of Election for the meeting.

Is voting confidential?

Yes. We will treat proxy cards, ballots and voting tabulations as confidential. Generally, only the Inspector of Election and certain employees associated with processing proxy cards, counting the vote or administering the Annual Meeting have access to these documents.

What happens if the Annual Meeting is adjourned or postponed?

Your proxy will still be effective and will be voted at the rescheduled Annual Meeting. You will still be able to change or revoke your proxy until it is voted.

Will any other business be considered or presented at the Annual Meeting?

Our By-Laws provide that a stockholder may present business to be considered at the Annual Meeting only if proper prior written notice was received by us. Other than the items of business described in this Proxy Statement, we are not aware of any other business to be acted upon at the Annual Meeting. However, if any other business does properly come before the Annual Meeting, the persons named as proxies on the enclosed proxy card will have discretion to vote your shares in accordance with their best judgment as to the best interests of our stockholders.

How can I find the results of the Annual Meeting?

Preliminary results will be announced at the Annual Meeting and final results will be filed with the SEC on a Current Report on Form 8-K within four business days after the Annual Meeting. The Form 8-K will be available on the SEC s website at *www.sec.gov* as well as our own website, *www.bostonscientific.com* under the Investor Relations section of our website.

Who is soliciting my vote pursuant to this Proxy Statement?

Our Board of Directors is soliciting your vote.

Who pays the cost of this proxy solicitation?

We will pay the costs of this solicitation. Our directors, officers or other employees may solicit proxies on behalf of the Board for the most part by mail and via the Internet, but additional solicitations may be made in person, by electronic delivery, telephone, facsimile or other media. No additional compensation will be paid to our directors, officers or other employees in connection with this solicitation. We may enlist the assistance of brokerage houses, fiduciaries, custodians and other third parties in soliciting proxies. We will, upon request, reimburse brokerage firms and other third parties for their reasonable expenses incurred for forwarding solicitation material to beneficial holders of stock. All solicitation expenses, including costs of preparing, assembling and mailing proxy material, will be borne by us.

Is there a list of stockholders entitled to vote at the Annual Meeting?

A list of stockholders entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the Annual Meeting, between the hours of 8:30 a.m. and 5:00 p.m. Eastern Time, at our offices at One Boston Scientific Place, Natick, Massachusetts. If you would like to view the stockholder list, please contact our Secretary to schedule an appointment by calling (508) 650-8000 or writing to him at One Boston Scientific Place, Natick, MA 01760-1537.

INTERNET AVAILABILITY OF PROXY MATERIALS

Under rules adopted by the SEC, we are furnishing proxy materials to our stockholders primarily via the Internet, instead of mailing printed copies of those materials to each stockholder. On or about March 28, 2011, we will mail to our stockholders (other than those who previously requested electronic or paper delivery) an Important Notice Regarding the Availability of Proxy Materials (Notice) containing instructions on how to access our proxy materials, including our Proxy Statement and our Annual Report. The Notice also instructs you on how to vote through the Internet or by telephone.

This process is designed to expedite stockholders receipt of proxy materials, lower the cost of the Annual Meeting and help conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice and in this Proxy Statement. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials via e-mail until you elect otherwise. If you have previously elected to receive printed proxy materials, you will continue to receive these materials in paper format until you elect otherwise.

Table of Contents

PROPOSAL 1: ELECTION OF DIRECTORS

Our entire Board of Directors (Board) is elected annually by our stockholders and currently consists of 13 members.

On December 20, 2010, we announced that our Board elected Kristina M. Johnson to serve as a director effective January 1, 2011 for a term expiring at this Annual Meeting, and on March 4, 2011, we announced that John E. Abele, Ray J. Groves and Marye Anne Fox will retire from our Board at the Annual Meeting. We are deeply grateful for the enormous contributions that each of Messrs. Abele and Groves and Dr. Fox have made to our Company, this Board and our stockholders. Our Board requested that Mr. Abele, our co-founder, serve as director emeritus following the Annual Meeting so that the Board can continue to avail itself of his wisdom, judgment, and experience, and Mr. Abele has agreed to so serve. Mr. Abele may attend Board and committee meetings and participate in discussion of matters that come before the Board or its committees, but he is not entitled to vote upon any such matters.

In light of the departures of Messrs. Abele and Groves and Dr. Fox, our Board will consist of 10 members immediately following the Annual Meeting. The 10 incumbent directors have been nominated by our Board, upon the recommendation of our Nominating and Governance Committee, to stand for election at the Annual Meeting for a one-year term and to hold office until the 2012 Annual Meeting of Stockholders and until their successors have been elected and qualified. The nominees for election at the Annual Meeting are: Katharine T. Bartlett, Bruce L. Byrnes, Nelda J. Connors, J. Raymond Elliott, Kristina M. Johnson, Ernest Mario, N.J. Nicholas, Jr., Pete M. Nicholas, Uwe E. Reinhardt and John E. Sununu.

Each of the director nominees is willing and able to stand for election at the Annual Meeting, and we know of no reason why any of the nominees would be unable to serve as a director. However, should such a situation arise, the Board may designate a substitute nominee or, alternatively, reduce the number of directors to be elected. If a substitute nominee is selected, the persons named as proxies will vote for that substitute nominee. Any vacancies not filled at the Annual Meeting may be filled by the Board.

The biographies of each of the nominees are listed below and contain information regarding the person s service as a director, business experience, public company director positions currently held or held at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Nominating and Governance Committee and the Board to determine that the person should serve as a director in light of our business and structure. Each of the director nominees listed below exemplifies how our Board values professional experience in business, education, policy and governmental fields as well as strong moral character and diversity in terms of viewpoint as well as age, ethnicity and gender. It is these strong and unique backgrounds and sets of skills that our Board believes provide it, as a whole, with a strong foundation of technical expertise and a wealth of diverse experience in a wide variety of areas.

Katharine T. Bartlett
Age: 64
Director since 2009

Katharine T. Bartlett has been a director of Boston Scientific since August 2009. Ms. Bartlett has been a full-time member of the Duke University School of Law since 1983 and is the A. Kenneth Pye Professor of Law at the Duke University School of Law, where she served as Dean from 2000 to 2007. Following her deanship, she was a visiting fellow at New York University School of Law during the Fall 2007 semester and Columbia University School of Law during the Spring 2008 semester. She is a member of the executive committee of the Association of American Law Schools. She earned a B.A. degree from Wheaton College, magna cum laude, Phi Beta Kappa; an M.A. degree from Harvard University; and a J.D. degree from the Boalt Hall School of Law at the University of California, Berkeley, where she served as an editor of the Law Review. Among her other qualifications, Ms. Bartlett brings our Board leadership and management experience as evidenced by successfully overseeing and expanding the Duke University School of Law during her tenure as its Dean. Ms. Bartlett also has a distinguished career in the law and as a law professor, specializing in gender theory, employment law, theories of social change and legal education, which are extremely relevant to our business operations.

Bruce L. Byrnes
Age: 62
Director since 2009

Bruce L. Byrnes has been a director of Boston Scientific since August 2009. Mr. Byrnes is a retired Vice Chairman of the Board for The Procter and Gamble Company. During his 38-year career with Procter and Gamble, Mr. Byrnes served as Vice Chairman of the Board and as President for several global divisions, including health care. Mr. Byrnes is a director of Brown-Forman Corporation, Cincinnati Bell, Inc. and Diebold, Incorporated. He has also served as a trustee of the Cincinnati Art Museum. He holds a B.A. degree from Princeton University. Among his other qualifications, Mr. Byrnes brings our Board executive leadership experience including his service as an executive of a large multinational public company, along with his extensive expertise in brand management, business strategy, financial reporting, risk management and sales and marketing.

Nelda J. Connors
Age: 45
Director since 2009

Nelda J. Connors became a director of Boston Scientific in December 2009. Ms. Connors is the President and Chief Executive Officer of Atkore International. Atkore, formerly the Electrical and Metal Products division of Tyco International, became a privately-held company in December 2010. Ms. Connors served as President of this Tyco division from 2008 through 2010. Prior to joining Tyco, she served as Vice President at Eaton Corporation from 2007 to 2008 and held several positions in operations and general management from 2002 to 2007. Prior to joining Eaton, Ms. Connors was employed in a number of executive and management capacities with Ford Motor Company from 1997 to 2002, as well as at Chrysler and Mogami Denki, a Toyota supplier, prior to that. She began her career as an engineer with Monsanto Corporation. Ms. Connors is a member of the founders board of Governors State University and trustee for Peggy Notebaert Nature Museum. She currently serves on the Board of Atkore International, Inc. and previously served as an advisory board member to Rock Gate Partners, a boutique private equity and advisory firm. Ms. Connors holds B.S. and M.S. degrees in mechanical engineering from the University of Dayton. Ms. Connors qualifications to serve our Board include her executive leadership skills and her experience in the areas of operations and financial management, quality, engineering and business strategy.

J. Raymond Elliott
Age 61
Director since 2009

J. Raymond Elliott became our President, Chief Executive Officer and director in July 2009. He had previously served as a director of Boston Scientific from September 2007 to May 2009. Mr. Elliott was the Chairman of Zimmer Holdings, Inc. until November 2007 and was Chairman, President and Chief Executive Officer of Zimmer Holdings, Inc. from March 2001 to May 2007. Mr. Elliott was appointed President of Zimmer, Inc. in November 1997. Mr. Elliott has more than 35 years of experience in orthopedics, medical devices and consumer products. He has served as a director on more than 20 business-related boards in the U.S., Canada, Japan and Europe and has served on six occasions as Chairman. He has served as a member of the board of directors and chair of the orthopedic sector of the Advanced Medical Technology Association (AdvaMed) and was a director of the Indiana Chamber of Commerce, the American Swiss Foundation and Bausch & Lomb Corporation. Mr. Elliott has served as the Indiana representative on the President s State Scholars Program and as a trustee of the Orthopaedic Research and Education Foundation (OREF). He holds a bachelor s degree from the University of Western Ontario, Canada. Mr. Elliott possesses vast and relevant industry experience which includes his service as President and CEO of a large, multinational public company, as well as his extensive domestic and international financial, sales, management and operating executive

Table of Contents

experience in the orthopedic, medical device and consumer products markets. He is particularly experienced in driving operational excellence within highly regulated industries.

Kristina M. Johnson, Ph.D.
Age 53
Director since 2010

Kristina M. Johnson was elected a director of Boston Scientific effective January 1, 2011. She previously served as a director from April 2006 to 2009. From March 2009 to October 2010, Dr. Johnson served as Under Secretary of Energy at the U.S. Department of Energy. Prior to this, Dr. Johnson was Provost and Senior Vice President of Academic Affairs at The Johns Hopkins University from 2007 to 2009 and Dean of the Pratt School of Engineering at Duke University from 1999 to 2007. Previously, she served as a professor in the Electrical and Computer Engineering Department, University of Colorado and as director of the National Science Foundation Engineering Research Center for Optoelectronics Computing Systems at the University of Colorado, Boulder. Dr. Johnson recently rejoined the board of directors of AES Corporation where she had previously served from 2004 until 2009. She also served on the boards of directors of Nortel Networks from 2006 until 2009 and Minerals Technologies from 2000 until 2009. Dr. Johnson was a Fulbright Faculty Scholar in the Department of Electrical Engineering at the University of Edinburgh, Scotland and a NATO Post-Doctoral Fellow at Trinity College, Dublin, Ireland. Dr. Johnson received B.S., M.S. and Ph.D. degrees in electrical engineering from Stanford University. Among other qualifications, Dr. Johnson brings our Board expertise in science, technology, business, education and government as well as leadership experience as Provost and Dean of nationally recognized academic institutions. In addition, Dr. Johnson s service on other public company boards contributes to her knowledge of public company matters, including executive compensation and legal affairs.

Ernest Mario, Ph.D.
Age 72
Director since 2001

Ernest Mario has been a director of Boston Scientific since 2001. Since August 2007, Dr. Mario has served as the Chairman and Chief Executive Officer of Capnia, Inc., a privately-held pharmaceutical company. From April 2003 to August 2007, Dr. Mario was Chairman of Reliant Pharmaceuticals and also served as its Chief Executive Officer from 2003 to 2006. Prior to joining Reliant, he was the Chairman and Chief Executive Officer of IntraBiotics Pharmaceuticals, Inc., a biopharmaceutical company, and its predecessor, Apothogen, Inc. from January 2002 to April 2003. From 1993 to 1997, Dr. Mario served as Chairman and Chief Executive Officer of ALZA Corporation, a research based pharmaceutical company with leading drug delivery technologies, and Co-Chairman and Chief Executive Officer from 1997 to 2001. Prior to joining ALZA, Dr. Mario served as the Chief Executive Officer of Glaxo Holdings plc from 1989 to 1993 and as Deputy Chairman and Chief Executive from 1992 to March 1993. Dr. Mario presently serves on the boards of directors of Maxygen, Inc., Pharmaceutical Product Development, Inc. and Celgene Corporation. He previously served as a member of the board of directors of Avid Pharmaceuticals, Inc. and was a Trustee of Duke University from 1988 to 2007 and Chairman of the Board of the Duke University Health System which he chaired from its inception in 1996 until he retired in 2007. He is a past Chairman of the American Foundation for Pharmaceutical Education and serves as an advisor to the pharmacy schools at the University of Maryland, the University of Rhode Island and The Ernest Mario School of Pharmacy at Rutgers University. Dr. Mario holds a B.S. in Pharmacy from Rutgers University, and a M.S. and a Ph.D. in Physical Sciences from the University of Rhode Island. He also holds honorary doctorates from Rutgers University and the University of Rhode Island. In 2007, Dr. Mario was awarded the Remington Honor Medal by the American Pharmacists Association, the pharmacy profession s highest honor. Dr. Mario s qualifications to serve our Board include his strong executive leadership experience including his experience as an active CEO. In addition, Dr. Mario has successfully led several pharmaceutical companies over the last several decades. He has extensive experience in financial and operations management, risk oversight, quality and business strategy as a result of this experience as well as his membership on public company boards.

Table of Contents

N.J. Nicholas, Jr.
Age 71
Director since 1994

N.J. Nicholas, Jr. has been a director of Boston Scientific since 1994 and is a private investor. Previously, he served as President of Time, Inc. from September 1986 to May 1990 and Co-Chief Executive Officer of Time Warner, Inc. from May 1990 until February 1992. Mr. Nicholas is a director of Xerox Corporation and Time Warner Cable, Inc. He has served as a member of the President s Advisory Committee for Trade Policy and Negotiations and the President s Commission on Environmental Quality. Mr. Nicholas is a Trustee of the Environmental Defense Fund and a member of the Council of Foreign Relations. He is also a member of the board of directors of the Nicholas Institute at Duke University. Mr. Nicholas received an A.B. degree from Princeton University and an M.B.A. degree from Harvard Business School. He is the brother of Pete M. Nicholas, Chairman of the Board. Mr. N.J. Nicholas qualifications to serve on our Board include his executive experience as President and Co-CEO of Time, Inc. and Time Warner, Inc. He shares his extensive expertise in the areas of business strategy, risk oversight and financial management with our Board which is further complemented by his active participation on several public and private company boards.

Pete M. Nicholas
Age 69
Director since 1979

Pete M. Nicholas, our co-founder, has been Chairman of the Board since 1995. He has been a director since 1979 and served as our Chief Executive Officer from 1979 to March 1999 and Co-Chairman of the Board from 1979 to 1995. Prior to joining Boston Scientific, he was corporate director of marketing and general manager of the Medical Products Division at Millipore Corporation, a medical device company, and served in various sales, marketing and general management positions at Eli Lilly and Company. He is a Trustee Emeritus of Duke University. Mr. Nicholas is a Fellow of the National Academy of Arts and Sciences and Vice Chairman of the Trust for that organization. He also serves on several for profit and not-for-profit boards including CEOs for Fundamental Change in Education and the Boys and Girls Club of Boston. After college, Mr. Nicholas served as an officer in the U.S. Navy, resigning his commission as lieutenant in 1966. Mr. Nicholas received a B.A. degree from Duke University, and an M.B.A. degree from The Wharton School of the University of Pennsylvania. He is the brother of N.J. Nicholas, Jr., one of our directors. Mr. Nicholas is uniquely qualified to serve our Board due to his institutional knowledge of our Company as its co-founder and President. Mr. Nicholas has expertise in the areas of general executive management, business strategy and risk management and oversight, and is an active participant in the medical device community.

Uwe E. Reinhardt, Ph.D.
Age 73
Director since 2002

Uwe E. Reinhardt has been a director of Boston Scientific since 2002. Dr. Reinhardt is the James Madison Professor of Political Economy and Professor of Economics and Public Affairs at Princeton University, where he has taught since 1968. Dr. Reinhardt is a senior associate of the University of Cambridge, England and serves as a Trustee of the Duke University Health System, H&Q Healthcare Investors, H&Q Life Sciences Investors and Hambrecht & Quist Capital Management LLC. He is also the Commissioner of the Kaiser Family Foundation Commission on Medicaid and the Uninsured and a member of the boards of directors of Amerigroup Corporation and Legacy Hospital Partners, Inc. During 2007 through 2009, he served as President of the International Health Economics Association. In October 2009, Dr. Reinhardt was awarded by Germany s President the Bundesverdienstkreuz (German Federal Merit Medal) for his work in international health economics and policy. Dr. Reinhardt received a Bachelor of Commerce degree from the University of Saskatchewan, Canada and a Ph.D. in economics from Yale University. Dr. Reinhardt is a world renowned health care economist and recognized voice in the political economy field. In addition to the insight he provides our Board with respect to his subject matter expertise and matters of policy, he also brings strong financial management expertise to the Board.

John E. Sununu
Age 46
Director since 2009

John E. Sununu has been a director since April 2009. From 2003 to 2009, Senator Sununu served as a U.S. Senator from New Hampshire. He was a member of the Committees on Banking, Commerce, Finance and Foreign Relations, and he was appointed the Congressional Representative to the United Nations General Assembly. Before his election to the Senate, Senator Sununu served three terms as a Member of the U.S. House of Representatives from New Hampshire s 1st District from 1996 to 2002. He was Vice Chairman of the Budget Committee and a member of the Appropriations Committee. During his 12 years in Congress, he drafted and helped pass several important pieces of legislation, including the Internet Tax Freedom Act, the Survivors Benefit Act and the New England Wilderness Act. Prior to serving in Congress, Senator Sununu served as Chief Financial Officer for Teletrol Systems, a manufacturer of building control systems. He serves on the Board of Managers for ConvergEx Holdings LLC and the Board of Directors of Time Warner Cable, Inc. He holds B.S. and M.S. degrees in Mechanical Engineering from the Massachusetts Institute of Technology and an M.B.A. from Harvard Business School. Among other qualifications, Senator Sununu complements our Board with his experience in government and corporate leadership. Senator Sununu provides important insights on government relations, public policy and other matters relevant to our Company due to his extensive experience in both the public and private industry sectors.

OUR BOARD RECOMMENDS THAT YOU VOTE FOR ALL TEN OF THESE NOMINEES FOR DIRECTOR.

Table of Contents

CORPORATE GOVERNANCE

Overview

To guide the operation and direction of the Board and its committees, our Board has established a Corporate Governance Manual. The Corporate Governance Manual consists of our Corporate Governance Guidelines, charters for the standing committees of the Board and our Code of Conduct.

All of our corporate governance materials, including the Corporate Governance Guidelines, our Code of Conduct and standing committee charters, are published under Corporate Governance in the Investor Relations section of our website at *www.bostonscientific.com*. These materials are also available in print free of charge to any stockholder upon request. Any person who wishes to obtain a copy of any of these documents may do so by writing to Boston Scientific Corporation, Investor Relations, One Boston Scientific Place, Natick, MA 01760-1537.

Our Board believes that good corporate governance is fundamental to the overall success of our business. To that end, our Board has adopted particular corporate governance practices for our Company to better align our corporate business strategy with the current conditions in the markets in which we compete, the global economy, and the opinions expressed by recognized corporate governance authorities. Our Board continually reviews our corporate governance practices, Delaware law, the rules and listing standards of the New York Stock Exchange (NYSE), Securities and Exchange Commission (SEC) and Internal Revenue Code regulations, as well as best practices suggested by recognized governance authorities, and modifies our practices as warranted.

