

BOSTON SCIENTIFIC CORP

Form PRE 14A

March 08, 2007

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

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No.            )**

**Filed by the Registrant**

**Filed by a Party other than the Registrant**

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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**BOSTON SCIENTIFIC CORPORATION**

*(Name of Registrant as Specified In Its Charter)*

**Payment of Filing Fee (Check the appropriate box):**

- No fee required.
- 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):

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(1) Amount Previously Paid:

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

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Natick, Massachusetts  
March , 2007

Dear Boston Scientific Stockholder:

You are cordially invited to attend Boston Scientific Corporation's Annual Meeting of Stockholders to be held on Tuesday, May 8, 2007, at 10:00 A.M. Eastern Time, at the Bank of America Northeast Training and Conference Center, 100 Federal Street, Boston, Massachusetts.

This year you are being asked to:

re-elect four existing directors;

approve amendments to our Certificate of Incorporation and Bylaws to declassify our Board of Directors;

approve amendments to our Certificate of Incorporation and Bylaws to increase the maximum size of our Board of Directors from 15 to 20 directors;

approve a stock option exchange program for Boston Scientific employees (excluding our executive officers and directors);

vote upon a stockholder proposal to require executive stock retention guidelines;

ratify the appointment of Ernst & Young LLP as our independent auditors for the 2007 fiscal year; and

act upon such other business as may properly come before the annual meeting or any adjournment or postponement of the meeting.

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, the amendments to our Certificate of Incorporation and Bylaws declassifying the Board of Directors, the amendments to the Certificate of Incorporation and Bylaws increasing the maximum size of the Board from 15 to 20 directors, the stock option exchange program for Boston Scientific employees and the ratification of the appointment of Ernst & Young LLP as our independent auditors and **AGAINST** the stockholder proposal regarding executive stock retention guidelines.

At the meeting, you will be provided with the opportunity to ask questions.

The Board of Directors appreciates and encourages stockholder participation in the Company's affairs. Whether or not you plan to attend the meeting, it is important that your shares be represented. Accordingly, we request that you sign, date and mail the enclosed proxy card in the envelope provided at your earliest convenience. Record holders may also vote electronically or telephonically by following the instructions printed on the enclosed proxy card.

Thank you for your cooperation.

Very truly yours,

Pete M. Nicholas  
*Chairman of the Board*

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

Natick, Massachusetts  
March , 2007

The Annual Meeting of Stockholders of Boston Scientific Corporation will be held at the Bank of America Northeast Training and Conference Center, 100 Federal Street, Boston, Massachusetts on Tuesday, May 8, 2007, at 10:00 A.M. Eastern Time, for the following purposes:

- (1) To re-elect four existing Class III directors to serve until our 2010 Annual Meeting of Stockholders; provided, however, that if the amendments to our Certificate of Incorporation and Bylaws declassifying the Board of Directors as described below are approved, their term will expire at the 2008 Annual Meeting of Stockholders;
- (2) To approve amendments to our Certificate of Incorporation and Bylaws that would declassify the Board of Directors;
- (3) To approve amendments to our Certificate of Incorporation and Bylaws that would increase the maximum size of our Board of Directors from 15 to 20 directors;
- (4) To approve a stock option exchange program for employees (excluding our executive officers and directors) providing for the exchange of stock options previously granted under our stock plans with an exercise price of \$25.00 or more per share for a deferred stock unit (DSU) award (of a smaller number of DSUs than the number of exchanged stock options);
- (5) To vote upon a stockholder proposal requiring executive stock retention guidelines;
- (6) To ratify the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2007; and
- (7) To transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

Only stockholders of record at the close of business on March 9, 2007, are entitled to notice of and to vote at the meeting or any adjournments or postponements of the meeting.

**So that your shares will be represented whether or not you attend the Annual Meeting, please sign, date and mail the enclosed proxy card in the postage-paid envelope provided at your earliest convenience. Record holders may also vote electronically or telephonically by following the instructions printed on your proxy card.**

By Order of the Board of Directors

Paul W. Sandman  
*Secretary*

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**One Boston Scientific Place  
Natick, Massachusetts 01760**

**March , 2007**

**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 8, 2007, at 10:00 A.M. Eastern Time, at the Bank of America Northeast Training and Conference Center, 100 Federal Street, Boston, Massachusetts. At this meeting, stockholders will be asked to re-elect four existing directors; approve amendments to our Certificate of Incorporation and Bylaws to declassify the Board of Directors; approve amendments to our Certificate of Incorporation and Bylaws to increase the maximum size of our Board of Directors from 15 to 20 directors; approve a stock option exchange program for Boston Scientific employees (excluding our executive officers and directors); vote upon a stockholder proposal requiring executive stock retention guidelines; and ratify the appointment of Ernst & Young LLP as our independent auditors for the 2007 fiscal year. Management will also report on our performance during fiscal 2006 and will respond to questions from stockholders. When used in this Proxy Statement, the terms we, us, our and the Company mean Boston Scientific Corporation and its divisions and subsidiaries.

***Who is entitled to attend and vote at the Annual Meeting?***

Stockholders of record at the close of business on March 9, 2007, are entitled to attend and vote at the Annual Meeting. Each share of our common stock is entitled to one vote. The proxy card provided with this proxy statement indicates the number of shares of Boston Scientific common stock that you own and are entitled to vote.

***What do I need to bring to the Annual Meeting?***

If your shares are registered in your name, you should bring proper identification to the meeting. If your shares are held in the name of a broker, trust, bank or another nominee, you will need to bring a proxy or letter from that broker, trust, bank or other nominee that confirms that you are the beneficial owner of those shares, along with proper identification.

***What constitutes a quorum at the meeting?***

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our common stock outstanding on March 9, 2007, the record date, will constitute a quorum for purposes of the Annual Meeting. As of March 9, 2007, [ ] shares of Boston Scientific common stock were outstanding, with each share

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entitled to one vote. For purposes of determining whether a quorum exists, proxies received but marked **withhold** or **abstain** and **broker non-votes** (described below) will be counted.

### ***How do I vote by proxy?***

Your vote is very important. Whether or not you plan to attend the meeting, we urge you to complete, sign and date the enclosed proxy card and return it in the envelope provided. No postage is required if your proxy card is mailed in the United States. If you properly fill in your proxy card and our transfer agent receives it in time to vote at the meeting, your proxy (one of the individuals named on your proxy card) will vote your shares as you have directed. If you sign the proxy card but do not make specific choices, your proxy will vote your shares as recommended by the Board, as follows:

- (1) **FOR** the re-election of each of the four existing director nominees;
- (2) **FOR** the amendments to our Certificate of Incorporation and Bylaws to declassify the Board of Directors;
- (3) **FOR** the amendments to our Certificate of Incorporation and Bylaws to increase the maximum size of the Board from 15 to 20 directors;
- (4) **FOR** the stock option exchange program for Boston Scientific employees (excluding our executive officers and directors);
- (5) **AGAINST** the stockholder proposal requiring executive stock retention guidelines; and
- (6) **FOR** the ratification of the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2007.

If any other matter is properly presented at the meeting or if the meeting is to be postponed or adjourned, your proxy will vote your shares in accordance with his or her best judgment. At present, the Board knows of no other business that is intended to be brought before or acted upon at this Annual Meeting.

### ***Can I vote by telephone or electronically?***

If you are a registered stockholder (that is, if you hold your stock in your own name), you may vote by telephone or electronically through the Internet by following the instructions printed on your proxy card.

### ***How do I vote if my shares are held by my broker?***

If your shares are held by your broker in **street name**, you will need to instruct your broker (in the method required by your broker) how to vote your shares. Your broker may also offer electronic or telephonic voting.

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

At this time, New York Stock Exchange rules allow your broker to vote your shares with respect to the election of directors and the ratification of our independent auditors, even if it does not receive instructions from you, so long as it holds your shares in its name. There are, however, certain matters with respect to which brokers do not have discretionary authority. These include the proposals to declassify the Board of Directors, increase the size of the Board of Directors, approve the stock option exchange program for Boston Scientific employees and adopt executive stock retention guidelines. If you do not instruct your broker how to vote with respect to these items, your broker may not

vote FOR or AGAINST those proposals, but rather those votes will be considered broker non-votes. Shares represented by broker non-votes will, however, be counted in determining whether there is a quorum.

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### ***Can I change my vote or revoke my proxy after I return my proxy card?***

Yes. 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 our transfer agent, Mellon Investor Services LLC, Proxy Processing, P.O. Box 3510, South Hackensack, NJ 07606-9210;

submit to our transfer agent a properly completed and signed proxy card with a later date;

vote again telephonically or electronically (available until 11:00 p.m. Eastern Time on May 7, 2007); or

vote in person at the Annual Meeting.

The last dated proxy or vote cast will be counted.

### ***How do I vote in person?***

If you plan to attend the Annual Meeting and vote in person, we will give you a ballot or a new proxy card when you arrive. However, if your shares are held in the name of your broker, trust, bank or other nominee, you must bring an account statement or letter from the broker, trust, bank or other nominee indicating that you were the beneficial owner of the shares on March 9, 2007, the record date for voting. Please bring proper identification to the Annual Meeting.

### ***How do I vote my 401(k), GESOP and Guidant ESSOP shares?***

If you participate in the Boston Scientific Corporation 401(k) Retirement Savings Plan (401(k) Plan), in our Global Employee Stock Ownership Plan (GESOP), or in the Guidant Employee Savings and Stock Ownership Plan (ESSOP) you will receive a single proxy card 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 any of your plan accounts are not registered in the same name as your shares of record, you will receive separate proxy cards for your record and plan holdings. Properly completed and signed proxy cards will serve to instruct the trustees and fiduciaries of our 401(k) Plan, GESOP and ESSOP how to vote any Company shares held in these plans on your behalf. The 401(k) Plan, GESOP and ESSOP trustees and fiduciaries may vote at their discretion shares for which timely instructions are not received.