Director Independence

Our Corporate Governance Guidelines require that a significant majority of the Board be independent. Our common stock is listed on the NYSE. To be considered independent under NYSE rules, the Board must affirmatively determine that a director does not have a direct or indirect material relationship with the Company. In addition to applying the NYSE criteria the Board applies in making independence determinations, the Board has also established the following categorical standards, which can be found in our Corporate Governance Guidelines, to guide it in determining whether a material relationship exists with the Company that could affect a director s independence:

> *Commercial Relationships.* The following commercial relationships are not considered material relationships that would impair a director s independence: (i) if a director of the Company is an executive officer or an employee of, or an immediate family member of a director is an executive officer of, another company that does business with the Company and the annual sales to, or purchases from, the Company are less than 1% of the annual revenues of such other company, or (ii) if a director of the Company is an executive officer of another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company s indebtedness to the other is less than 2% of the total consolidated assets of the company for which he or she serves as an executive officer.
>
> *Charitable Relationships.* A charitable relationship will not be considered a material relationship that would impair a director s independence if a director, or an immediate family member of the director, serves as an executive officer, director or trustee of a charitable organization, and the Company s discretionary charitable contributions to that charitable organization in any single fiscal year are less than 1% (or $500,000, whichever is less) of that charitable organization s annual consolidated gross revenues.
>
> *Personal Relationships.* The following personal relationship will not be considered to be a material relationship that would impair a director s independence: if a director, or immediate family member of the

director, receives from, or provides to, the Company products or services in the ordinary course and on substantially the same terms as those prevailing at the time for comparable products or services provided to unaffiliated third parties.

For relationships not within the foregoing guidelines, the determination of whether the relationship is material, and therefore whether the director is independent, is made by the directors who satisfy the foregoing independence guidelines. For purposes of these guidelines, immediate family member has the meaning defined in NYSE rules. The Board monitors its compliance with NYSE requirements for director independence on an ongoing basis. In accordance with current NYSE rules and our own categorical standards of independence, the Board has determined that the following non-employee director nominees standing for election at the Annual Meeting are independent and have no direct or indirect material relationship with the Company, except as a director and stockholder: Katharine T. Bartlett, Bruce L. Byrnes, Nelda J. Connors, Kristina M. Johnson, Ernest Mario, Uwe E. Reinhardt and John E. Sununu. The Board also determined that each of John E. Abele, Marye Anne Fox and Ray J. Groves were independent and have no direct or indirect material relationship with the Company.

The Board has determined that (i) J. Raymond Elliott, our President and Chief Executive Officer, is not independent because he is an employee of our Company; (ii) Pete M. Nicholas is not independent because of a transaction between the Company and a limited liability company of which Mr. Nicholas is the sole member; and (iii) N.J. Nicholas, Jr. is not independent because he is the brother of Pete M. Nicholas, whose company was a party to a transaction with the Company. For a discussion of the transaction to which the Company and Pete M. Nicholas are parties, please see the Related Party Transactions section on page 17.

As of March 2, 2011, 10 out of 13 members of the Board are independent, and following our Annual Meeting, if elected, 7 out of 10 members of our Board will be independent.

Director Nomination Process

The Nominating and Governance Committee is responsible for determining the appropriate skills and characteristics required of new Board members in the context of the current make-up of the Board. In so doing, the Nominating and Governance Committee considers, with input from the Board, those factors it deems appropriate, such as independence, experience, strength of character, judgment, technical skills, diversity, age and the extent to which the individual would fill a present need on the Board. The aim is to assemble a Board that is strong in its collective knowledge and that consists of individuals who bring a variety of complementary attributes and who, taken together, have the appropriate skills and experience to oversee the Company s business. The Nominating and Governance Committee considers diversity as one of a number of factors in identifying nominees for director. It does not, however, have a formal policy in this regard. The Nominating and Governance Committee views diversity broadly to include diversity of experience, skills and viewpoint as well as traditional diversity concepts such as race or gender.

The Nominating and Governance Committee believes that all director nominees must, at a minimum, meet the general criteria outlined in our Corporate Governance Guidelines. Generally, directors should be individuals who have succeeded in their particular field and who demonstrate integrity, reliability, knowledge of corporate affairs and an ability to work well with others. Directors should also satisfy at least one of the following criteria:

- demonstrated management ability at senior levels in successful organizations;
- current or recent employment in positions of significant responsibility and decision making;
- expertise in leading rapidly growing multi-national organizations; or
- current and prior experience related to anticipated board and committee responsibilities in other areas of importance to our Company.

The Nominating and Governance Committee receives suggestions for new directors from a number of sources, including Board members and our Chief Executive Officer. It also may, in its discretion, employ a third party search firm to assist in identifying candidates for director.

The Nominating and Governance Committee will also consider recommendations for Board membership received from stockholders and other sources. The qualifications of candidates recommended by stockholders will be reviewed and considered by the Nominating and Governance Committee with the same degree of care and consideration as candidates for nomination to the Board submitted by Board members and our Chief Executive Officer.

The full Board is responsible for final approval of new director candidates, as well as the nomination of existing directors for reelection. With respect to existing directors, prior to making its recommendation to the full Board, the Nominating and Governance Committee, in consultation with the Chairman of the Board, reviews each director s continuation on the Board as a regular part of the annual nominating process.

In December 2010, the Nominating and Governance Committee recommended, and the Board elected, Kristina M. Johnson, to serve as a director on our Board. Dr. Johnson previously served as a member of our Board from April 2006 to May 2009 before accepting an appointment as Under Secretary at the U.S. Department of Energy. In making its recommendation to the Board, the Nominating and Governance Committee considered Dr. Johnson s broad range of expertise in science, technology, business, education and government, as well as her previous experience with the Company.

Under the advance notice provisions of our By-Laws, director nominations and proposals to bring any other business before the 2012 Annual Meeting of Stockholders by our stockholders must be received by our Secretary at our principal executive offices on or before November 29, 2011. Director nominations by our stockholders must also satisfy the other procedures set forth in the advance notice provisions of our By-Laws. Please address your director recommendation or nomination to our Secretary at Boston Scientific Corporation, One Boston Scientific Place, Natick, MA 01760-1537.

Code of Conduct

We maintain a Code of Conduct, which has been approved by our Board, to ensure that our constituents understand the basic principles that govern our corporate conduct. The Code of Conduct applies to all of our directors, employees and officers, including our Chief Executive Officer and Chief Financial Officer, and is available on our website at *www.bostonscientific.com*. A stockholder may request a copy of the Code of Conduct by contacting our Secretary at Boston Scientific Corporation, One Boston Scientific Place, Natick, MA 01760-1537. Any waivers or substantive amendments of the Code of Conduct will be disclosed on our website.

Chief Executive Officer Succession

The Nominating and Governance Committee has the responsibility to identify successors to the Chief Executive Officer and reviews and assesses succession programs and development plans for the Chief Executive Officer. Additionally, in connection with the Nominating and Governance Committee s oversight of the annual assessment of the performance of the Chief Executive Officer, one of the criteria on which the Nominating and Governance Committee bases its review is the adequacy and effectiveness of the Company s succession plan for the Chief Executive Officer.

Board Leadership Structure

Our Corporate Governance Guidelines currently require that the offices of Chief Executive Officer and Chairperson of the Board will be held by separate individuals, and that the Chairperson of the Board will not be an executive of the Company. Our Chairman of the Board is Pete M. Nicholas, our co-founder and former Chief Executive Officer. Our President and Chief Executive Officer is J. Raymond Elliott. The Board recognizes that its Chairman is currently a non-independent director and the independent directors of the Company meet separately in executive session frequently. The chairperson of the Nominating and Governance Committee presides at these executive sessions, and in his absence, the chairperson of the Audit Committee presides, and in his absence, the chairperson of the Executive

Compensation and Human Resources Committee (the Compensation Committee) presides.

Our Board believes that the separation of the critical roles of Chief Executive Officer and Chairperson of the Board best serves our Company at this time because it allows Mr. Elliott to focus on his role as Chief Executive Officer and providing leadership over our day-to-day operations, while Mr. Nicholas focuses on leadership of the Board. This structure also provides the Board and management the benefit of Mr. Nicholas history as co-founder of our Company and his active participation in our industry. We believe that this leadership structure enhances the accountability of the Chief Executive Officer to the Board and strengthens the Board s overall independence from management and its ability to oversee our enterprise-wide approach to risk management.

Risk Oversight

Our Board oversees an enterprise-wide approach to risk management, designed to support the achievement of our strategic and organizational objectives, to improve long-term organizational performance and enhance stockholder value. A fundamental part of risk oversight is to understand the individual risks our Company faces, the steps management is taking to manage those risks, including the framework used by management for the coordinated oversight, control, and continuous improvement of processes used to manage risk, and to assess management s appetite for risk. It is management s responsibility to manage risk and bring to the Board s attention material risks facing our Company. Our Board receives regular reports from management on matters relating to strategic and operational initiatives, financial performance and legal developments which are each integrated with enterprise-risk exposures. Our Board also approves our CEO s performance goals for each year. In doing so, the Board has an opportunity to ensure that the CEO s goals include responsibility for broad risk management. The involvement of the full Board in setting our strategic plan is a key part of its assessment of the risks inherent in our corporate strategy.

While the Board has the ultimate responsibility for risk oversight, each committee of the Board also has responsibility for risk oversight. For example, the Audit Committee focuses on financial risk, including internal controls, legal and regulatory risks, as well as compliance risks of a financial nature related to federal healthcare programs and healthcare providers, and receives an annual risk assessment report from our internal auditors. The Finance Committee focuses on risks associated with our strategic initiatives, current and potential investments, as well as cash, debt and equity management and our ongoing ability to access capital markets. In addition, the Finance Committee elevates certain risks identified by it to the Audit Committee. The Compliance and Quality Committee assists the Board in fulfilling its oversight responsibility with respect to compliance risks of a non-financial nature related to federal healthcare programs and healthcare providers, and regulatory, quality and product safety issues that affect us, and works closely with our legal, compliance and quality groups. The Compliance and Quality Committee and the Audit Committee also together annually receive a risk assessment from our global compliance group. Moreover, the Compensation Committee evaluates and sets compensation programs that encourage decision making predicated upon a level of risk consistent with our business strategy. The Compensation Committee also reviews compensation and benefit plans affecting employees in addition to those applicable to executive officers. Finally, the Nominating and Governance Committee oversees governance and succession risk, including Board and CEO succession and evaluates director skills and qualifications to ensure the appropriate appointment of particular directors to our standing committees based upon the needs of that committee. Each committee makes reports regarding risk oversight in its respective area of responsibility to the Board at the next regularly scheduled Board meeting immediately following the committee meeting.

Communications With the Board

Stockholders and other interested parties who wish to communicate directly with any member of our Board, or our non-management directors as a group, may do so by writing to the Board of Directors, Boston Scientific Corporation, c/o General Counsel, One Boston Scientific Place, Natick, MA 01760-1537 or by contacting the non-management directors via email at non-managementdirectors@bsci.com. In addition, stockholders and other interested parties may contact the chairperson of each committee at the following email addresses: AuditCommittee@bsci.com, FinanceCommittee@bsci.com, NominatingandGovernanceCommittee@bsci.com, QualityCommittee@bsci.com, and CompensationCommittee@bsci.com. The Board has authorized the office of our General Counsel to review and organize, but not screen, communications from stockholders and/or interested parties and deliver them to the Board.

We do screen commercial solicitations to the Board for appropriateness.

Board Service Limitation

Without the approval of the Nominating and Governance Committee, no director may sit on more than four public company boards (including our Board) and the CEO may not sit on more than one public company board (in addition to our Board). None of our current Board members exceeds these limitations.

Related Party Transactions

Our Board has adopted a written related party transaction policy to monitor transactions, arrangements or relationships in which the Company and any of the following have an interest: (a) any person who is or was (since the beginning of fiscal year 2010, even if they do not presently serve in that role) an executive officer or director or director nominee; (b) any person who is a director emeritus; (c) any person or entity who holds more than a 5% beneficial ownership of our common stock; (d) any immediate family member of any of the foregoing; or (e) any entity in which any of the foregoing persons is employed or is a general partner or principal or acts in any similar position in which such person or persons collectively have a 10% or greater beneficial ownership interest. The policy covers any related party transaction that meets the minimum threshold for disclosure under the relevant SEC rules (generally, transactions involving amounts exceeding $120,000 in which a related person has a direct or indirect material interest).

Prior to March 1, 2011, related party transaction oversight responsibilities were assigned to the Audit Committee. As of March 1, 2011, this oversight is the responsibility of our Nominating and Governance Committee. Our General Counsel is responsible for identifying any potential related party transactions and, if he determines that an existing or proposed transaction constitutes a related party transaction under the policy, he will provide relevant details and an analysis of the related party transaction to the Nominating and Governance Committee. The General Counsel provides an annual summary to the Nominating and Governance Committee of all transactions or relationships which he considered under this policy, including those that he determined do not constitute a related party transaction. If the General Counsel has an interest in a potential related party transaction, he will provide all relevant information to our Chief Executive Officer or his designee, who will review with counsel to determine whether the proposed transaction is a related party transaction. The Chief Executive Officer or his designee will present the information to the Nominating and Governance Committee that would otherwise be provided by the General Counsel. The Nominating and Governance Committee reviews relevant information concerning any existing or proposed transaction contemplated by the Company with an entity that is the subject of a disclosed relationship, and approves or rejects the transaction, with or without conditions or additional protections for the Company. Our related party transactions policy can be found in our Corporate Governance Guidelines posted on our website at *www.bostonscientific.com*.

Certain transactions:

In 2010, we entered into a series of transactions with Sabrina Hanscom LLC, a limited liability company of which Pete M. Nicholas, our Chairman of the Board, is the sole member. The transactions consisted of (i) the Company s purchase of an aircraft hangar facility and associated personal property from Sabrina Hanscom LLC for approximately $4,650,000, (ii) Sabrina Hanscom LLC s entering into a one-year lease to rent from us a portion of the hangar facility for approximately $19,800 per month (totaling approximately $239,000 for the term of the lease), and (iii) the Company s payment to Sabrina Hanscom LLC of retroactive rent for its use of the facility from March 2002 through May 2010 in the aggregate amount of approximately $1,374,000. The purchase price paid by us for the aircraft hangar facility and associated personal property was determined (using independent appraisers) to be below fair market value, and the future and retroactive rental payments were determined (using independent appraisers) to be set at fair market value. Having determined that such transactions, taken as a whole, are provided on terms at least as or more favorable to the Company than the terms generally available to an unaffiliated third party under the same or similar circumstances, the Audit Committee approved this relationship under our written related party transactions policy in

May 2010.

In addition, several of our directors are affiliated with Duke University. Ernest Mario was Chairman of the Board of the Duke University Health System until July 2007. Pete M. Nicholas received his B.A. degree from Duke University and is Chairman Emeritus of the Board of Trustees of Duke University. Uwe E. Reinhardt is a Trustee of the Duke University Health System and was a Trustee of Duke University. Katharine T. Bartlett is the A. Kenneth Pye Professor at the Duke University School of Law. Kristina M. Johnson was the Dean of the Pratt School of Engineering at Duke University until September 2007. In addition to our relationship with Duke University, the Board is aware of our relationship with Princeton University (at which Uwe E. Reinhardt is a professor) and the University of California at San Diego (at which Marye Anne Fox is Chancellor). We also conduct business in the ordinary course with the medical centers and other healthcare facilities associated with Duke University, Princeton University and the University of California at San Diego. In each case, these relationships fall below our categorical standards for commercial relationships in accordance with our Corporate Governance Guidelines, were established in the ordinary course of business on an arms-length basis and are not material to us, those individuals or those organizations.

Table of Contents

MEETINGS AND BOARD COMMITTEES

Board Meetings

The Board met eleven times in fiscal year 2010. Each incumbent director attended at least 75% of the aggregate of the meetings of the Board and of the committees on which he or she served.

Executive Sessions

Our independent directors meet in executive sessions without management directors at most of our regularly scheduled Board meetings and at such other times as they deem appropriate but, in any event, at least once annually. The chairperson of the Nominating and Governance Committee presides at executive sessions of non-management directors, and in his or her absence, the chairperson of the Audit Committee will preside, and in his or her absence, the chairperson of the Compensation Committee will preside.

Director Attendance at Board, Board Committee and Annual Meetings

Directors are expected to prepare for and use reasonable efforts to participate in all Board meetings and meetings of the committees on which they serve. The Board and each committee will meet as frequently as necessary to properly discharge their responsibilities, provided that the full Board will meet at least four times per year. Generally, the Board meets in February, May, July, October and December. In addition, directors are expected to use reasonable efforts to attend Annual Meetings of Stockholders. At our 2010 Annual Meeting, 13 out of 14 of our directors were in attendance.

Board of Directors and Committees of the Board

Our Board has standing Audit, Compensation, Nominating and Governance, Finance, and Compliance and Quality Committees. Our Board also establishes special committees from time to time to address specific issues or discrete matters as the need or the desire of the Board arises. The charters of the current standing committees of the Board are available on our website at *www.bostonscientific.com*.

Committee Independence

All of the members of the Audit Committee, Compensation Committee, Nominating and Governance Committee and Compliance and Quality Committee are independent directors under the independence requirements of the NYSE and the SEC and under our categorical standards of independence. A majority of the members of the Finance Committee are independent directors.

BOARD COMMITTEE MEMBERSHIP
As of March 1, 2011

Name	Audit Committee	Executive Compensation and Human Resources Committee	Nominating and Governance Committee	Finance Committee	Compliance and Quality Committee
John E. Abele(1)				*	
Katharine T. Bartlett		*			
Bruce L. Byrnes	*		+		
Nelda J. Connors				*	*
J. Raymond Elliott				*	
Marye Anne Fox(1)				*	
Ray J. Groves(1)		*	*		
Kristina M. Johnson		*			
Ernest Mario	*	+			
N.J. Nicholas, Jr.				+	
Pete M. Nicholas					
Uwe E. Reinhardt	+				*
John E. Sununu			*		+

* Committee Member

\+ Committee Chair

(1) Messrs. Abele and Groves and Dr. Fox will retire from our Board, effective at the conclusion of the Annual Meeting on May 10, 2011. At the request of the Board, Mr. Abele has agreed to serve as director emeritus following the Annual Meeting.

Audit Committee

Our Audit Committee met 13 times during fiscal year 2010. The Board has determined that our Audit Committee is comprised exclusively of non-employee directors, all of whom meet the independence requirements of the NYSE and the SEC. The Board has also determined that each of Bruce L. Byrnes, Ernest Mario and Uwe E. Reinhardt is an audit committee financial expert as that term is defined in the rules and regulations of the SEC.

The Audit Committee is governed by a written charter approved by our Board, which is subject to review on an annual basis. As outlined in its written charter (which is available on our website at *www.bostonscientific.com*), the primary purpose of the Audit Committee is to provide oversight to our accounting and financial reporting processes and audits of our financial statements. The Audit Committee primarily provides assistance to our Board in the areas of corporate accounting, internal control, independent audit and reporting practices, and maintains, by way of regularly scheduled meetings, a direct line of communication among our directors, management, our internal auditors and our independent registered public accounting firm. The Audit Committee appoints our independent registered public accounting firm, evaluates its qualifications, independence and performance, and reviews its reports and other services. In addition, the

Audit Committee pre-approves audit, audit-related and non-audit services performed for us by our independent registered public accounting firm and has the right to terminate our independent registered public accounting firm. It is also responsible for monitoring our adherence to established legal and regulatory requirements, and corporate policies. Finally, the Audit Committee shares oversight responsibilities over global compliance programs and practices with the Compliance and Quality Committee in that the Audit Committee has sole oversight over matters of financial compliance and the Compliance and Quality Committee has primary oversight responsibilities as to all other areas of compliance. The Audit Committee Report can be found on page 108 of this Proxy Statement.

Table of Contents

Executive Compensation and Human Resources Committee

Our Compensation Committee met nine times during fiscal year 2010. The Compensation Committee is, and has been during 2010, comprised exclusively of independent directors, as defined by the NYSE, non-employee directors within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 and outside directors within the meaning of Section 162(m) of the Internal Revenue Code (the Code). In May 2010, Ernest Mario was appointed Chair of the Compensation Committee replacing John E. Pepper who retired from our Board in May 2010. Effective January 2011, Kristina M. Johnson was appointed to the Compensation Committee upon her election to the Board.

As outlined in its written charter (which is available on our website at *www.bostonscientific.com*), the Compensation Committee has the authority, among other things, to:

- determine and approve (and make recommendations to the Board regarding) our CEO s compensation, based on the performance evaluation by and recommendations of the Chairman of the Board and the Nominating and Governance Committee;
- review, oversee and determine the total compensation package for our other executive officers;
- review and make recommendations to the Board regarding employment, consulting, retirement, severance and change in control agreements, indemnification agreements and other arrangements proposed for our executive officers, including conducting a periodic review to evaluate these arrangements for continuing appropriateness;
- review and make recommendations to the Board regarding the compensation of our non-employee directors;
- adopt and periodically review a comprehensive statement of executive compensation philosophy, strategy and principles; and
- discuss how the Company s compensation policies and programs for all of its employees may create incentives that can affect risk and the management of that risk, as well as whether the Company s compensation programs are appropriately aligned with the Company s risk management.

The Compensation Committee may delegate its authority and duties to subcommittees or individual members of the Compensation Committee, as it deems appropriate in accordance with applicable laws and regulations. The Compensation Committee has delegated authority to our CEO to make equity grants to new hires who are not executive officers within predetermined guidelines. These grants are reviewed by the Compensation Committee at its next regularly scheduled meeting. Our CEO makes recommendations to the Compensation Committee regarding the amount and form of compensation of our executives (other than himself), based upon their performance for the year and their achievement of the goals set at the beginning of the year. The Chairman of the Board and the Nominating and Governance Committee make recommendations to the Compensation Committee regarding the amount and form of CEO compensation, based upon his performance for the year and his achievement of the goals set for him at the beginning of the year. The Compensation Committee then approves the amount and form of CEO compensation in consideration of this recommendation. On an annual basis, the Compensation Committee considers, based on input and data from its independent compensation consultant, whether director compensation is competitive and meets our needs to attract and retain qualified and seasoned candidates for director. The Compensation Committee then makes a recommendation regarding director compensation for approval by the full Board.

The Compensation Committee may also retain compensation consultants to assist it in evaluating executive compensation and may retain counsel, accountants or other advisors, as it deems appropriate, at the Company s expense. The Compensation Committee had engaged Towers Watson as its independent compensation consultant in 2009, which engagement ended in May 2010. In July 2010, the Compensation Committee engaged the independent compensation consulting services of Frederic W. Cook & Co., Inc. (Cook & Co.) to provide advisory services, including a market perspective on executive and director compensation matters.

During 2010, Towers Watson and Cook & Co. provided the following compensation services to the Compensation Committee:

- reviewed and recommended the peer group of companies used in evaluating executive and director compensation;
- provided information and commentary on executive and director compensation trends;
- collected and analyzed market data on director and executive compensation;
- reviewed and provided recommendations on our director compensation arrangements in comparison to market;
- reviewed and provided commentary on our executive compensation arrangements in comparison to market; and
- reviewed and provided commentary on developments regarding proxy disclosures and management proposals concerning executive pay.

Towers Watson attended Compensation Committee meetings through May 2010. Cook & Co. attended Compensation Committee meetings beginning in July 2010. Additional details regarding the services of Cook & Co. are contained in our Compensation Discussion & Analysis beginning on page 32.

After the completion of Towers Watson s engagement as compensation consultant to the Compensation Committee in May 2010, management engaged Towers Watson to provide additional consulting services to the Company which were not approved by the Compensation Committee or the Board. Those services, for which the Company paid $248,001 in fees, related to various broad-based domestic benefit plans. Towers Watson s fees for its compensation consulting services provided to the Compensation Committee in 2010 were $53,769.

In 2010, Cook & Co. and its affiliates did not provide additional services to the Company. In accordance with its annual review, the Compensation Committee will evaluate the relationship and the engagement of Cook & Co. in July 2010.

The Compensation Committee Report can be found on page 62 of this Proxy Statement.

Nominating and Governance Committee

The Nominating and Governance Committee met five times during fiscal year 2010. The Nominating and Governance Committee is comprised exclusively of non-employee directors, all of whom meet the independence requirements of the NYSE and the SEC. During 2010, Bruce L. Byrnes was appointed Chair of the Nominating and Governance Committee.

As outlined in its written charter (which is available on our website at *www.bostonscientific.com*), the Nominating and Governance Committee has responsibility for recommending nominees for election and re-election to the Board, ensuring that Board nominees are qualified and consistent with our needs, monitoring significant developments in the law and practice of corporate governance for directors of public companies, recommending Board committee assignments, reviewing and recommending Board policies and procedures, monitoring compliance with our stock ownership guidelines and our related transactions, board service and political contributions policies, and overseeing the Board and each committee of the Board in their annual performance self-evaluations. In addition, the Nominating and Governance Committee is responsible for recommending to the Board candidates for Chief Executive Officer, overseeing the annual assessment of the performance of the Chief Executive Officer and developing an ongoing succession plan for the Chief Executive Officer.

The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the current size, structure and composition of the Board as a whole, and whether we are being well served by the directors taking into account the following: the directors degree of independence; business background, including any areas of particular expertise, such as accounting or related financial management expertise, marketing or technology; record of service (for incumbent directors), including attendance record;

meeting preparation; overall contribution to the Board; employment status; gender; ethnicity; age; availability for service to us; and our anticipated needs.

Finance Committee

The Finance Committee met five times during fiscal year 2010. This Committee also met twice jointly with the entire Board. The primary role of the Finance Committee is to provide a forum within the Board to review our overall financing plans and long-term strategic objectives, as well as our shorter-term acquisition and investment strategies and how these shorter-term activities fit within our overall business objectives. As outlined in its written charter, the Finance Committee is charged with providing Board oversight of our strategic planning and activities, approving strategic transactions for which the Board has delegated authority, making recommendations to the Board regarding larger transactions, and evaluating our financial strategies and policies. The Finance Committee has responsibility to review periodically with management our strategic business objectives and the manner in which transactional activity can contribute to the achievement of those objectives, and to review with management on a regular basis contemplated strategic opportunities. The Finance Committee conducts periodic reviews of completed transactions for the purposes of assessing the degree of success achieved, testing the extent to which the projections and other assumptions relied upon in approving transactions have been borne out, identifying the factors differentiating more successful transactions from less successful ones and evaluating the strategic contributions resulting from these transactions. The Finance Committee is further charged with conducting periodic reviews of our cash investments and cash management policies, debt ratings and global financing objectives and strategies, including the review and approval of certain borrowing arrangements, capital expenditures and dispositions, and activities that may impact our capital structure.

Compliance and Quality Committee

The Compliance and Quality Committee met four times during fiscal year 2010. The primary role of the Compliance and Quality Committee is to oversee and evaluate our global compliance programs and practices and our quality compliance, quality assurance systems and initiatives. The Compliance and Quality Committee s role includes oversight of matters related to compliance with federal health care program requirements and other compliance obligations, the systems in place to maintain, and identify deviations from, our quality compliance and control standards, and our efforts to meet or exceed our compliance and quality assurance standards. The Compliance and Quality Committee reviews and discusses with senior management the adequacy and effectiveness of our global compliance program, including monitoring, audits and investigations, and third-party reviews required under an agreement with the Department of Health and Human Services, and our compliance and quality assurance systems and initiatives. The Compliance and Quality Committee reviews periodic reports regarding any deviations from our standards and practices. The Compliance and Quality Committee also reviews correspondence from any external quality assurance inspectors, such as the FDA, or global compliance monitors, such as the Office of Inspector General of the Department of Health and Human Services, and discusses with senior management our responses to those communications. In addition, the Compliance and Quality Committee monitors, with senior management, training and education programs for our employees. The Compliance and Quality Committee s oversight responsibilities over global compliance programs and practices are shared with the Audit Committee in that the Audit Committee has sole oversight over matters of financial compliance and the Compliance and Quality Committee has primary oversight responsibilities as to all other areas of compliance. The Compliance and Quality Committee recommends to the Board any actions it deems necessary or appropriate to improve the effectiveness of our global compliance and quality control systems and initiatives.

Compensation Committee Interlocks and Insider Participation

The members of our Compensation Committee during 2010 were Katharine T. Bartlett, Ray J. Groves, Ernest Mario, John E. Pepper (who retired from our Board in May 2010) and Warren B. Rudman (who retired from our Board in May 2010). None of these Compensation Committee members is or has ever been an officer or employee of our Company. To our knowledge, there were no other relationships involving members of the Compensation Committee which require disclosure in this section under SEC rules as a Compensation Committee interlock.

DIRECTOR COMPENSATION

The Executive Compensation and Human Resources Committee (the Compensation Committee) evaluates the appropriate level and form of compensation for non-employee directors at least annually and recommends changes to our Board of Directors (our Board) when appropriate. Non-employee directors receive a combination of cash and equity incentive compensation for their service on our Board. To determine the appropriate level of compensation for 2010, the Compensation Committee relied on the consulting services of Towers Watson through May 2010 and Frederic W. Cook & Co., Inc. beginning July 2010, as well as publicly available data describing director compensation in peer companies. The Compensation Committee also takes into consideration the significant amount of time and dedication required by our directors to fulfill their duties on our Board and Board committees as well as the need to continue to attract highly qualified candidates to serve on our Board. The Compensation Committee did not recommend any changes to director compensation for 2010. Our director compensation is as follows:

Non-Employee Directors. We compensate our non-employee directors (other than the Chairman of the Board) as follows:

- an annual cash retainer of $75,000;
- an annual grant of restricted stock units, the number of which is determined by dividing $125,000 by the closing price of our common stock on the date of grant; and
- an annual cash fee of $20,000 for the chair of each of our Board committees.

We grant restricted stock awards to our non-employee directors at no charge, but they are subject to forfeiture restrictions. The shares become free from restriction upon the expiration of each non-employee director s current term of office and are subject to the terms and conditions of our long-term incentive plans. The annual restricted stock awards are generally made on the date of each Annual Meeting, but if a non-employee director is elected to the Board on a date other than the Annual Meeting, a restricted stock award is made on the date the director is first elected to the Board.

Employee Directors. Directors who are also employees of the Company receive no additional compensation for serving on the Board or its committees.

Chairman of the Board. Our Chairman of the Board receives an annual cash retainer of $210,000 and an annual grant of restricted stock units, the number of which is determined by dividing $125,000 by the closing market price of our common stock on the date of grant.

Other Payments. In addition, we pay or reimburse our directors for transportation, hotel, meals and other incidental expenses incurred in connection with their performance of services for us, including attending Board and committee meetings and participating in director education programs. Our corporate aircraft is made available to our directors for travel to and from our Board meetings. We also extend directors and officers indemnity insurance coverage to each of our non-employee directors.

Non-Employee Director Deferred Compensation Plan. Non-employee directors may, by written election, defer receipt of all or a portion of the annual cash retainer, committee chair fees and the restricted stock award under our Non-Employee Director Deferred Compensation Plan until a date specified at the time of election or when he or she no longer serves our Board. Cash amounts deferred can be invested in common stock equivalents or another investment option in which we credit the amount deferred plus accrued interest (compounded annually based upon the

Moody s Composite Yield on Seasoned Corporate Bonds as reported for the month of September of each calendar year). Cash amounts deferred are payable only after a director s termination of Board service or on a Fixed Date Payout as defined in the plan, and may be paid either as a lump sum or in installments as specified by the director at the time of election. Restricted stock is issued to the director under the Non-Employee Director Deferred Compensation Plan after a director s termination of Board service.

Director Stock Ownership Guidelines. Our directors also are required to hold a significant personal investment in the Company through their ownership of shares of our common stock. Our director stock

Table of Contents

ownership guidelines provide that each director should own at least 25,000 shares of our common stock within three years of his or her joining the Board. For purposes of satisfying this obligation, restricted stock, stock equivalent units or restricted stock unit deferrals under our Non-Employee Director Deferred Compensation Plan may be included in the aggregate number of shares held by a director. All of our directors either currently meet our director stock ownership guidelines or we expect that they will meet the guidelines within three years of becoming a director. The Nominating and Governance Committee monitors compliance with these guidelines on an annual basis.

DIRECTOR COMPENSATION IN FISCAL 2010

The table below summarizes the compensation we paid to our non-employee directors for the fiscal year ended December 31, 2010.

Name(1)	Fees Earned or Paid in Cash ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($)(5)	All Other Compensation ($)(6)	Total ($)
John E. Abele	$ 75,000	$ 125,000	$ 0	$ 0	$ 176,094	$ 376,094
Katharine T. Bartlett(7)	$ 95,000	$ 125,000	$ 0	$ 0	$ 0	$ 220,000
Bruce L. Byrnes	$ 75,000	$ 125,000	$ 0	$ 0	$ 0	$ 200,000
Nelda J. Connors	$ 75,000	$ 125,000	$ 0	$ 268	$ 0	$ 200,268
Marye Anne Fox	$ 75,000	$ 125,000	$ 0	$ 515	$ 0	$ 200,515
Ray J. Groves	$ 95,000	$ 125,000	$ 0	$ 0	$ 0	$ 220,000
Ernest Mario	$ 95,000	$ 125,000	$ 0	$ 0	$ 0	$ 220,000
N.J. Nicholas, Jr.	$ 95,000	$ 125,000	$ 0	$ 0	$ 0	$ 220,000
Pete M. Nicholas	$ 210,000	$ 125,000	$ 0	$ 0	$ 298,650	$ 633,650
John E. Pepper(8)	$ 34,451	$ 0	$ 0	$ 20	$ 0	$ 34,471
Uwe E. Reinhardt	$ 95,000	$ 125,000	$ 0	$ 0	$ 0	$ 220,000
Warren B. Rudman(9)	$ 27,198	$ 0	$ 0	$ 184	$ 0	$ 27,382
John E. Sununu	$ 87,802	$ 125,000	$ 0	$ 0	$ 0	$ 212,802

(1) Mr. Elliott, a director and our President and Chief Executive Officer, is an employee of the Company and is not included in this table. Mr. Elliott did not receive any compensation for his services as a director in 2010. Mr. Elliott s compensation is discussed in our Compensation Discussion & Analysis beginning on page 32 and in the Summary Compensation Table beginning on page 63.

(2) The following non-employee directors elected to defer all or a portion of their 2010 annual cash retainers in the form of common stock equivalent units in accordance with our Non-Employee Director Deferred Compensation Plan:

Name	2010 Cash Deferred	Common Stock Equivalent Units

Ray J. Groves	$ 95,000	13,967
John E. Pepper	$ 34,451	4,167

In addition, Ms. Connors and Senator Rudman elected to defer $75,000 and $27,198, respectively, of their 2010 cash retainer under the interest crediting investment option provided under the Non-Employee Director Deferred Compensation Plan.

(3) Under our director compensation program, each non-employee director was granted a restricted stock award on the date of election or re-election to the Board. Each director elected at our Annual Meeting of Stockholders on May 11, 2010 was granted a restricted stock award in the amount of $125,000, or 18,997 shares. The restricted stock awards vest upon the expiration of each director s current term of office.

Table of Contents

The aggregate total number of outstanding unvested restricted stock awards at December 31, 2010, all of which will vest on the day of our Annual Meeting in May 2011, is shown below:

Name	Grant Date	Number of Shares	Grant Date Fair Value	Vesting Date
John E. Abele	May 11, 2010	18,997	$ 125,000	May 10, 2011
Katharine T. Bartlett	May 11, 2010	18,997	$ 125,000	May 10, 2011
Bruce L. Byrnes	May 11, 2010	18,997	$ 125,000	May 10, 2011
Nelda J. Connors	May 11, 2010	18,997	$ 125,000	May 10, 2011
Marye Anne Fox	May 11, 2010	18,997	$ 125,000	May 10, 2011
Ray J. Groves	May 11, 2010	18,997	$ 125,000	May 10, 2011
Ernest Mario	May 11, 2010	18,997	$ 125,000	May 10, 2011
N.J. Nicholas, Jr.	May 11, 2010	18,997	$ 125,000	May 10, 2011
Pete M. Nicholas	May 11, 2010	18,997	$ 125,000	May 10, 2011
Uwe E. Reinhardt	May 11, 2010	18,997	$ 125,000	May 10, 2011
John E. Sununu	May 11, 2010	18,997	$ 125,000	May 10, 2011
Total		**208,967**		

The following directors deferred receipt of these shares pursuant to and in accordance with the terms of our Non-Employee Director Deferred Compensation Plan:

Name	Number of Shares
Katharine T. Bartlett	18,997
Nelda J. Connors	18,997
Marye Anne Fox	18,997
Ray J. Groves	18,997
Ernest Mario	18,997

(4) No stock options were granted to non-employee directors in 2010. The aggregate number of outstanding, unexercised stock options, pursuant to stock option awards previously granted, at December 31, 2010, (all of which are fully vested) is shown below:

Name	Outstanding Vested Stock Options
John E. Abele	2,000
Marye Anne Fox	16,000
Ray J. Groves	16,000
Ernest Mario	5,333
N.J. Nicholas, Jr.	9,334
Pete M. Nicholas	73,000

John E. Pepper	8,000
Uwe E. Reinhardt	12,000
Warren B. Rudman	16,000
Total	**157,667**

(5) The amounts in this column represent the above-market portion of 2010 earnings under the interest crediting investment option available under the Non-Employee Director Deferred Compensation Plan. The interest rate used under the plan each year is the Moody s Composite Yield on Seasoned Corporate Bonds for the month of September of the preceding year. For 2010, the interest rate used under the plan was 5.61%, the Moody s rate in September 2009. Interest on non-qualified deferred compensation is considered above-market if the interest rate exceeds 120% of the federal long-term rate, with compounding at the rate that corresponds most closely to the rate under the plan, at the time the interest rate or formula is set. For 2010, the applicable federal long-term interest rate was 4.38%.

Table of Contents

(6) The amounts reflected in this column include all other compensation earned by the following directors in fiscal year 2010:

Name	Annual Founder s Benefits[(a)]	Medical Benefits[(a)]	Long Term Care[(a)]	Executive Life Insurance[(b)]	Other Perquisites	Total
Pete M. Nicholas	$ 225,000	$ 12,779	$ 16,517	$ 4,544	$ 39,810[(c)]	$ 298,650
John E. Abele	$ 150,000	$ 12,779	$ 11,150	$ 2,165	$ 0	$ 176,094

(a) The amounts included in these columns reflect 2010 payments due to each of our founders following their retirement as employees in May 2005 as explained in the paragraph below these footnotes.

(b) The amounts in this column represent the amount paid to Messrs. Nicholas and Abele in 2010 to cover tax-related obligations with respect to Executive Life Insurance in lieu of the Company-paid life insurance. As the premiums have already been paid in full, these amounts solely reflect the tax gross-up amounts to cover tax obligations.

(c) This amount represents transportation services for Mr. Nicholas.

(7) Ms. Bartlett is the chair of a special committee of our Board.

(8) Mr. Pepper retired from our Board on May 11, 2010.

(9) Senator Rudman retired from our Board on May 11, 2010.

In May 2005, Pete M. Nicholas, our co-founder and Chairman of the Board, and John Abele, our co-founder and member of our Board, retired as employees of Boston Scientific. In connection with their retirement, the Board approved the following arrangements for Messrs. Nicholas and Abele in May 2005:

Mr. Nicholas receives an annual payment of $225,000 for life, and medical coverage under our benefit policies for as long as he remains a director or director emeritus. We continue to fund his existing long-term care insurance and executive life insurance. Mr. Nicholas continues to have the use of an office at our Natick headquarters or other Boston Scientific facilities and secretarial and administrative support, on an as-needed basis.

Mr. Abele receives an annual payment of $150,000 for life, and medical coverage under our benefit policies for as long as he remains a director or director emeritus. We continue to fund his existing long-term care insurance and executive life insurance. Mr. Abele continues to have the use of an office at our Natick headquarters or other Boston Scientific facilities and secretarial and administrative support, on an as-needed basis.

Mr. Nicholas continues to serve on our Board of Directors and will receive the Chairman of the Board compensation as described above. Mr. Abele served on our Board of Directors in 2010 and will become a director emeritus following the Annual Meeting.

Table of Contents

PROPOSAL 2: ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding advisory basis, the compensation of our named executive officers as disclosed in this proxy statement in accordance with the compensation disclosure rules of the SEC.

As described in our Compensation Discussion & Analysis, our overarching executive compensation philosophy is to provide our executives with appropriate and competitive individual pay opportunities with actual pay outcomes heavily influenced primarily by the attainment of Company performance objectives and secondarily by the attainment of individual performance objectives (in other words, pay for performance) within an executive compensation structure that encourages prudent decisions with respect to both taking appropriate risks to improve our performance and avoiding unnecessary and excessive risk that may harm our Company.

Recent Changes to Our Executive Compensation Program Design. In order to execute our executive compensation philosophy, in 2009 our Compensation Committee made several adjustments to elements of our compensation program for 2009 and 2010 to emphasize pay for performance and more closely align our executive compensation with our business objectives, the long-term interests of our stockholders and the competitive market, including:

- Aligning philosophical positioning of the primary elements of total direct compensation (salary and short-and long-term incentive awards) to market median.

- Lessening the portion of total direct compensation consisting of short-term incentive awards and increasing the portion consisting of long-term equity incentive awards.

- Adding a relative total stockholder return (TSR) measure to our long-term equity incentive awards.

- Changing the targeted mix of our long-term equity incentive awards with the inclusion of 25% market-based deferred stock units (Company performance-based DSUs), 50% stock options, and 25% service-based deferred stock units (service-based DSUs).

- Changing our performance incentive plan (PIP) to: (i) measure and fund targets solely on annual results, (ii) increase the weight of business unit adjusted net sales and adjusted operating income results and replace adjusted earnings per share with measures related to business unit cash flow components, and (iii) adjust our funding tables to increase the threshold performance expectation, reduce funding at threshold performance and incent performance above goal on the adjusted net sales measures.

- Changing our PIP payout methodology to place an increased emphasis on team performance (75%) over individual performance (25%).

Pay for Performance. As part of the redesign of elements of our executive compensation program in 2010, we placed a significant portion of our executives target total direct compensation at risk in the form of equity and other performance based-awards in order to more closely align executive compensation with the competitive market and the long-term interests of our stockholders.

For 2010, we increased the weighting on long-term performance by reducing targeted short-term annual incentive awards under our PIP and granting more equity-based incentive awards, the ultimate value of which depends on our long-term performance. Accordingly, for 2010 only 16% of the value of the target total annual direct compensation for our NEOs as a group consisted of fixed compensation in the form of base salary, while variable compensation accounted for the remaining 84% of total direct compensation. Of that 84%, 85% took the form of equity incentive awards consisting of Company performance-based DSUs, stock options and service-based DSUs, which are designed to reward long-term performance, and 15% took the form of short-term incentive awards, which are designed to reward annual performance. For 2010, on average 13% of our executives target total annual direct compensation taking the form of short-term incentive awards is tied to actual Company and individual performance through our PIP funding formulas, and on average, the remaining

Table of Contents

72% of our executives compensation taking the form of equity incentive awards, consisting of Company performance-based DSUs, stock options and service-based DSUs, is tied to actual long-term performance of the Company through stock price appreciation and vesting restrictions. We believe our emphasis on equity-based incentive compensation aligns our executives with appropriate business risk and the long-term interests of our stockholders and provides true **pay for performance** by putting a significant portion of our executives pay at risk and directly linking the realized value of the awards to the Company s stock price and performance relative to our peers.

Executive Compensation Best Practices. In order to execute our executive compensation philosophy, we recognize that a strong compensation framework is also required. Accordingly, in 2009 the Compensation Committee made several adjustments to our compensation framework for 2009 and 2010 to emphasize pay for performance objectives, mitigate against compensation risk and build upon our existing foundation of best practices, including:

Eliminating tax gross-ups other than for relocation expenses.

Replacing our retention agreements with limited term change in control agreements that eliminate single-trigger equity acceleration and impose a double-trigger equity acceleration in connection with a change in control under certain circumstances.

Providing that when an executive s employment terminates due to disability or retirement prior to the first anniversary of an annual equity award grant date, the unvested portion of that equity award will immediately lapse and be forfeited.

Maintaining a Stock Trading Policy that prohibits executives from speculating in the Company s securities, engaging in transactions designed to hedge the value of Boston Scientific common stock and pledging their common stock as collateral for a loan.

Maintaining stock ownership guidelines that require our executives to achieve minimum stock ownership levels in order to align their interests with the long-term interests of our stockholders.

Maintaining a policy to claw back certain amounts of short-term incentive compensation awards paid under our PIP to executives if there is a restatement of our financial results that would have reduced the size of a previously granted award.

Using reimbursement agreements in our global relocation programs that require payback of expenses incurred by us for relocation if the executives terminate their employment with us or their employment is terminated for cause within certain time periods.

Using non-competition, non-solicitation and confidentiality agreements and releases of claims agreements, as applicable, as a condition to our executives receiving certain post-employment termination payments and benefits.

The Compensation Committee using tally sheets, internal pay equity and an analysis of payments and benefits an executive would be entitled to upon various termination of employment scenarios to evaluate whether our executive compensation program aligns with our compensation philosophy, support our compensation and business objectives, and determine the reasonableness of our executives total compensation opportunity.

The Compensation Committee using peer group companies to target executive compensation against our competitive market, which peer group companies are reviewed annually by the Compensation Committee with input from its independent compensation consultants.

The Compensation Committee using compensation consultants that do not provide other services to the Company during their engagements, other than as authorized by the Compensation Committee.

The Compensation Committee annually completing a risk assessment of our compensation policies and programs to determine whether our compensation programs are appropriately aligned with prudent business risk.

Table of Contents

Accordingly, we will ask our stockholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the Company s stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the Company s Proxy Statement for the 2011 Annual Meeting of Stockholders pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion & Analysis, the 2010 Summary Compensation Table and the other related tables and disclosure.

While the vote is advisory in nature, which means that it is non-binding on us, our Compensation Committee values the opinions of our stockholders and will take into consideration the outcome of the vote when considering future executive compensation arrangements.

OUR BOARD UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS DISCLOSED IN THIS PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.

PROPOSAL 3: ADVISORY VOTE ON THE FREQUENCY OF AN ADVISORY VOTE ON OUR EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act also requires that we provide our stockholders with the opportunity to vote, on a non-binding advisory basis, on how frequently we should seek future advisory votes on the compensation of our named executive officers as disclosed in our proxy statements pursuant to the SEC s compensation disclosure rules. By voting on this Proposal 3, our stockholders may indicate whether they would prefer an advisory vote on named executive officer compensation once every one year (annual basis), two years (biennial basis), or three years (triennial basis), or abstain from voting on this proposal.

We have determined that an annual advisory vote on executive compensation will allow our stockholders to provide timely, direct input on the executive compensation of our named executive officers as disclosed in our proxy statement each year pursuant to the SEC s compensation disclosure rules. We believe that an annual advisory vote on executive compensation is consistent with the Company s willingness to engage in on-going dialogue with our stockholders on corporate governance matters and our executive compensation philosophy, policies and practices. Accordingly, we ask that our stockholders vote FOR an annual advisory vote on our executive compensation.

We recognize that our stockholders may have different views as to what is the most appropriate approach for the Company, and therefore stockholders may cast a vote on the preferred frequency of an advisory vote on our executive compensation by selecting the option of one year (annual), two years (biennial), three years (triennial) or abstain when voting in response to the resolution set forth below at the Annual Meeting:

RESOLVED, that the option of every year (annual basis), two years (biennial basis) or three years (triennial basis) that receives the highest number of votes cast for this resolution will be determined to be the preferred frequency of the Company s stockholders, on an advisory basis, with which the Company holds an advisory vote on the compensation of our named executive officers as disclosed in our proxy statement pursuant to the Securities and Exchange Commission s compensation disclosure rules.

While the vote is advisory in nature, which means that it is non-binding on us, our Compensation Committee values the opinions of our stockholders and will take into consideration the outcome of the vote when considering the frequency of future advisory votes on our executive compensation.

OUR BOARD UNANIMOUSLY RECOMMENDS YOU VOTE FOR THE OPTION OF ONCE EVERY YEAR AS THE FREQUENCY WITH WHICH OUR STOCKHOLDERS WILL BE PROVIDED AN ADVISORY VOTE ON OUR EXECUTIVE COMPENSATION AS DISCLOSED IN OUR PROXY STATEMENT PURSUANT TO THE COMPENSATION DISCLOSURE RULES OF THE SEC.

Table of Contents

COMPENSATION DISCUSSION & ANALYSIS

The following discussion and analysis contains statements regarding individual and Company performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management s future expectations or estimates of future results or other guidance. We specifically caution investors not to apply these statements to other contexts. Further, the Executive Summary contains forward looking statements within the meaning of the federal securities laws. Forward-looking statements may be identified by words like anticipate, expect, project, believe, plan, estimate, intend and similar words. These forward-looking statements are based on our beliefs, assumptions and estimates using information available to us at the time and are not intended to be guarantees of future events or performance. Factors that may cause actual results to differ materially from those contemplated by the statements in this Compensation Discussion & Analysis can be found in our most recent Form 10-K and any subsequent 10-Qs under the heading Risk Factors and Safe Harbor for Forward-Looking Statements . Investors are cautioned not to place undue reliance on any of our forward-looking statements. We disclaim any intention or obligation to publicly update or revise any forward-looking statements.

This Compensation Discussion and Analysis describes all material elements of our 2010 compensation program for the executives listed in the Summary Compensation Table on page 63, our named executive officers (NEOs).

Executive Summary

2010 Business Overview

Business Strategy. Our business strategy is to lead global markets for medical devices by developing and marketing innovative products, services and therapies that address unmet patient needs. We intend to do so by building and buying products we understand, through sales forces we already have with less invasive technology that is cost- or comparatively-effective and reduces or eliminates refractory drug use. Under our strategic plan, our growth initiatives include expected investment in our core franchises and investigation of opportunities to further expand our presence in and diversify into certain identified priority growth areas (our **Priority Growth Initiatives**). The following are the five elements of our **POWER** strategic plan and highlighted plan accomplishments in 2010 and January 2011:

Prepare our People and place them in strategic positions to inspire others and deliver results. We restructured our management team to enable our executives to be more effective in leading the execution of our business strategy; we established a Leadership Academy to support our goal of developing a culture of leadership at all levels of the organization; and we redesigned elements of our executive compensation program to more closely align executive compensation with our business objectives, the long-term interests of our shareholders and competitive market.

Optimize the Company for greater efficiency and effectiveness. We began implementing several restructuring initiatives designed to strengthen and position us for long-term success, including the integration of our Cardiovascular (CV) and Cardiac Rhythm Management (CRM) groups into a newly formed Cardiology, Rhythm and Vascular (CRV) group, as well as the restructuring of certain of our other businesses and corporate functions.

Win Global Market Share through our global presence. We began an effort to greatly increase the number of our products registered and approved for sale in developing markets and we began to renew our focus on selling in order to maximize our opportunities in countries whose economies and healthcare sectors are growing rapidly. To that end, we expect to invest \$30 million to \$40 million by the end of 2011 to introduce new products and strengthen our sales organization in emerging markets such as Brazil, China and India.

Expand our Sales and Marketing Focus with critical new analytics, best practices and technologies. We began an effort to make targeted sales force expansions and apply new global best practice capabilities (emphasizing efficiency, service and ethics) in crucial areas such as training, management, forecasting and planning, and reaching the economic customer on a global basis.

Realign our Business Portfolio to improve operational leverage and accelerate profitable, sustainable revenue growth. We jumpstarted our Priority Growth Initiatives through recently announced acquisitions or agreements to acquire businesses and technologies that target many of the conditions and disease states of our Priority Growth Initiatives; and we sold our Neurovascular business to Stryker Corporation, which provides us with increased flexibility to fund acquisitions and other investments and to repay debt.

2010 Business Results. Overall, 2010 was a year of change and challenge for Boston Scientific. We announced our **POWER** strategic plan and our Priority Growth Initiatives as well as the realignment of our management and business priorities through restructuring initiatives all designed to strengthen and position us for long-term success. We focused on implementing our strategic plan and our growth and restructuring initiatives to give us a framework for a disciplined approach to manage and grow our business in order to create stronger earnings and sustainable, profitable revenue growth. Meanwhile, uncertain economic, regulatory and market conditions in the global environment as well as certain foreseen and other unforeseen events affected us in 2010.

We reported net sales in 2010 of $7.806 billion, as compared to $8.188 billion in 2009, a decrease of five percent. This decrease was attributable in part to the ship hold and field inventory removal of all implantable cardioverter defibrillator (ICD) systems and cardiac resynchronization therapy defibrillator (CRT-D) systems offered by our CRM group in the U.S. that we announced on March 15, 2010 after determining that certain instances of changes in the manufacturing process related to these products were not submitted for approval to the U.S. Food and Drug Administration (FDA). In April 2010, we received clearance from the FDA for certain of the manufacturing changes and immediately resumed distribution of our CRT-D and ICD systems, and in May 2010 we returned earlier generations of these products to the U.S. market following required FDA clearance. We are working with customers to recapture market share lost as a result of the ship hold (although we have experienced better-than-expected recovery to date).

We reported net loss in 2010 of $1.065 billion, or $0.70 per share, which was driven primarily by a goodwill impairment charge following the ship hold and product removal actions described above. Goodwill and intangible asset impairment charges; acquisition-, divestiture-, litigation- and restructuring-related net charges; discrete tax items and amortization expense (after-tax) contributed $2.116 billion, or $1.39 per share, to the reported net loss. Excluding these items, net income for 2010 (adjusted net income) was $1.051 billion, or $0.69 per share. In comparison, in 2009 we reported net loss of $1.025 billion, or $0.68 per share, which included intangible asset impairment charges; acquisition-, divestiture-, litigation- and restructuring-related net charges; discrete tax items and amortization expense of $2.207 billion (after-tax), or $1.46 per share. Excluding these items, net income for 2009 (adjusted net income) was $1.182 billion, or $0.78 per share.

We reported cash generated by operating activities of $325 million in 2010, which included litigation-related net payments of approximately $1.6 billion as well as the receipt of an acquisition-related milestone payment of $250 million. In comparison, we reported cash generated by operating activities of $835 million in 2009, which included litigation-related net payments of approximately $800 million. Our cash generated by operations continues to be a significant source of funds for servicing our debt obligations and investing in our growth.

During 2010, we completed the refinancing of the majority of our 2011 debt maturities, establishing a $1.0 billion term loan and syndicating a new $2.0 billion revolving credit facility, and prepaid in full our $900 million loan from Abbott Laboratories and all $600 million of our senior notes due in June 2011. Additionally, in January 2011, we prepaid $250 million of our senior notes due in January 2011 and borrowed $250 million under our credit and security facility secured by our U.S. trade receivables, using the proceeds to pre-pay all $100 million of our 2011 term loan maturities and $150 million of our 2012 term loan maturities. In 2009, Standard & Poor s upgraded our credit rating to investment grade with a stable outlook. In 2010, Fitch Ratings upgraded our outlook to positive from stable, and Moody s raised our liquidity rating to its highest level. As part of our strategy to increase operational leverage and continue to strengthen our financial

Table of Contents

flexibility, we are continuing to assess opportunities for improved operational effectiveness and efficiency, we closed the sale of our Neurovascular business in January 2011 and implemented other strategic initiatives to generate proceeds that would be available for debt repayment.

Pay for Performance

The **POWER** based strategic actions described above were undertaken in an effort to provide us a framework for a disciplined approach to manage and grow our business in order to create stronger earnings and long-term sustainable, profitable revenue growth. As part of our redesign of elements of our executive compensation program in 2010 discussed above, we placed a significant portion of our executives target total direct compensation, which consists primarily of salary and short- and long-term incentive awards, at risk in the form of equity and other performance based-awards in order to more closely align executive compensation with the competitive market and the long-term interests of our shareholders.

For 2010, we added a relative total shareholder return (TSR) measure to our long-term equity incentive awards through our market-based deferred stock units (Company-performance based DSUs). These DSUs represent the opportunity to receive shares of our common stock based on the performance of our common stock measured over three annual performance cycles, the ultimate attainment of which is dependent on our TSR compared to the TSR of the companies in the S&P 500 Healthcare Industry Index, of which we and nine of our ten peer group companies are a part. Accordingly, with its annual equity grant to our executive officers (other than the CEO, whose equity awards in February 2010 were pursuant to his offer letter) on February 16, 2010 our Human Resources and Executive Compensation Committee of our Board of Directors (Compensation Committee) changed the targeted mix of our long-term equity incentive awards with the inclusion of 25% Company performance-based DSUs, 50% stock options, and 25% service-based deferred stock units (service-based DSUs).

At February 16, 2011, the Company s stock price had declined to a closing price of $7.10 from the February 16, 2010 grant date closing price of $7.41 and our stock did not perform as well as the S&P 500 Healthcare Industry Index. As a result, as of February 16, 2011 the realized value of the equity compensation awarded to our NEOs last year declined, accordingly the stock options were $0.31 per share below their exercise price, the service-based DSUs of our NEOs (other than the CEO, who did not receive a service-based DSU grant on February 16, 2010) lost $94,129 (or 4%) in aggregate amount and the Company performance-based DSUs payout potential declined as the Company s TSR missed the first performance measurement. As the foregoing example illustrates, we believe our emphasis on equity-based incentive compensation aligns our executives with appropriate business risk and the long-term interests of our shareholders and provides true pay for performance by directly linking the realized value of a significant portion of their equity incentive awards to the Company s stock price and performance relative to our peers.

For 2010, we increased the weighting on long-term performance by reducing targeted short-term annual incentive awards under our Performance Incentive Plan (PIP) and granting more equity-based incentive awards, the ultimate value of which depends on our long-term performance. Accordingly, for 2010 only 16% of the value of the target total annual direct compensation for our NEOs as a group consisted of fixed compensation in the form of base salary, while variable compensation accounted for the remaining 84% of total direct compensation. Of that 84%, 85% took the form of equity incentive awards consisting of Company performance-based DSUs, stock options and service-based DSUs, which are designed to reward long-term performance, and 15% took the form of short-term incentive awards, which are designed to reward annual performance. For 2010, on average 13% of our executives target total annual direct compensation taking the form of short-term incentive awards is tied to actual Company and individual performance through our PIP funding formulas, and on average, the remaining 72% of our executives compensation taking the form of equity incentive awards, consisting of Company performance-based DSUs, stock options and service-based DSUs, is tied to actual long-term performance of the Company through stock price appreciation and vesting restrictions. These calculations used the NEOs 2010 target PIP award amounts and the equity values set forth in the footnotes to the chart below. The chart below shows the mix of target total direct compensation opportunity for each NEO (other than the CEO) in 2010 as well as the target total direct compensation opportunity for our Chief Executive Officer in 2010, with equity awards granted to Mr. Elliott in June 2009

Table of Contents

and February 2010 pursuant to his offer letter annualized over three years in order to take into account that these equity awards were intended to effect three years of annual equity grants.

(1) In order to more effectively reflect the value of 2010 target total direct compensation opportunity as considered by the Compensation Committee, for Mr. Elliott the chart represents all equity awards granted to him in June 2009 and February 2010 pursuant to his offer letter annualized over three years in order to take into account that these equity awards were intended to effect three years of annual equity awards; stock options and service-based DSUs are valued per the Grants of Plan-Based Awards table on page 68 and Company performance-based DSUs are valued per target value (which reflects the target number of units granted multiplied by the closing price of our common stock on the date of grant); and the target PIP award amount reflects the assumed on-plan bonus amount for 2010 (target short term incentive amount), which is reflected in the Potential Payments Upon Termination or Change in Control tables beginning on page 79.

(2) In order to more effectively reflect the value of 2010 target total direct compensation opportunity as considered by the Compensation Committee, for Messrs. Leno, Capello, Pratt, Kucheman, Pucel and Colen the chart represents only annual equity awards granted to them in 2010 and excludes any promotional awards granted to them in 2010; stock options and service-based DSUs are valued per the Grants of Plan-Based Awards table on page 68 and Company performance-based DSUs are valued per target value (which reflects the target number of units granted multiplied by the closing price of our common stock on the date of grant); and the target PIP award amounts reflect the assumed on-plan bonus amount for 2010 (target short term incentive amount), which is reflected in the Potential Payments Upon Termination or Change in Control tables beginning on page 79.

We believe our emphasis on performance-based incentive compensation aligns our executives with appropriate business risk and the long-term interests of our shareholders and provides true **pay for performance** by putting a significant portion of our executives pay at risk .

Executive Compensation Program

Executive Compensation Philosophy. Our overarching executive compensation philosophy is to provide our executives with appropriate and competitive individual pay opportunities with actual pay outcomes heavily influenced primarily by the attainment of Company performance objectives and secondarily by the attainment of individual performance objectives (in other words, pay for performance) within an executive compensation structure that encourages prudent decisions with respect to both taking appropriate risks to improve our performance and avoiding unnecessary and excessive risk that may harm our Company.

Executive Compensation Best Practices. In order to execute our executive compensation philosophy, we recognize that a strong compensation framework is required. Accordingly, in 2009 the Compensation Committee made several adjustments to our compensation framework for 2009 and 2010 to emphasize pay for performance objectives, mitigate against compensation risk and build upon our existing foundation of best practices, including:

Table of Contents

Executive Compensation Best Practices

In 2009 and 2010, we eliminated tax gross-ups on benefits for our executives other than for relocation expenses, which the Compensation Committee retained because it applies to all employees eligible to receive relocation benefits and the Compensation Committee believes it is integral to the Company s ability to attract and redeploy employees, including executives, whose knowledge and skills enhance our competitive position.

In 2010 we replaced our retention agreements with limited term change in control agreements that eliminate single-trigger equity acceleration and impose a double-trigger equity acceleration in connection with a change in control in which the surviving or acquiring entity substitutes or assumes outstanding equity awards (requiring both a change in control and termination without cause or for good reason in order for accelerated vesting of the awards to occur).

Commencing July 2010, the terms of annual equity awards granted to executives provide that in the event that an executive s employment terminates due to disability or retirement prior to the first anniversary of the equity award grant date, the unvested equity award will immediately lapse and be forfeited.

We maintain a Stock Trading Policy that prohibits executives from speculating in the Company s securities, engaging in transactions designed to hedge the value of Boston Scientific common stock and pledging our common stock as collateral for a loan.

We maintain stock ownership guidelines that require our executives to achieve minimum stock ownership levels in order to align their interests with the long-term interests of our shareholders.

We maintain a policy to claw back certain amounts of short-term incentive compensation awards paid under our performance incentive plan (PIP) to executives if there is a restatement of the Company s financial results that would have reduced the size of a previously granted award.

We use reimbursement agreements in our global relocation programs, including for the executive tier of the program, that require payback of expenses incurred by us for relocation if the employee voluntarily terminates employment or the employee s employment is terminated for cause at a rate of 100% and 50% for termination within one and two years, respectively, from the initial payment date under the program.

We use non-competition, non-solicitation and confidentiality agreements and release of claims agreements, as applicable, as a condition to our executives receiving certain post-employment termination payments and benefits.

Our Compensation Committee uses tally sheets, internal pay equity and an analysis of payments and benefits an executive would be entitled to upon various termination of employment scenarios, in order to (i) evaluate whether the overall design of our executive compensation program and individual elements of the program align with our compensation philosophy, (ii) support our compensation and business objectives, and (iii) determine the reasonableness of our executives total compensation opportunity.

Our Compensation Committee uses peer group companies to target executive compensation levels, mix and program design against our competitive market, which peer group companies are reviewed annually by the Compensation Committee with input from its independent compensation consultants.

The Compensation Committee s compensation consultants do not provide other services to the Company during their engagements, other than as authorized by the Compensation Committee.

The Compensation Committee annually completes a risk assessment of our compensation policies and programs to determine whether our compensation programs are appropriately aligned with prudent business risk.

Table of Contents

Recent Changes to Our Executive Compensation Program Design. In order to further execute our executive compensation philosophy, in 2009 our Compensation Committee made several adjustments to elements of our compensation program for 2009 and 2010 to emphasize pay for performance and more closely align our executive compensation with our business objectives, the long-term interests of our shareholders and the competitive market, including:

Recent Changes Made to Our Executive Compensation Program Design

For 2010, we aligned philosophical positioning of the three primary elements of total direct compensation to market median, which meant a decrease in target short- and long-term incentive awards compared to 2009. This change was made to more appropriately align our executive compensation with our competitive market.

For 2010, we lessened the portion of our total direct compensation that consists of short-term incentive awards under our PIP and increased the portion of our total direct compensation that consists of long-term equity incentive awards. These changes were made to further align our executive compensation with the long-term interests of our shareholders.

Beginning in 2009, we added a relative TSR measure to our long-term equity incentive awards through our Company-performance based DSUs which represent the opportunity to receive shares of our common stock based on the performance of our common stock measured over three annual performance cycles, the ultimate attainment of which is dependent on our TSR compared to the TSR of the companies in the S&P 500 Healthcare Industry Index, of which we and nine of our ten peer group companies are a part. This change was made to align our executive compensation with our performance relative to our peers and to measure the successful execution of our strategic plan.

For 2010, we changed the targeted mix of our long-term equity incentive awards with the inclusion of 25% Company performance-based DSUs, 50% stock options, and 25% service-based DSUs. This change was made to more appropriately balance the targeted mix of our equity incentive awards to emphasize our long-term performance.

For 2010, we changed our PIP to: (i) measure and fund targets solely on annual results to emphasize annual over quarterly performance, (ii) modify our business unit metrics to increase the weight of business unit adjusted net sales and adjusted operating income results in order to increase line-of-sight in the plan, and replace adjusted earnings per share with measures related to business unit cash flow components (days sales outstanding and days inventory on hand) to further increase line-of-sight in the plan, and (iii) adjust our funding tables to increase the threshold performance expectation, reduce funding at threshold performance and incent performance above goal on the adjusted net sales measures.

For 2010, we changed our PIP payout methodology to place an increased emphasis on team performance, weighting 75% on team performance and 25% on individual performance. This change was made to emphasize pay for performance objectives, emphasize funding unit results in determining actual payouts and reward team members for shared results.

For 2010, we also introduced all-employee and sales force stock option grant programs that extended the application of our executive compensation program objectives, including aligning our employees interests with the long-term interests of our shareholders and emphasizing team performance, to all of our employees, including our sales force.

Compensation Philosophy and Objectives

Our overarching executive compensation philosophy is to provide our executives with appropriate and competitive individual pay opportunities with actual pay outcomes heavily influenced primarily by the attainment of Company performance objectives and secondarily by the attainment of individual performance objectives (in other words, pay for performance) within an executive compensation structure that encourages prudent decisions with respect to both taking appropriate risks to improve our performance and avoiding unnecessary and excessive risk that may harm our Company.

The overarching objectives of our executive compensation program are to attract, retain, engage, focus and reward the best available talent to achieve performance goals aligned with our mission, quality policy and business strategy. Our mission is to improve the quality of patient care and the productivity of healthcare delivery through the development and advocacy of less invasive medical devices and procedures. Our quality policy, applicable to all employees, is: I improve the quality of patient care and all things Boston Scientific. The core objectives of our executive compensation program are to:

- attract, retain and engage high performing and high leadership potential executives in a competitive market; and
- compensate our executives in a manner that provides appropriate incentives for our executives to execute on our business objectives, improve our performance and increase long-term shareholder value.

For 2010, our executive compensation design placed an emphasis on:

- improving alignment of our executive compensation with the long-term interests of our shareholders and our competitive market;
- more appropriately balancing our equity incentive programs to emphasize long-term over short-term results;
- driving stronger earnings and sustainable, profitable revenue growth and increasing shareholder value by bringing our executive compensation program more in line with our business objectives; and
- placing greater emphasis on team performance over individual performance.

Our Named Executive Officers

Our NEOs for the year ended December 31, 2010, are:

J. Raymond Elliott	President and Chief Executive Officer
Samuel R. Leno	Executive Vice President and Chief Operations Officer
Jeffrey D. Capello	Executive Vice President and Chief Financial Officer
Timothy A. Pratt	Executive Vice President, Chief Administrative Officer, General Counsel and Secretary
William H. Kucheman	Executive Vice President and President, Cardiology, Rhythm & Vascular
Kenneth J. Pucel	Executive Vice President, Global Operations & Technology
Fredericus A. Colen	Former Executive Vice President and Chief Technology Officer

As part of our 2010 management restructuring, effective as of March 1, 2010, Mr. Leno was promoted to Executive Vice President and Chief Operations Officer and Mr. Capello was promoted to Executive Vice President and Chief Financial Officer; and effective as of February 10, 2010, Mr. Pratt was promoted to Executive Vice President, Chief Administrative Officer, General Counsel and Secretary, Mr. Kucheman was promoted to Executive Vice President, Cardiology, Rhythm & Vascular, and Mr. Colen, who retired from the Company on June 30, 2010, was promoted to

Executive Vice President and Chief Technology Officer. Effective as of January 10, 2011, Mr. Pucel was promoted to Executive Vice President, Global Operations & Technology. SEC rules require that we discuss the compensation of all individuals serving in the role of Chief Financial Officer during the year. As a result, Mr. Leno who served as our Chief Financial Officer until his promotion is also discussed in that capacity. SEC rules also require that we discuss the compensation of a former executive for whom disclosure would have been required but for the fact that he or she was not serving as an executive officer at the end of 2010. As a result, Mr. Colen is included as a NEO due to payments he received in connection with his retirement from the Company in 2010.

Table of Contents

How We Determine Executive Compensation

Our Compensation Committee, and in certain cases the independent directors of our Board of Directors (our Board), bear principal responsibility for assessing, setting targets for and determining executives compensation as well as for conducting regular reviews of our executive compensation program. Information about our Compensation Committee and its composition, processes and responsibilities can be found on page 21 of this Proxy Statement under the heading Executive Compensation and Human Resources Committee. Key elements to our process for assessing, setting targets for and determining executive compensation are: (i) data and risk considerations; (ii) performance considerations; and (iii) executive and Compensation Committee judgment.

Data and Risk Considerations

Market Referencing. The Compensation Committee uses relevant market information provided by independent compensation consultants in assessing and setting targets for our executive compensation relative to our peer group. In 2009, the Compensation Committee engaged Watson Wyatt (now known as Towers Watson) and, following the expiration of Towers Watson s engagement, in mid-2010 engaged Frederic W. Cook & Co., Inc. (Cook & Co.) as its independent compensation consultant to provide advisory services to the Compensation Committee on executive and director compensation matters. Neither Towers Watson nor Cook & Co. performed other services to the Company during their engagement other than as authorized by the Compensation Committee. Please see the discussion of the services provided by our compensation consultants under the heading Executive Compensation and Human Resources Committee on page 21.

Peer Group Determination. In early 2010, Towers Watson reviewed our 2009 peer group with the Compensation Committee and, based on that review, our Compensation Committee approved its continued use for 2010. The peer group companies that the Compensation Committee used in 2010 as described herein are:

Abbott Laboratories	Stryker Corporation
Baxter International Inc.	Thermo Fisher Scientific, Inc.
Becton, Dickinson and Company	Zimmer Holdings, Inc.
Covidien Ltd.	Medtronic, Inc
Hospira, Inc.	St. Jude Medical, Inc.

In establishing our recommended peer group, Towers Watson assessed publicly traded companies generally focused on a comparable industry (customer base and product offerings) with comparable size (in relation to revenue, number of employees and market capitalization), comparable growth, mix and sources of revenue as well as complexity of business operations. Our revenues are between the 25th percentile and the median of our peer group companies. The Compensation Committee uses peer group companies to target executive compensation levels, mix and program design against our competitive market, which peer group companies are reviewed annually by our Compensation Committee with input from its independent compensation consultant.

Comparable Pay Analytics. Utilizing peer group data, at different times of the year each of Towers Watson and Cook & Co. conducted numerous studies intended to inform the Compensation Committee as to the appropriateness and competitiveness of our executive compensation program from a market perspective. A summary of relevant analysis and reviews performed by Towers Watson and/or Cook & Co. follows:

Analysis/Study	Overview	Purpose

Peer Group Analysis	Review the Company s revenue, operating income, net income, total assets, market cap and number of employees against those of our peer group companies	Determine reasonableness of our peer group given peer company business models and relative size to us

Analysis/Study	Overview	Purpose
Executive Compensation Trends	Review executive compensation trends with respect to, among other things: market compensation levels and assessment of our NEO compensation levels market pay structure levels and assessment of our NEO pay regulatory and governance environment and assessment of our NEO compensation programs	Provide market reference with which to evaluate the appropriateness of our executive compensation programs in light of market practices, emerging trends and regulatory developments
Competitive Compensation Analysis Total Direct Compensation	Assess competitiveness of, among other things, the primary elements our NEO total direct compensation, consisting of base salary, target annual short-term incentives and present value of long-term equity incentives	Determine competitiveness and appropriateness of each primary element of our NEO total direct compensation
Competitive Compensation Analysis Mix of Pay	Assess mix and interplay of each primary element of total direct compensation as well as the mix and interplay of each equity incentive award type	Determine whether the mix of our pay elements aligns with our business strategy, supports human resources objectives and is generally consistent with market practices
Competitive Compensation Analysis Annual Short-Term Incentive Plan	Assess our Performance Incentive Plan (PIP) metrics in comparison to our peer group performance metrics for annual short-term incentive plans	Determine reasonableness of the selection of the performance metrics for our PIP from a market perspective
Competitive Compensation Aggregate Analysis Long-Term Incentive Plan	Assess competitiveness of our long-term incentive plan from an elements, terms, share dilution and cost perspectives	Determine competitiveness of our long-term incentive plan on an aggregate basis

Utilizing peer group data and survey data representative of a custom cut of comparable companies (or appropriate general industry data where no peer group or survey data was available), Cook & Co. conducted numerous studies intended to inform the Compensation Committee as to the competitiveness of each executive s total compensation opportunity from a market perspective. The survey included data from the following companies: Allergan, Baxter, Beckman Coulter, Becton Dickinson, Biogen Idec, Covidien, Forest Laboratories, Genzyme, Gilead Sciences, Hospira, Medtronic, Novo Nordisk, Quest Diagnostics, Stryker and Thermo Fisher Scientific (seven of the companies are included in our peer group).

Tally Sheets and Internal Pay Equity Considerations. The Compensation Committee uses tally sheets to: (i) evaluate whether the overall design of our executive compensation program and individual elements of the program align with our compensation philosophy, (ii) support our compensation and business objectives, and (iii) determine the reasonableness of our executives total compensation opportunity. The tally sheet for each executive includes a summary of his or her:

- total current compensation information, including target total cash compensation, total annualized value of long-term equity incentive awards, and total value of benefits and perquisites;

- potential value of vested and unvested equity compensation at various stock prices; and estimated payments and benefits an executive would be entitled to upon termination of employment under various scenarios.

In addition, the Compensation Committee considers the economic and retentive value of prior equity awards received by our executives in determining current or future compensation, and considers each executive s total compensation opportunity compared to the total compensation opportunity of our other executives.

Risk Considerations. The Compensation Committee also bases its compensation decisions on whether our executive compensation program is appropriately aligned with business risk. The Compensation Committee considers the effect of the elements of our executive compensation program on business risk, including among other things, the mix of fixed and variable compensation; the mix of short- and long-term compensation; the mix of long-term equity incentives; performance metric mix, weighting, measurement, and payout timing, discretion and caps on short-term incentives; award size, vesting schedules and performance and other terms of long-term equity incentives; and other incentive opportunities and their features. The Compensation Committee also considers mitigating design elements, including among other things, our recovery of incentive awards policy, executive stock ownership guidelines, and hedging prohibition. For more details on these policies and guidelines, please see Recovery of Incentive Awards, Executive Stock Ownership Guidelines and Prohibition on Hedging Policy beginning on page 58. For more information about our assessment of compensation policies and practices as they relate to our risk management, please see Risk Assessment of the Compensation Programs on page 61.

Performance Considerations

We utilize an annual Performance Achievement and Development Review (PADR) to guide performance discussions, set an executive s Company and individual performance objectives, determine an executive s level of achievement in relation to those performance objectives, and communicate annual achievement at the individual performance level. Our ten core leadership competencies of vision, integrity, accountability, passion, perseverance, communication, resourcefulness, team builder, intellect and customer driven are key to this process. Our CEO (or the Executive Vice President and Chief Operations Officer in the case of certain NEOs) conducts each of the other NEO s annual PADR performance review and presents their results and primary elements of total direct compensation opportunity and payment recommendation to the Compensation Committee for its consideration. The Nominating and Corporate Governance Committee reviews and approves the CEO s individual and Company performance objectives and oversees the evaluation of the CEO s performance in relation to those objectives. The Chairman of the Nominating and Governance Committee presents the committee s primary elements of total direct compensation opportunity and payment recommendation for the CEO to the Compensation Committee for its consideration. After year end, overall performance for the NEOs (other than the CEO) is rated on a scale ranging from needs improvement to achieves to exceeds expectations to outstanding. These achievement indicators influence the executive s compensation, including base salary, 25% of the PIP payout and equity incentive awards.

Executive and Compensation Committee Judgment

The application of Executive (or Chairman of the Board in the case of the CEO) and Compensation Committee judgment is an important factor in setting and determining executive pay. We do not employ a purely formulaic approach to our executive compensation program. While target market guidelines and funding formulas are established in advance, individual performance and other considerations such as budgets, costs to the Company, the Company s performance, quality objectives, changes in individual roles or responsibilities, current economic conditions as well as the other considerations and factors discussed in this section, permit discretion. For example, funding formulas tied to Company goals are set in advance under our PIP, but our Compensation Committee retains the right to: (i) modify downward or eliminate funding based on its determination, within its sole discretion, of the

Company s progress toward achievement of our quality objectives and performance of our quality systems, (ii) modify downward payout based on an executive s individual performance, (iii) recommend to the Board to terminate, suspend or modify, and if suspended reinstate with or without modification, all or a part of the PIP at any time, and (iv) otherwise exercise

Table of Contents

discretion as it sees fit. In addition, an executive s primary elements of target total direct compensation may be adjusted upward or downwards to reflect changes in an executive s role and/or responsibilities during the year.

While the Compensation Committee is solely responsible for setting targets and approving awards, the Compensation Committee relies on the judgment of the CEO (or the Executive Vice President and Chief Operations Officer in the case of certain NEOs) in setting the other NEOs performance objectives, evaluating their performance against those objectives through the PADR performance review process and recommending their primary elements of total direct compensation opportunities and payments to the Compensation Committee as well as recommending performance metrics under our PIP. The CEO regularly participates in Compensation Committee meetings, at the request of the Compensation Committee, in order to provide background information and explanations supporting his recommendations.

Our Elements of Executive Compensation

Our executive compensation program contains direct and indirect compensation components with fixed and variable elements.

Overview of Total Direct Compensation

Primary Elements of Total Direct Compensation. We compensate our executives principally through the direct compensation component of our executive compensation program, namely base salary, annual short-term performance incentives and long-term equity awards (primary elements of total direct compensation). Our balanced approach to total direct compensation includes both fixed elements, such as base salary, and variable elements, such as annual short-term performance incentives and long-term equity incentives. While our fixed direct compensation elements are designed to provide a stable base source of income to our executives, our variable performance-based compensation elements are designed to incent our executives to execute on our business strategy, improve our performance, and increase long-term shareholder value. Each primary element of our total direct compensation is targeted to a median market* position relative to our peer group companies and is fixed or variable, has a primary role, and has one or more objectives, each as shown in the table below.

Element	Fixed/Variable	Role	Objective
Annual Base Salary	Fixed base cash amount	Provide stable source of income	Attract and retain talent
Annual Short-Term Incentives Performance Incentive Plan (PIP)	Variable cash and in certain cases equity incentive opportunity	Reward for annual Company and individual performance, with an emphasis on team performance	Focus talent primarily on annual Company and secondarily on individual goals; align executive compensation with our mission, quality policy and business strategy; reward talent
Annual Long-Term Incentives	Variable equity incentive opportunity	Reward for long-term business performance	Focus talent on long-term shareholder value creation; retain and engage talent

* Annual equity incentives at the 75th percentile are attainable (based on outstanding performance) to motivate and retain key talent.

For 2010, we aligned our philosophical positioning of the three primary elements of total direct compensation, namely base salary and annual short- and long-term incentive awards, to market median, which represented a decrease in target incentive awards compared to 2009. This change was made to more appropriately align our executive compensation with our competitive market. The target market position is an overall guideline, but individual compensation pay levels may vary based on individual performance, internal pay equity considerations and other factors and considerations, including those discussed under How We Determine Executive Compensation. For 2010, Cook & Co. performed an analysis of our NEOs primary elements of total direct compensation and found that overall their base salaries approximated the market median, their target annual short-term incentive awards approximated the 50th percentile, and their equity incentive awards approximated between the 50th and 75th percentiles.

Mix of Pay. Of the three primary elements of total direct compensation, our executive compensation, as reflected in the Summary Compensation Table on page 63, is heavily weighted towards the variable, performance-based elements of our annual short-term and equity incentives. For 2010, we moved toward an increased weighting on long-term performance by reducing targeted annual short-term incentive awards and granting more annual long-term equity incentive awards in order to further align our executive compensation program with the competitive market and the long-term interests of our shareholders. Accordingly, for 2010 only 16% of the value of the target total annual direct compensation for our NEOs as a group consisted of fixed compensation in the form of base salary, while variable compensation accounted for the remaining 84% of total direct compensation. Of that 84%, 85% took the form of equity incentive awards consisting of Company performance-based DSUs, stock options and service-based DSUs, which are designed to reward long-term performance, and 15% took the form of short-term incentive awards, which are designed to reward annual performance. For 2010, on average 13% of our executives target total annual direct compensation taking the form of short-term incentive awards is tied to actual Company and individual performance through our PIP funding formulas, and on average, the remaining 72% of our executives compensation taking the form of equity incentive awards, consisting of Company performance-based DSUs, stock options and service-based DSUs, is tied to actual long-term performance of the Company through stock price appreciation and vesting restrictions. These calculations used the NEOs target PIP award amounts and the equity values set forth in the footnotes to the mix of pay chart under Pay for Performance on page 35.

Base Salary

General Overview. In general, the Compensation Committee targets base salaries for our executives at levels consistent with the median rate paid by our peer group companies for comparable positions. The target market position is an overall guideline, but individual compensation levels may vary based on the Compensation Committee s consideration of other factors such as our annual merit budget, current economic conditions, each executive s current and prior year s salary, each executive s prior year s PADR performance review, internal pay equity considerations, and other factors, including those discussed under How We Determine Executive Compensation. In December 2008, the Compensation Committee deferred merit increases on 2009 base salaries for certain salaried employees, including our NEOs, due to the declining economic environment at that time. Accordingly, base salaries for our executives remained the same from mid-February 2008 through mid-February 2010, when the Compensation Committee reinstated merit increases on 2010 base salaries to align our executive compensation program with the competitive market as combined with the other changes made to our executive compensation program for 2010 as described in Executive Compensation Best Practices and in Recent Changes to Executive Compensation Program Design on pages 36 and 37, respectively. NEO salaries for 2010 are reported in the Summary Compensation Table on page 63 under the Salary column.

NEOs (Other than CEO). In early 2010 we announced the realignment of our management and business priorities through restructuring activities. As a result of these initiatives we integrated our CV and CRM groups into a newly formed CRV group as well as certain of our business and corporate functions. As part of our related management restructuring, effective as of March 1, 2010, Mr. Leno was promoted to Executive Vice President and Chief Operations Officer and Mr. Capello was promoted to Executive Vice President and Chief Financial Officer; and effective as of February 10, 2010, Mr. Pratt was promoted to Executive Vice President, Chief Administrative Officer, General Counsel and Secretary, Mr. Kucheman was promoted to Executive Vice President, Cardiology, Rhythm & Vascular, and Mr. Colen, who retired from the Company on June 30, 2010, was promoted to Executive Vice President and Chief Technology Officer. In February 2010, the Compensation Committee approved competitive merit as well as promotional and management restructuring base salary

43

increases, as applicable, recommended by the CEO, as modified by the Compensation Committee, for our NEOs (other than the CEO) 2010 base salaries as follows effective February 15, 2010:

Name	2008 / 2009 Base Salary*	2010 Base Salary*	% Increase
Samuel R. Leno	$ 625,000	$ 645,000	3.2%
Jeffrey D. Capello(1)	$ 490,000	$ 575,000	17.3%
Timothy A. Pratt(1)	$ 525,000	$ 600,000	14.3%
William H. Kucheman(1)	$ 415,000	$ 500,000	20.5%
Kenneth J. Pucel	$ 440,000	$ 455,000	3.4%
Fredericus A. Colen(1)(2)	$ 570,000	$ 600,000	5.3%

* Base salary amounts are rounded to the nearest thousand.

(1) The base salary amounts and percentage increases listed above for Messrs. Capello, Pratt, Kucheman and Colen include promotional, management restructuring and competitive merit increases.

(2) Mr. Colen retired from the Company on June 30, 2010.

CEO. Mr. Elliott was appointed as our President and Chief Executive Officer by the Board effective July 13, 2009 with an annual base salary set at $1,200,000 pursuant to his offer letter. The Compensation Committee s objective in setting his salary was to attract Mr. Elliott, a seasoned executive with a proven track record for success and exceptional experience in both the medical industry and in driving long-term value creation for shareholders, to become our President and Chief Executive Officer and to retain him in that position. Accordingly the Compensation Committee set Mr. Elliott s annual base salary competitively at the 75th percentile paid by our peer group companies for comparable positions. For further discussion regarding equity awards granted, payments and benefits provided to Mr. Elliott under his offer letter, see Summary Compensation Table on page 63. Although Mr. Elliott s offer letter provides that his compensation would generally be reviewed annually, the intent is understood to be that no merit increases to his base salary are expected to occur prior to the third anniversary of his hire date of June 23, 2009. Accordingly, for 2010, Mr. Elliott s base salary remained at $1,200,000.

Annual Short-Term Performance Incentives

General Overview. Our PIP is generally available to all U.S. salaried personnel not eligible for commissions under sales compensation plans, including our NEOs, and certain international and expatriate / inpatriate employees selected for participation. Through our PIP, we seek to provide pay for performance by linking short-term incentive awards to both Company and individual performance goals through a range of award opportunities dependent upon achievement levels of Company and individual objectives. Performance targets are set by the Compensation Committee at the beginning of each year and performance is measured and funded annually after year end. For 2010, in order to place a greater emphasis on rewarding team-based achievements, 75% of our executives PIP payout was based on team results under the Company performance component and the remaining 25% on individual results under the individual performance component. Further, for 2010 the mechanics for funding corporate and business unit goals described in the funding tables beginning on page 46 included: (i) an increased threshold performance expectation, (ii) a reduced funding amount at and below threshold performance level, and (iii) an increased incentive for performance above target on the sales measures, thereby rewarding performance above target levels at higher rates. These changes were implemented to increase executive accountability for performance results and amount of bonus-earned under the plan.

Amounts actually awarded under our PIP for 2010 are reflected in the Summary Compensation Table on page 63 in the Non-Equity Incentive Plan Compensation column.

Company Performance Component.

Overview. For 2010, our corporate executives were measured against corporate performance targets while executives who lead business units were measured against their respective business unit performance targets. Messrs. Elliott, Leno, Capello, Pratt and Pucel were measured against corporate performance targets.

During the year we integrated our U.S. CV and CRM groups which, for purposes of the PIP, combined our U.S. CV, CRM, Electrophysiology and Neurovascular business units into a new U.S. CRV business unit as of the second quarter. Accordingly, Mr. Kucheman was measured against our U.S. CV business unit performance targets for the first quarter and our U.S. CRV business unit performance targets for the remainder of the year, and Mr. Colen was measured 50% against corporate performance targets and 50% against the U.S. CRV business unit performance targets.

Corporate Goals. For 2010, corporate executives were measured against adjusted earnings per share (EPS), global sales and free cash flow. These metrics were weighted and measured annually as follows:

Metric	Weighting
Adjusted EPS	50%
Global Sales	25%
Free Cash Flow	25%

The Compensation Committee believed that, for 2010, these metrics were appropriate to encourage our corporate executives to achieve superior financial performance with the goal of generating shareholder value. The Compensation Committee further believed that the weighting for each metric was appropriate because it emphasized the Company s top performance priorities.

Business Unit Goals. For 2010, business unit executives were measured against the adjusted net sales, adjusted operating income, days sales outstanding and days inventory on hand of the business unit that they lead. These metrics were weighted and measured annually as follows:

Metric	Weighting
Business Unit Sales	50%
Business Unit Adjusted Operating Income	40-50%
Days Sales Outstanding	0-10%*
Days Inventory on Hand	0-10%*

* percentage dependent on funding unit specific goals.

The Compensation Committee believed that, for 2010, these metrics and weightings were appropriate to encourage our business unit executives to achieve superior financial performance with the goal of generating shareholder value. For 2010, adjusted EPS was replaced as a business unit goal with days sales outstanding and days inventory on hand to incent working capital improvement, and the weightings on business unit sales and adjusted operating income were increased to emphasize the business units revised priorities.

Definitions of Metrics. For purposes of our 2010 PIP: (i) adjusted EPS equals adjusted net income divided by weighted average shares outstanding for the performance period (adjusted net income equals GAAP net income excluding goodwill and intangible asset impairment charges, acquisition- and divestiture-related charges, restructuring expenses, certain tax-related items, certain litigation items and amortization expenses, which are either non-operational or which we do not believe are indicative of our on-going operating performance); (ii) sales metrics are calculated at constant currency rates rather than actual currency rates in order to take currency fluctuation out of the measure, (iii) free cash flow equals reported operating cash flow less capital expenditures and excludes net cash flows associated with certain significant and unusual litigation-, acquisition-, divestiture-, restructuring- and tax-related items, which we do not believe are indicative of our on-going operating performance, (iv) adjusted operating income equals GAAP net income excluding goodwill and intangible asset impairment charges, acquisition- and divestiture-related charges, restructuring expenses, certain tax-related items, certain litigation items and amortization expenses, which are either non-operational or which we do not believe are indicative of our on-going operating performance, (v) days sales outstanding measures how many days of the sales that accounts receivables represents for a business unit based on the count back method of accounting, and (vi) days inventory on hand measures inventory utilization on the basis of a business unit s net sales.

Plan Funding Determination. Each of our corporate goals and business unit goals fund separately. Generally, the actual annual funding percentage for each of our corporate and business unit goals is based on actual results for the year compared to plan. Funding for each measure generally increases on a sliding scale (up to a maximum of 150% of target) as higher levels of adjusted net sales, adjusted EPS, free cash flow and adjusted operating income goals are met, as depicted in the tables below. However, funding for days sales outstanding and days inventory on hand increases on a sliding scale (up to a maximum of 150% of target) as lower levels of these measures are met, as depicted in the table below, because the lower the level the better the results for the Company. In addition, the Compensation Committee reserves the right to decrease or eliminate PIP funding based on its determination, within its sole discretion, of the Company s progress made toward achieving our quality objectives and the performance of our quality systems. The Compensation Committee believes that the corporate-wide quality objectives are appropriate in emphasizing our commitment to continually improving and sustaining our quality systems, our quality compliance and product performance thereby enhancing shareholder value.

Adjusted Net Sales Funding Scale Table. For 2010, the sales component of our corporate and business unit goals was funded at the following percentages depending on the percent of the target level of adjusted net sales we achieved. For example, if we achieved 95% of our sales goals, the 2010 PIP would fund at 25% for the adjusted net sales metric.

Performance Level	Funding Level	Achievement
94.9% or below	0%	Below Threshold
95%	25%	Below Threshold
95.1% to 97.9%	**+2.17% funding for every 0.1% performance**	Threshold
98%	90%	Below Target
98.1% to 99.9%	+0.5% funding for every 0.1% performance	Below Target
100%	**100%**	Target
100.1% to 100.9%	+0.5% funding for every 0.1% performance	Exceeds Target
101%	105%	Exceeds Target
101.1% to 104.9%	+1.125% funding for every 0.1% performance	Exceeds Target
105% or above	**150%**	Maximum

Adjusted Earnings per Share, Free Cash Flow and Adjusted Operating Income Funding Scale Table. For 2010, the adjusted EPS, free cash flow and adjusted operating income components of our corporate and business unit goals were funded at the following percentages depending on the percent of the target level of these metrics we achieved. For example, if we achieved 85% of our free cash flow goals, the 2010 PIP would fund at 10% for the free cash flow metric.

Performance Level	Funding Level	Achievement
84.9% or below	0%	Below Threshold
85%	**10%**	Threshold
85.1% to 99.9%	+0.6% funding for every 0.1% performance	Below Target
100%	**100%**	Target
100.1% to 109.9%	+0.5% funding for every 0.1% performance	Exceeds Target
110% or above	**150%**	Maximum

Days Sales Outstanding and Days Inventory On Hand Funding Scale Table. For 2010, the days sales outstanding and days inventory on hand components of our business unit goals were funded at the following percentages depending on the percent of the target level of these metrics we achieved. For these components of our goals, the lower the performance percentage of these components, the better the result. For example, if we achieved 115% of our days inventory on hand goals, the PIP would fund at 10% for the days inventory on hand metric.

Performance Level	Funding Level	Achievement
114.9% or below	0%	Below Threshold
115%	**10%**	Threshold
115.1% to 100.1%	+0.6% funding for every 0.1% performance	Below Target
100%	**100%**	Target
99.9% to 85%	+0.5% funding for every 0.1% performance	Exceeds Target
84.9% or less	**150%**	Maximum

Actual PIP Funding.

Funding Relief. As discussed in the Executive Summary, overall 2010 was a year of change and challenge for Boston Scientific. We announced and began executing on the realignment of our management and business priorities through restructuring initiatives, our POWER strategic plan and on our Priority Growth Initiatives all designed to strengthen and position us for long-term success. Meanwhile, uncertain economic, regulatory and market conditions in the global environment as well as certain foreseen and other unforeseen events affected our 2010 performance. As a result, certain of these strategic actions, restructuring and growth initiatives that were executed in 2010 as well as certain unforeseen events not predictable under ordinary business conditions at the time our corporate and business goals were established under the PIP (relief events) had a meaningful impact on our actual performance as a percentage of plan for certain Company metrics. For example, during the year we integrated our CV and CRM groups which, for purposes of the PIP, combined (effective as of April 1, 2010) our U.S. CV, CRM, Electrophysiology and Neurovascular funding units into a new U.S. CRV funding unit. In March 2010 we announced a ship hold and field inventory removal of all of our ICD systems and CRT-D systems offered by CRM after determining that certain instances of changes in the manufacturing process related to these products were not submitted for approval to the FDA. While we received clearance from the FDA in April 2010 for certain of the manufacturing changes and immediately resumed distribution of our CRT-D and ICD systems (which represent virtually all of our defibrillator implant volume in the U.S.) and we returned earlier generations of these products to the U.S. market in May 2010 following required additional FDA clearance, we are still working to recapture market-share lost as a result of these events (although, we have experienced a better-than-expected recovery rate to date). These events, among others, had a meaningful impact on CRM s and CRV s actual performance as a percentage of plan for certain of their respective metrics and, to a lesser extent, on corporate s actual performance as a percentage of plan for certain of its metrics.

Based on a review of the nature of these and the other specified relief events as well as their respective and aggregate impact on each of our funding unit s actual performance as a percentage of plan for Company metrics, our CEO recommended to the Compensation Committee and the Compensation Committee determined that targeted relief under the PIP was appropriate for the affected funding units because these events were unforeseen and not predictable under ordinary business conditions at the time our corporate and business goals were established under the PIP and were deemed not to be indicative of the on-going operating performance of these funding units for purposes of the PIP. Accordingly, in exercising its discretion under the PIP the Compensation Committee: (i) granted relief for the identifiable direct impact of those specified relief events on our funding units, as applicable, in an effort to match PIP funding mechanics with our on-going operating performance, (ii) established a minimum funding of 50% for all affected funding units in an effort to provide relief for the indirect impact of those specified relief events on our funding units and (iii) established a cap on each corporate funding metric at 100% of plan in recognition that corporate should not fund greater then target due to relief.

Table of Contents

Corporate Goals Funding Table. The table below depicts for 2010 our annual corporate goals, our actual performance as a percentage of plan and whether that performance met the threshold, target or maximum levels of our corporate objectives.

hout ef/ h ef	**Global Sales** Plan ($ in Millions)	Actual as a % of Plan	Funding %	**Adjusted EPS** Plan	Actual as a % of Plan	Funding %	**Free Cash Flow** Plan ($ in Millions)	Actual as a % of Plan	Funding %	**Total Corpora Fundin**
hout ef	8,364	94.3%	0% (below threshold)	.67	103.2%	116% (exceeds target)	1,177	105%	125% (exceeds target)	89.2
h ef Cap	8,364	97.5%	79.2% (below target)	.67	118%	100% (at target)	1,117	105%	100% (at target)	94.7
l Funding with Relief and Caps applied before Quality Metric Adjustment										94.7
lity Metric Adjustment										0
al										**94.7**

For 2010, after application of the relief and the cap: (i) our adjusted net sales with the relief came in at 97.5% of plan, which as depicted on the adjusted net sales metric funding table above receives a funding level of 79.2%, and adjusted net sales had a weighting of 25%; accordingly the weighted funding level for adjusted net sales was 19.8% (representing 79.2% x 25%), (ii) our adjusted EPS with relief came in at 118% of plan, which as depicted on the adjusted EPS metrics funding table above and with the application of the cap receives a funding level of 100%, and adjusted EPS had a 50% weighting; accordingly the weighted funding level for adjusted EPS was 50% (representing 100% x 50%), and (iii) our free cash flow, which was not impacted by the relief, came in at 105% of plan, which as depicted on the free cash flow metric funding table above and with the application of the cap receives a funding level of 100%, and free cash flow had a weighting of 25%; accordingly the weighted funding level for free cash flow was 25% (representing 100% x 25%). The sum of the adjusted net sales (19.8%), adjusted EPS (50%) and free cash flow (25%) funding levels with relief and the cap applied results in a corporate funding level of 94.79% for 2010. As a result, our PIP funded corporate goals at 94.79% of target for the year with relief and the cap applied, except with respect to Mr. Elliott who requested to have his PIP award fund at the pre-relief corporate goals funding level of 89.25%, before application of the individual performance component of the plan. For 2010, performance of quality objectives had no impact on PIP funding.

Business Unit Goals Funding. The Company has not disclosed the specific targets for business unit performance, as its business unit plans are highly confidential and not reported publicly. Disclosing confidential financial information such as specific business unit level targets would provide competitors and third parties with insight into the Company s internal planning processes which may allow our competitors to predict certain of our business strategies and cause us competitive harm. Business unit targets related to adjusted net sales, adjusted operating income, days sales outstanding and days inventory on hand are established in support of Company-wide sales and earnings per share targets based on a range of factors, including growth outlooks for our product portfolio, the competitive environment, our internal budgets, external market economic conditions, and market expectations. For example, growth rates implicit in targets for any one business unit may be above or below the growth rates targeted for the entire Company, due to faster or slower growth in relevant product markets or smaller or larger market shares. These considerations result in business unit goals that are consistent with Company-wide goals in their level of difficulty to achieve and probability for success. Performance targets are set at a level that the CEO believes is aggressive enough to inspire top performance but reasonable enough to be realistically achievable. Goals are established to challenge executives to maximize year-over-year growth in adjusted net sales and adjusted operating income but are at the same time intended to be reasonable in that they can be achieved by the efficient and diligent execution of operating plans.

Table of Contents

Individual Performance Component.

Overview. For 2010, in order to place a greater emphasize on teamwork, 75% of each executive s PIP payout was based on team results under the Company performance component and the remaining 25% on individual results under the individual performance component.

Individual Performance Determination. After year end, individual performance is considered pursuant to the PADR process described in Performance Considerations on page 41. An individual performance component from 0% to 200% is applied as a multiplier after year end to each executive s funded award to obtain the executive s total award. In addition, the Compensation Committee also reserves the right to adjust each executive s PIP award downward based on individual performance of the executive s quality objectives. In 2010, each executive s PIP payout was adjusted by the executive s individual performance, but was not adjusted by the executive s performance of quality objectives. The Compensation Committee believes that the executive s quality objectives are appropriate in emphasizing our commitment to continually improving and sustaining our quality systems, our quality compliance and product performance thereby enhancing shareholder value.

Individual Targets. Each executive s short-term incentive award opportunity under the PIP (the target) is expressed as a percentage of base salary based on the scope of the executive s responsibilities. For 2010, our CEO s target was 100% of his base salary and our other executives targets ranged from 45% to 80% of their base salaries, based on the specific market median positioning for comparable positions and scope of responsibility.

Actual PIP Award Calculation and Payout.

Actual PIP Award Calculation. An executive s total short-term performance incentive award is ultimately determined by multiplying the product of his or her December 31, 2010 base salary and incentive target percentage by the funding percentage of the corporate or business unit aspect of the PIP and then multiplying the entire result by the individual s performance percentage (pro-rated for the number of days the NEO was employed during the year), as illustrated below:

12/31/10 Base Salary	**x**	**12/31/10 Incentive Target Percentage**	**x**	**Funding* %**	**x**	**Proration for Days Employed**	**x**	**Individual Performance Percentage**	**=**	**Performance Incentive Award**

* Messrs. Elliott, Leno, Capello, Pratt and Pucel were measured against corporate goals, Mr. Kucheman was measured against our U.S. CV business unit performance targets for the first quarter and our U.S. Cardiology, Rhythm and Vascular (CRV) business unit performance targets for the remainder of the year, and Mr. Colen was measured against 50% corporate goals and 50% CRV business unit goals.

For 2010, due to the Company s performance as described above and the application of the relief and cap, the corporate aspect of our PIP funded at 94.79%, except with respect to Mr. Elliott who requested to have his PIP award fund at the pre-relief corporate goals funding level of 89.25%; and due to performance as described above and the application of the relief, the U.S. CV and CRV business unit aspects of our PIP funded below threshold for its first quarter performance and second through fourth quarter performance, respectively. As a result, in 2010, performance incentive awards for our NEOs who were measured against corporate goals were below target, and performance incentive awards for our NEOs who were measured against the U.S. CV and CRV business unit goals were below threshold.

NEOs (Other than CEO). Actual short-term performance incentive awards paid in March 2011 to our NEOs (other than our CEO) under our PIP for 2010 performance are set forth in the table below.

Name	2010 Actual Award
Samuel R. Leno	$ 501,344
Jeffrey D. Capello	$ 381,530
Timothy A. Pratt	$ 454,992
William H. Kucheman	$ 180,075
Kenneth J. Pucel	$ 284,654
Fredericus A. Colen(1)	$ 152,030

(1) Mr. Colen retired from the Company on June 30, 2010.

Messrs. Leno s, Capello s, Pratt s and Pucel s short-term performance incentive awards were consistent with the corporate funding level. Mr. Kucheman s performance incentive award was consistent with the combined U.S. CV and CRV business unit funding levels. Mr. Colen retired from the Company on June 30, 2010, and pursuant to his Agreement and General Release of All Claims he was eligible to receive a performance short-term incentive award pro-rated through June 30, 2010, his award was consistent with the combined corporate and CRV business unit funding levels. For further discussion regarding the payments and benefits due to Mr. Colen pursuant to his agreement, see Other Post-Employment Arrangements on page 56.

CEO. The actual performance incentive award paid in February 2011 to Mr. Elliott under our PIP for 2010 performance is set forth in the table below.

Name	2010 Actual Award
J. Raymond Elliott(1)	$ 1,044,225

(1) Mr. Elliott s entire PIP award was granted in the form of DSUs. The award equaled 145,841 DSUs which were valued at $7.16 per share (the closing price of our common stock on the PIP award determination date).

For 2010, Mr. Elliott s primary performance objectives as CEO were to achieve certain goals in the following categories: (i) Leadership and Communications, (ii) Financial Targets, (iii) Integration and Restructuring, (iv) Strategic Plan Execution, and (v) Compliance and Risk Mitigation. Pursuant to Mr. Elliott s offer letter, he may elect for all or a portion of his PIP award to be paid in the form of fully vested DSUs valued at the closing price of our common stock on the PIP award determination date and payable on the fourth anniversary of issuance. For 2010, Mr. Elliott elected for payment of his entire PIP award to be paid in DSUs. In addition, while Mr. Elliott recommended that the Compensation Committee grant targeted relief under the PIP, he requested to have his PIP award funded using the pre-relief corporate goals funding level of 89.25% (rather than using 94.79%, the amount our corporate goals funded with the relief and cap applied). For further discussion regarding equity awards granted, payments and benefits provided to Mr. Elliott under his offer letter, see Summary Compensation Table on page 63.

Annual Equity Incentives

General Overview. We intend our broad-based equity incentives, consisting of Company performance-based DSU, stock option and service-based DSU awards, to attract, retain, engage and focus key employees for the long-term. Our Compensation Committee has determined that annual equity awards are appropriate to tie our executive compensation to our future stock price performance and the long-term interests of our shareholders. The Compensation Committee approves, upon management recommendation, equity awards that currently consist of Company performance-based service-based DSUs, non-qualified stock options and DSUs to eligible employees in amounts appropriate for each individual s: (i) level of responsibility, (ii) ability to affect the achievement of overall corporate objectives, (iii) individual performance, and (iv) individual potential.

Table of Contents

Elements of Annual Equity Incentives.

Equity Vehicle	Purpose	General Terms
Company performance-based DSUs	Promoting shareholder alignment and reinforcing pay for performance	Company performance-based DSUs represent an opportunity to receive shares of our common stock based on the performance of our common stock measured over three annual performance cycles, the ultimate attainment of which is dependent on our total shareholder return (TSR) compared to the TSR of the companies in the S&P 500 Healthcare Industry Index, of which we and nine of our ten peer group companies are a part, as set forth below:

Total Shareholder Return Performance Percentile Rank	Rate of Conversion of Company performance-based DSUs Into Shares
100th Percentile	260 %
95th Percentile	240 %
80th Percentile	150 %
55th Percentile	100 %
30th Percentile	50 %
Below 30th Percentile	0 %

		Company performance-based DSUs were added to the mix of long-term incentive awards to align our executive compensation with our performance relative to our peers and to measure the successful execution of our strategic plan. We do not pay dividends on unvested Company performance-based DSUs.
Stock options	Promoting shareholder alignment and holding executives accountable for generating shareholder return	Options represent the right to purchase shares of our common stock at an exercise price equal to the closing stock price of our common stock on the date of grant. These awards typically vest in four equal annual installments. Options are exercisable until the tenth anniversary of the date of grant or until the expiration of various limited time periods following termination of employment.
Service-based DSUs	Share-efficient means for retaining top talent and promoting a long-term share owner perspective	Service-based DSUs represent the opportunity to receive shares of our common stock based on the performance of future service and typically vest in five equal annual installments beginning with the first anniversary of the date of grant. The longer vesting period for service-based DSUs reflects the fact that service-based DSUs have immediate value upon vesting compared to options which only have value if our stock price increases. Upon each vesting date, the vested service-based DSUs are no longer subject to risk of forfeiture and shares of our common stock are issued to the recipient. We do not pay

dividends on unvested service-based DSUs.

Collectively, Company performance-based DSUs, stock options and service-bases DSUs enable us to meet our compensation objectives of rewarding the achievement of long-term goals, such as strategic growth, business innovation and shareholder returns, as well as retaining top talent even during periods of significant stock price fluctuation.

Equity Mix. The Compensation Committee was advised by Towers Watson that granting a mix of equity vehicles to our executives is considered a best practice and is a market competitive compensation practice within our peer group. For 2010, in order to place an additional emphasis on increasing shareholder value the Compensation Committee also granted performance share awards in the form of DSUs to our executives and

Table of Contents

changed the targeted mix of equity grants for our executives to 25% Company performance-based DSUs, 50% stock options and 25% service-based DSUs. We believe that this mix appropriately aligns the interests of our executives and their compensation with prudent business risk and the long-term interests of our shareholders.

NEOs (Other than CEO). In determining the amount of each NEO s equity award for 2010, the Compensation Committee considered: (i) the NEO s individual PADR performance rating; (ii) the value of the NEO s current vested and unvested equity; (iii) the Compensation Committee s goal of targeting the 50th percentile of its peer group for 2010 for annual equity incentives; and (iv) the effects of recent economic challenges on long-term incentive values. For 2010, Towers Watson developed Company performance-based equity award ranges for each NEO who was employed at the time of the grant cycle. These award ranges reflected the targeted market position for comparable roles among the NEOs. The CEO (and the Executive Vice President and Chief Operations Officer in the case of certain NEOs) was provided the ability to differentiate awards within the established guidelines reflecting performance, potential, current equity position, as well as other criteria. Award recommendations were provided to the Compensation Committee for its consideration and approval.

In February 2010, the Compensation Committee made annual equity awards to our NEOs in the following amounts:

	2010		
Name	**Company Performance-Based DSUs(1)**	**Options(1)**	**Service-Based DSUs(1)**
Samuel R. Leno	67,476	307,692	67,476
Jeffrey D. Capello	25,304	115,385	25,304
Timothy A. Pratt	42,173	192,308	42,173
William H. Kucheman	67,476	307,692	67,476
Kenneth J. Pucel	33,738	153,846	33,738
Fredericus A. Colen(2)	67,476	307,692	67,476

(1) 2010 Company performance-based DSUs, stock options and service-based DSUs were granted as of February 16, 2010; stock options had an exercise price of $7.41 per share (the closing price of our common stock on the date of grant).

(2) Mr. Colen retired from the Company on June 30, 2010.

In February 2010, the Compensation Committee also made promotional and management restructuring related equity awards to Messrs. Leno, Capello and Pratt in the following amounts:

	2010		
Name	**Company Performance-Based DSUs**	**Options**	**Service-Based DSUs**
Samuel R. Leno(1)			50,000
Jeffrey D. Capello(2)	40,323	700,390	116,234
Timothy A. Pratt(1)			100,000

(1) The service-based DSUs were granted as of February 16, 2010.

(2) The Company performance-based DSUs were granted as of February 16, 2010; the stock options consist of (i) 519,231 options granted as of February 16, 2010 with an exercise price of $7.41 per share (the closing price of our common stock on the date of grant) and (ii) 181,159 options granted as of February 23, 2010 with an exercise price of $7.75 per share (the closing price of our common stock on the date of grant); and the service-based DSUs consist of (i) 75,911 service-based DSUs granted as of February 16, 2010 and (ii) 40,323 service-based DSUs granted as of February 23, 2010.

CEO. In February 2010, in accordance with Mr. Elliott s offer letter, the Compensation Committee approved a grant of 600,000 stock options with an exercise price of $7.41 per share (the closing price of our common stock on the date of grant) as of February 16, 2010, vesting in four equal annual installments. The equity awards that Mr. Elliott received in 2009 and 2010 pursuant to his offer letter were intended to effect three years of annual equity grants; accordingly, his offer letter provides that no additional grants of equity-based awards are expected to be made to Mr. Elliott prior to the third anniversary of his hire date. For further discussion regarding equity awards granted, payments and benefits provided to Mr. Elliott under his offer letter, see Summary Compensation Table on page 63.

Overview of Elements of Indirect Pay

Primary Elements of Indirect Compensation. We also compensate our executives through the indirect compensation component of our executive compensation program, namely benefits. We believe that offering our executives certain benefits facilitates the operation of our business, allows them to better focus their time, attention and capabilities on our business and assists the Company in recruiting and retaining key executives. Each element of our indirect compensation is targeted to be competitive relative to our peer group and is fixed or variable, has a primary role and has one or more objectives, each as shown in the table below.

Element	Fixed/Variable	Role	Objective
General health and welfare benefits	Fixed	Promote personal health and well being; provide financial protection and security	Allow talent to focus on being productive leaders
Executive allowance	Fixed	Attract and retain talent	Allow talent to focus on being productive leaders
Relocation	Variable	Attract and redeploy talent	Minimize the inconvenience and costs of moving in connection with accepting a new role or job from us
Personal use of aircraft	Variable	Ensure our CEO s safety and security	Allow CEO to focus on being a productive leader

Fixed Components.

General Benefits. Our executive benefits program, which is available to our NEOs, is intended to promote personal health and well being, provide financial protection and security for our executives and to reward them for the total commitment we expect from them in service to us. Our executive benefits program consists of three key elements: (i) health and welfare plans based principally on a preferred provider model with the executives sharing approximately 20% of the cost; (ii) Company-paid life insurance of three times base salary (up to a $1 million benefit payable upon death); and (iii) a qualified 401(k) retirement plan with a Company match of up to 6% of base pay. Other elements include benefits generally available to all of our U.S. salaried employees, including our executives, such as Company-paid disability benefits and the ability to participate in our Global Employee Stock Ownership Plan, which entitles our employees to purchase shares of our common stock at a 10% discount.

Executive Allowance. Pursuant to our Executive Allowance Plan, we provide a cash allowance to eligible executives in lieu of perquisites typically provided by other companies to their executives, such as company cars, health care costs not otherwise covered or tax planning services, which we do not provide to our executives. Under this plan, our executives receive $25,000 per year (pro-rated for the number of days the executive was employed as an executive during the year), which is not specifically allocated to any particular item and may be spent in their discretion.

Variable Components.

Relocation. In order to attract and redeploy talent, we have global relocation programs for employees, including our executives, who are requested by us to move in connection with their current job and for newly hired employees, including our executives, who are required to move in connection with accepting a job with us. We have an executive tier of the global relocation programs for our executives. The executive tier of the programs cover reasonable expenses associated with the move and certain relocation services to minimize the inconvenience and cost of moving, including as applicable, lump sum payments for temporary living, home search and miscellaneous expenses; new home search assistance; departure area home sales assistance; reimbursement of duplicative housing costs; moving household goods; reimbursement of final trip expenses to new area; spousal/partner career assistance; and cost of living allowance (COLA). The COLA applies for executives whose cost of living increases at least eight percent from their previous location of residence, paid as taxable income over four years in decreasing percentages. The actual amount of each COLA is determined by an external consulting firm. The policy generally requires participants of the program to sign an Agreement to Reimburse that requires them to pay back expenses incurred by the Company for their relocation in the event that they voluntarily terminate their employment or are terminated for cause at a rate of 100% for termination within one year of the date on which payments were first made and 50% for termination within two years of the date on which payments were first made. Accordingly, each of Messrs. Elliott, Leno, Pratt, Pucel and Colen signed an Agreement to Reimburse in connection with their relocations. Pursuant to Mr. Elliott s offer letter, upon (i) an involuntary termination of his employment without cause prior to the fifth anniversary of his hire date, (ii) his retirement under the Executive Retirement Plan, (iii) death, (iv) disability, or (v) change in control, the Company agrees at his election to repurchase Mr. Elliott s then Boston area residence at a purchase price equal to his original purchase price plus cost of documented improvements.

In 2010, we paid (i) $85,094 in connection with Mr. Elliott s 2009 move to Massachusetts pursuant to his offer letter, our global relocation programs and any approved waivers ($28,810 of this amount was included in Mr. Elliott s income due to a $55,858 credit for overpayment of a move of personal goods being applied to the taxable amount, $45,860 of the taxable amount represents a gross-up to cover related tax obligations, and $38,809 represents his COLA); (ii) $36,028 in connection with Mr. Pratt s 2009 move to Massachusetts pursuant to his offer letter, our global relocation programs and any approved waivers ($31,308 of this amount was included in Mr. Pratt s income, of which $5,221 represents a gross-up to cover related tax obligations, and $13,628 of which represents his COLA); and (iii) $323,908 in connection with Mr. Pucel s move to Minnesota pursuant to our global relocation programs and any approved waivers ($194,734 of this amount was included in Mr. Pucel s income, of which $80,319 represents a gross-up to cover related tax obligations), $103,421 of the total amount represents closing costs associated with the sale of his home. In addition, in 2010 we made COLA payments of $15,966 to Mr. Leno in connection with his move to Massachusetts. Finally, we paid $33,435 to Mr. Colen ($31,885 of this amount was included in Mr. Colen s income, of which $9,928 represents a gross-up to cover related tax obligations) in connection with his previously anticipated relocation to Massachusetts that was cancelled upon his retirement, which costs were paid pursuant to his Agreement and General Release of All Claims. Amounts paid to Mr. Colen in connection with his retirement from the Company are discussed under Other Post-Employment Arrangements on page 56. In the Compensation Committee s 2009 review of executive compensation, the Compensation Committee retained the practice of providing tax gross-ups on relocation because it applies to all employees eligible to receive relocation benefits, including our executives, and the Compensation Committee believes it is integral to the Company s ability to attract and retain employees whose skill or knowledge enhance the Company s competitive position.

Aircraft Usage. In accordance with the Company s policy and pursuant to Mr. Elliott s offer letter, our President and Chief Executive Officer is permitted personal use of our corporate aircraft. Our other executives are permitted personal use of the corporate aircraft only with the prior permission of the Executive Vice President and Chief Operations Officer. In 2010, the only NEOs who used the corporate aircraft for personal use were Messrs. Elliott and Leno. Under current Internal Revenue Service (IRS) rules, we impute income to the executive for an amount based on Standard Industry Fare Level (SIFL) rates set by the U.S. Department of Transportation. This imputed income amount is included in an executive s earnings at the end of the year and reported as income to the IRS. The IRS has set limitations on the amount we can deduct when using the SIFL method to impute income to the employee for personal use of the corporate aircraft. We calculate disallowed deductions for tax purposes from December 1st of the previous tax year through November 30th of the current tax year. In 2010, $211,966 of disallowed deductions were attributable to Mr. Elliott and $17,679 of disallowed deductions were attributable to Mr. Leno, in each case for personal use of the aircraft by them and certain family members in 2010. In the Compensation Committee s 2009 review of executive compensation, the

Compensation Committee amended our policy to prohibit the payment of gross-ups for spousal use of the aircraft, whether or not in connection with business activities, to align with market practice and the existing prohibition on the payment of tax gross-ups for executive officer personal use of the aircraft, even though actual spousal use of aircraft was not deemed to be unusual or excessive. The incremental cost of the personal use of the aircraft by Messrs. Elliott and Leno is reflected in the Summary Compensation Table on page 63 in the column All Other Compensation.

Other Payments and Equity Awards During 2010

In February 2008, Messrs. Kucheman and Pucel (among other executives whom the Compensation Committee deemed critical to the organization and wanted to retain during a challenging time), were awarded a retention bonus. The executives were permitted to select the form of award among a combination of stock options, service-based DSUs and cash. Messrs. Kucheman and Pucel elected to take partial payment of the retention bonus in cash, payment of which was subject to continued employment and was paid ratably over two years. In 2010, Mr. Kucheman received $50,000 and Mr. Pucel received $105,075 representing the final portion of their 2008 retention award.

In February 2010, in order to replace our existing Retention Agreements with new, less employee favorable Change in Control Agreements for each of our executives, including our NEOs, our Compensation Committee approved a grant of 4,348 stock options with an exercise price of $7.74 per share (the closing price of our common stock on the date of grant) to our executives as of February 26, 2010 as consideration for their terminating existing Retention Agreements with us and executing new Change in Control Agreements with us. For more details, please refer to Change in Control Agreements on page 57.

Our Post-Employment and Change in Control Arrangements

Primary Elements of Post-Employment and Change in Control Arrangements. We also provide certain post-employment and change-in-control payments and benefits to our executives under certain circumstances. We believe that offering our executives these payments and benefits facilitates the operation of our business, allows them to better focus their time, attention and capabilities on our business, and assists the Company in recruiting and retaining key executives. Each element of post-employment and change in control payments and benefits is targeted to be competitive relative to our peer group, has a primary role, is fixed or variable and has one or more objectives, each as shown in table below:

Element	Fixed/Variable	Role	Objective
Executive Retirement Plan	Fixed	Provide financial protection and security	Attract and retain talent
Employee Severance Pay Plan	Fixed	Provide financial protection and security	Focus talent on continuing business operations
Change in Control Protection	Fixed	Provide financial protection and security	Focus talent on continuing business operations and independent evaluation of potential transactions

Overview. In 2009, the Compensation Committee asked its compensation consultant to conduct a formal analysis of each of our post-employment and change in control arrangements (other than our Consulting Arrangements and our Employee Severance Pay Plan) for reasonableness and market competitiveness. Towers Watson advised that our Retention Agreements and executive life insurance program differed from those of our peers but that the remaining plans as constituted were currently appropriate and generally competitive in the marketplace. Accordingly, in

December 2009, our Board approved the termination of our executives existing Retention Agreements and the execution of new Change in Control Agreements described in more detail below. In addition, we terminated our executive life insurance program that contained gross-ups of payments for tax purposes. With respect to the remaining post-employment compensation arrangements detailed below, the Compensation Committee determined that they were generally consistent with those arrangements being offered by our peer group. The Compensation Committee further reviewed the reasonableness of each individual element of compensation and of each executive s compensation package as a whole. The Compensation Committee also considered the non-competition agreements, confidentiality agreements, non-solicitation agreements and releases of claims, as applicable, that the Company would receive in exchange from each executive prior to the executive s receipt of post-employment termination benefits. As a result, the Compensation Committee believes the potential payout amounts under each arrangement to be appropriate to accomplish the stated objective of each arrangement and is necessary to remain competitive in attracting and retaining executive talent.

Executive Retirement. All of our executives, including our NEOs, are eligible to participate in our Executive Retirement Plan. The Executive Retirement Plan is intended to provide a clear and consistent approach to managing retirement-eligible executive departures with a standard, mutually understood separation and post-employment relationship. The Executive Retirement Plan provides retiring executives with a lump sum benefit of 2.5 months of salary for each completed year of service, up to a maximum of 36 months pay. The amounts are payable in the first payroll period after the last day of the six-month period following retirement. Receipt of payment is conditioned upon the retiring executive entering into a separation agreement with the Company, which includes a non-competition provision aimed at protecting the Company from the transfer of proprietary and business knowledge to competing companies. To be eligible for benefits under the Executive Retirement Plan, an executive s age plus his or her years of service with the Company must be at least 65 years (provided that the executive is at least 55 years old and has been with the Company for at least five years).

Mr. Elliott s offer letter provides that he will be deemed to have met retirement eligibility under the Executive Retirement Plan upon his termination from employment for any reason (other than for cause) and assuming a period of employment of at least three years. Mr. Elliott has not yet completed three years of service. Mr. Leno s offer letter provides that he will be deemed to have met retirement eligibility under the Executive Retirement Plan: (i) upon his termination from employment for any reason (other than for cause) and assuming a period of employment of at least three years, or (ii) upon his involuntary termination of employment for any reason (other than for cause) before completing a three-year period of employment. Mr. Leno has met his three year service requirement. The present value of amounts accrued under this plan are reflected in the Pension Benefits table on page 75 and in the Potential Payments upon Termination or Change in Control tables beginning on page 79. On June 30, 2010, Mr. Colen retired as our Executive Vice President and Chief Technology Officer. At the time of his retirement, he was retirement-eligible under our Executive Retirement Plan. Amounts paid to Mr. Colen in connection with his retirement from the Company are discussed under Other Post-Employment Arrangements below and are reflected in the Potential Payments upon Termination or Change in Control tables beginning on page 79; amounts paid under the Executive Retirement Plan are reflected in the Pension Benefits table on page 75.

Further, prior to July 2010, outstanding equity grants awarded under our Long-Term Incentive Plans become immediately vested and exercisable upon an executive s eligible retirement. However, beginning in July 2010, the terms of all annual equity awards granted to an executive provides that in the event that the executive s employment terminates due to disability or retirement prior to the first anniversary of the equity award grant date, the unvested equity award will immediately lapse and be forfeited.

Employee Severance Pay Plan. All of our salaried employees are eligible to receive severance payments and benefits under our Employee Severance Pay Plan in the event of certain involuntary terminations. Under the Employee Severance Pay Plan, director level and above exempt employees, including our NEOs, are eligible for severance payments and benefits (salary and benefits continuation) equal to one month of severance payments and benefits for each completed year of service to the Company (with a minimum benefit of six months) up to a maximum of 12 months. Executives, including our NEOs, who are eligible to receive payments under our Executive Retirement Plan are not also eligible to receive payments and benefits under the Employee Severance Pay Plan.

Other Post-Employment Arrangements. On June 30, 2010, Mr. Colen retired as our Executive Vice President and Chief Technology Officer. We entered into an Agreement and General Release of all Claims (the Agreement and

General Release of all Claims) with Mr. Colen, pursuant to which in 2010 he received: (i) $600,000, (ii) $68,365 for accrued and unused vacation time, and (iii) $33,435 for reimbursement of relocation-related expenses incurred by him in connection with his anticipated relocation to Massachusetts prior to his retirement, which amount includes $9,928 of gross-up to cover a related tax obligation. In addition, pursuant to the Agreement and General Release of all Claims in March 2011 Mr. Colen received $152,030 under the PIP for his 2010 performance (pro-rated through June 30, 2010). Further, pursuant to the Agreement Mr. Colen is entitled to (a) reimbursement for all reasonable costs incurred by him in moving personal goods in connection with his relocation to Florida subject to appropriate documentation in accordance with our policies, (b) up to $25,000 for outplacement services, to begin no later than June 30, 2010, and (c) $300 per hour for his performance of cooperation services in connection with any investigation, litigation or other proceeding. At the time of his retirement, Mr. Colen was retirement-eligible under our Executive Retirement Plan. Accordingly, in January 2011 Mr. Colen received a lump sum payment of $1,360,001 pursuant to our Executive Retirement Plan and in accordance with the Agreement. In addition, Mr. Colen s retirement triggered the accelerated vesting in 2010 of his 697,199 unvested stock options (none of which were in-the-money on his retirement date), which remain exercisable through the term of each grant, and of his 143,204 unvested service-based DSUs with a value equal to $830,583 (representing the number of accelerated service-based DSUs multiplied by $5.80, the closing price of our common stock on his retirement date). Further, 67,476 unvested Company performance-based DSUs were forfeited in 2010 due to his retirement prior to one year of service from the date of grant. As part of the consideration for the Agreement, Mr. Colen acknowledged that he is still subject to the restrictive covenants in the Executive Retirement Plan and his employment agreement providing for confidentiality and 24-month non-solicitation and non-compete obligations.

Change in Control Agreements. The possibility of a change in control and the uncertainty that it may raise among our key executives as to their continued employment after or in connection with the change in control may result in the departure or distraction of our key executives. The purpose of the Change in Control Agreements is to retain our key executives and reinforce and encourage their continued attention and dedication during this potentially critical time, even if they fear that their position will be terminated after or in connection with the change in control.

In December 2009, our Board of Directors approved the termination of our executives Retention Agreements and the execution of new Change in Control Agreements to bring our change in control arrangements in line with those of our peers. As consideration for the termination of the Retention Agreements, our Compensation Committee approved stock option grants to our executives. Our NEOs executed the new agreements in February 2010 and, as a result, received 4,348 stock options with an exercise price of $7.74 per share (the closing price of our common stock on the date of grant). See Other Payments and Equity Awards During 2010 for further discussion of this grant. The old Retention Agreements, which were in force at December 31, 2009, entitled the executive to compensation for excise tax liability he or she may have incurred by reason of the payments made under the agreement, allowed acceleration of vesting of equity upon a change in control (a single trigger feature), and contained an indefinite term. The new Change in Control Agreements eliminate the excise tax gross-ups and, instead, require a reduction in the amount of the severance payments if the reduction would result in a greater after-tax amount. Under the new agreements, vesting of the executives stock options, restricted stock and deferred stock units granted in 2010 will require both a change in control and termination without cause or resignation of the executive for good reason within two years after the change in control (a double trigger feature) and the agreement is limited to a three-year term.

The remaining terms of the new Change in Control Agreements are generally consistent with the former Retention Agreements. Under the Change in Control Agreements, the executives are entitled to a lump sum payment of three times the sum of (i) the executive s base salary, (ii) assumed on-plan incentive bonus (or prior year s bonus, if higher), and (iii) the annual executive allowance ($25,000), if either the executive s employment is terminated by us without cause or by the executive for good reason, in each event following a change in control. Cause generally means willfully engaging in criminal or fraudulent acts or gross misconduct that is demonstrably and materially injurious to us. The executive is also entitled to continuation of health and other welfare benefits for three years. In exchange, the executive must enter into an agreement containing confidentiality restrictions and a three-year non-solicitation obligation and execute a release of the Company. Executives, including our NEOs, who are eligible to receive payments under our Change in Control Agreements are not also eligible to receive payments and benefits under our Executive Retirement Plan. For

57

more details, please refer to the Potential Payments upon Termination or Change in Control tables beginning on page 79.

Prior to July 2010, outstanding equity grants awarded under our Long-Term Incentive Plans become immediately vested and exercisable upon a change in control. Beginning in July 2010, all equity granted to executives has a double trigger feature, requiring both a change in control and termination (without cause or by the executive for good reason) in order to accelerate vesting.

Other Plans Under Which a Change in Control and/or Termination of Employment Triggers Benefits.

Performance Incentive Plan (PIP). Generally all of our U.S. salaried personnel that are ineligible for commissions under sales compensation plans, including our NEOs, and certain international and expatriate/inpatriate employees selected for participation are eligible to participate in our PIP. For 2010, participants generally must be employed by us on December 31 of the plan year in order to be eligible for their incentive performance award for that year. For 2011, participants generally must be employed by us on the date of payout in order to be eligible for their incentive performance award for that year. However, in the event of certain involuntary terminations without cause or death, participants may receive their performance incentive awards for the year on a prorated basis based on the percentage of the year the participant was employed by us and eligible to participate. In addition, participants who retire before the end of the year but who have otherwise met all plan eligibility requirements and who, as of the date they retired, had attained the age of 50, accrued at least five years of service and whose age plus years of service equals or exceeds 62, may receive their performance incentive awards for the year on a prorated basis based on the percentage of the year the participant was employed by us and eligible to participate.

Long-Term Incentive Plans. Employees, including our NEOs, are eligible to receive equity awards under our Long-Term Incentive Plans. Beginning in 2010, all equity granted to executives who have entered into Change in Control Agreements with us has a double trigger feature, requiring both a change in control and termination (without cause or by the executive for good reason) in order to accelerate vesting under certain conditions. Generally, equity awards granted prior to 2010 to our executives, including our NEOs, under these plans will become immediately vested and exercisable in the event of a change in control or Covered Transaction as defined in the Plans. Additionally, under certain circumstances in the event of a change in control or Covered Transaction, equity awards granted under (i) our 1992 Long-Term Incentive Plan prior to October 31, 2001 will become immediately exercisable and the value of all outstanding stock options will be cashed out, (ii) our 1995 Long-Term Incentive Plan prior to October 31, 2001 will, unless otherwise determined by our Compensation Committee, become immediately exercisable and automatically converted into an option or other award of the surviving entity, (iii) our 2000 Long-Term Incentive Plan prior to December 2000 will become immediately exercisable and/or converted into an option or other award of the surviving entity, and (iv) our Performance Share Plan will remain outstanding and shares shall be paid out on a prorated basis based on the performance period percentile rank. For more details, please refer to the Potential Payments upon Termination or Change in Control tables beginning on page 79.

Recovery of Incentive Awards

Our Compensation Committee has adopted a policy regarding the recovery or adjustment of PIP awards in the event relevant Company performance measures are restated in a manner that would have reduced the size of a previously granted award. Effective for PIP awards made on or after February 20, 2007 (the date the policy was adopted), to the extent permitted by governing law, the Board will seek reimbursement of PIP awards paid to any executive in the event of a restatement of the Company s financial results that would have reduced the size of a previously granted award. In that event, we will seek to recover the amounts of the PIP award paid to the executives which are in excess of the amounts that would have been awarded based on the restated financial results.

Table of Contents

Executive Stock Ownership Guidelines

Our executives are required to have a significant personal investment in Boston Scientific through their ownership of shares of our common stock. The Board has adopted minimum stock ownership guidelines for executives, including our NEOs, in the following amounts:

Chief Executive Officer: 240,000 shares

Executive Vice Presidents: 75,000 shares

Senior Vice Presidents: 20,000 shares

Each executive is expected to attain his or her ownership target within five years after February 20, 2007 (the date the guidelines were adopted) or such individual becomes an executive, whichever is later. All of our executives either currently meet our executive stock ownership guidelines or we expect that they will meet these guidelines within five years after becoming an executive. The Nominating and Governance Committee monitors compliance with these guidelines on an annual basis.

Prohibition on Hedging Policy

Our executives, including our NEOs, are prohibited from speculating in the Company s securities, engaging in transactions designed to hedge the value of Boston Scientific common stock and pledging their common stock as collateral for a loan. Executives appointed after December 31, 2010 must unwind pre-existing hedging or pledging arrangements within nine months of their appointment. Any pre-existing hedging or pledging arrangements of such executives will be disclosed at the time of their appointment in the Company s Form 8-K that discloses the appointment.

Tax Gross-Up Practices for Relocation Benefits Only

In 2009, the Company eliminated tax gross-ups for its executives except for relocation expenses, which the Compensation Committee retained because the benefit generally applies to all employees eligible to receive relocation benefits, including our executives, and the Compensation Committee believes it is integral to the Company s ability to attract and redeploy employees whose skill or knowledge enhance the Company s competitive position.

Our Equity Award Grant Policy and Practices

The Company generally makes annual equity awards in February, in order to give the Compensation Committee the benefit of a completed year of performance prior to making grants. The February meeting typically falls during the open trading window following the release of our earnings results for the most recently completed fiscal year. In the event that a February meeting does not fall within an open window period, the annual equity award is granted as of the first business day of the next open window period. In addition, promotion, special recognition and retention awards are granted on the first business day of the next open window period following approval by the Compensation Committee. New hire awards for non-executives are approved by the CEO (pursuant to applicable equity award guidelines for each job position) under the authority delegated to him by the Compensation Committee and are effective on the later of the date of hire or the CEO s approval. New hire awards for executives require approval of the Compensation Committee. All stock options are granted with an exercise price equal to the closing price of our common stock on the date of grant. We have not engaged in the practice of granting discounted stock options or backdating our stock options.

Tax Considerations

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation over $1 million paid to the company s chief executive officer and the three other most highly compensated executive officers employed by the Company at the end of the year. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. Generally, we have structured performance-based components of executive compensation in a manner intended to satisfy these requirements without negatively affecting our overall compensation strategy. Our 2000 and 2003 Long-Term Incentive Plans (LTIPs) incorporate provisions intended to comply with Section 162(m) of the Code. Incentive awards under our PIP are considered performance-based awards under our LTIPs, which are shareholder approved plans.

Use of Non-GAAP Financial Measures in the Executive Summary

The Executive Summary of the Compensation Discussion & Analysis includes certain non-GAAP financial measures under the section entitled 2010 Business Results. To supplement Boston Scientific s consolidated financial statements presented on a GAAP basis, the Company discloses certain non-GAAP financial measures including adjusted net income and adjusted net income per share. Non-GAAP measures, such as adjusted net income and adjusted net income per share, are not in accordance with generally accepted accounting principles in the United States. Management uses non-GAAP financial measures to evaluate performance period over period, to analyze the underlying trends in the Company s business, to assess its performance relative to its competitors, and to establish operational goals and forecasts that are used in allocating resources. Non-GAAP financial measures should not be considered in isolation from or as a replacement for GAAP financial measures. The Company believes that providing this information better enables Boston Scientific s stockholders to understand the Company s operating performance and to evaluate the methodology used by management to evaluate and measure such performance.

Table of Contents

RISK ASSESSMENT OF THE COMPENSATION PROGRAMS

With the assistance of the senior members of our Global Compensation and Benefits organization, certain senior executive officers and the Compensation Committee s independent compensation consultant, Frederic W. Cook & Co., the Compensation Committee reviewed a risk assessment of our compensation programs and policies to determine if the programs provisions and operations create undesired or unintentional risk of a material nature.

Our risk assessment included two work streams one focused on reviewing areas of enterprise risk and the other focused on identifying compensation design risk. Our enterprise risk analysis examined the types and magnitudes of risks the business areas present to the Company. Our compensation design risk analysis examined the potential risks in the design of our performance-based incentive compensation arrangements. As part of this assessment we analyzed the mix of fixed and variable compensation; the mix of short- and long-term compensation; the mix of long-term equity incentives; performance metric mix, weighting, measurement, and payout timing, discretion and caps on short-term incentives; award size, vesting schedules and performance and other terms of long-term equity incentives; other incentive opportunities and their features; as well as our recovery of incentive awards policy, executive stock ownership and holding guidelines and hedging prohibition. Finally, we evaluated on a combined basis the results of the enterprise and compensation risk assessments, on a business area-by-business area basis.

As a result of our analysis, the Compensation Committee concluded that our compensation programs do not create risks that are reasonably likely to have a material adverse effect on Boston Scientific.

Table of Contents

COMPENSATION COMMITTEE REPORT

The Executive Compensation and Human Resources Committee of the Board of Directors (the Compensation Committee) of Boston Scientific has reviewed and discussed the Compensation Discussion & Analysis contained in this Proxy Statement with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion & Analysis be included in this Proxy Statement and in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2010 for filing with the SEC.

THE COMPENSATION COMMITTEE

Ernest Mario, *Chairman*
Katharine T. Bartlett
Ray J. Groves

Table of Contents

SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation paid to or earned by each of our named executive officers (our NEOs) for the fiscal years ended December 31, 2010, December 31, 2009 and December 31, 2008. For a narrative description of material factors helpful to facilitate an understanding of the information disclosed in the table below, see the Compensation Discussion & Analysis section beginning on page 32.

pal Position	Year	Salary ($)[1]	Bonus ($)[2]	Stock Awards ($)[3]	Option Awards ($)[4]	Non-Equity Incentive Plan Compensation ($)[5]	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)[6]	All Other Compensatio ($)[7][8]
tt [9]	2010	$ 1,200,000	$ 0	$ 0	$ 2,078,914	$ 1,044,225	$ 218,384	$ 375,011
ef	2009	$ 598,356	$ 1,500,000	$ 14,164,400	$ 15,232,000	$ 607,766	$ 102,276	$ 1,267,936
	2008							
	2010	$ 642,534	$ 0	$ 1,503,422	$ 1,027,220	$ 501,344	$ 153,749	$ 118,588
esident	2009	$ 625,000	$ 0	$ 250,000	$ 750,000	$ 420,938	$ 127,907	$ 95,877
ons	2008	$ 621,721	$ 0	$ 687,500	$ 2,072,000	$ 556,875	$ 110,850	$ 113,148
o*[9]	2010	$ 564,521	$ 0	$ 1,677,684	$ 2,725,987	$ 381,530	$ 104,101	$ 42,190
esident	2009							
al Officer	2008							
[9]	2010	$ 590,754	$ 0	$ 1,449,085	$ 647,607	$ 454,992	$ 145,058	$ 84,032
esident,	2009	$ 525,000	$ 100,000	$ 125,000	$ 375,000	$ 353,588	$ 96,466	$ 114,867
ive	2008							
Counsel and								
eman[9]	2010	$ 489,521	$ 50,000	$ 1,132,922	$ 1,027,220	$ 180,075	$ 255,000	$ 48,004
esident	2009							
rdiology,								