### ***Who is our transfer agent?***

Our transfer agent is Mellon Investor Services LLC. Representatives of Mellon Investor Services LLC will tabulate the votes and act as inspectors of election at the Annual Meeting.

### ***What vote is required to approve each proposal?***

- (1) For the Election of Directors.** With respect to Proposal 1, the four nominees for director receiving the most votes from those shares present or represented at the Annual Meeting will be elected. If you do not vote for a particular nominee, or you withhold authority for one or all nominees, your vote will be counted for purposes of determining whether there is a quorum, but will not count either for or against the nominee.
- (2) For the Declassification of the Board of Directors and the Increase in the Size of the Board.** With respect to Proposals 2 and 3, the affirmative vote of eighty percent (80%) of our outstanding shares is required to approve the amendments to our Certificate of Incorporation and Bylaws which would provide for the

declassification of our Board of Directors and an increase in the maximum size of our Board of Directors.

- (3) ***For All Other Matters.*** For the approval of the stock option exchange program, the stockholder proposal requiring executive stock retention guidelines and the ratification of the appointment of Ernst & Young LLP as our auditors for the year ending December 31, 2007, the affirmative vote of a majority of shares participating in the voting on such proposal is required for approval. At present, the Board knows of no matters other than these to be presented for stockholder action at the Annual Meeting. A properly executed

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proxy marked abstain with respect to any of these matters will not be voted for or against the proposal(s), but will be counted for purposes of determining the number of votes cast. Accordingly, an abstention will have the effect of a negative vote.

***Is voting confidential?***

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

***How is the Company soliciting proxies?***

We have retained [ ] to assist with the solicitation of proxies. [ ] will receive customary fees as compensation for its services plus reimbursement for its related out-of-pocket expenses. We and [ ] expect to solicit proxies chiefly by mail, but we or [ ] may also solicit proxies in person, by electronic delivery, the internet, telephone or other media. No additional compensation will be paid to our directors, officers or other employees in connection with this solicitation. All solicitation expenses, including costs of preparing, assembling and mailing proxy material, will be borne by us.

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**PROPOSALS TO BE VOTED UPON**

***Proposal 1: Re-Election of Existing Directors.***

Currently, our Board of Directors consists of 14 directors and is divided into three approximately equal classes. Each class serves for a period of three years. The classes are arranged so that the terms of the directors in each class expire at successive Annual Meetings. Occasionally, a director may be elected for a shorter term in order to keep the number of directors in each class approximately equal. The term of our Class III directors expires at this Annual Meeting. The Board has nominated each of the following incumbent Class III directors to stand for re-election for a term of three years expiring at our 2010 Annual Meeting; provided, however, that, if Proposal 2 is approved, they will be elected for a one-year term, expiring at our 2008 Annual Meeting of Stockholders and until his or her successor has been elected and qualified: Ursula M. Burns, Marye Anne Fox, Ph.D., N.J. Nicholas, Jr. and John E. Pepper.

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.

**Class III Director Nominees (Term Expires 2010, or if Proposal 2 is approved, 2008)**

**Name**

Ursula M. Burns  
Age 48  
Director since 2002

Ursula M. Burns is President of Business Group Operations and Corporate Senior Vice President of Xerox Corporation. Ms. Burns joined Xerox in 1980, subsequently advancing through several engineering and management positions. Ms. Burns served as Vice President and General Manager, Departmental Business Unit from 1997 to 1999, Senior Vice President, Worldwide Manufacturing and Supply Chain Services from 1999 to 2000, Senior Vice President, Corporate Strategic Services from 2000 to October 2001 and President of Document Systems and Solutions Group until her most recent appointment in January 2003. She serves on the boards of directors of American Express Corporation, the National Association of Manufacturers, the FIRST (For Inspiration and Recognition of Science and Technology) Foundation and the Rochester Business Alliance and is a Trustee of the University of Rochester. Ms. Burns earned a B.S. degree from Polytechnic Institute of New York and an M.S. degree in mechanical engineering from Columbia University.

Marye Anne Fox  
Age 59  
Director since 2001

Marye Anne Fox has been Chancellor of the University of California, San Diego and Distinguished Professor of Chemistry since August 2004. Prior to that, she served as Chancellor of North Carolina State University and Distinguished University Professor of Chemistry from 1998 to 2004. From 1976 to 1998, she was a member of the faculty at the University of Texas, where she taught chemistry and held the Waggoner Regents Chair in Chemistry from 1991 to 1998. She served as the University's Vice President for Research from 1994 to 1998. Dr. Fox is the Co-Chair of the National Academy of Sciences Government-University-Industry Research Roundtable and serves on President Bush's Council of Advisors on Science and Technology. She has served as the Vice Chair of the National Science Board. She also serves on the boards of a number of

other scientific, technological and civic organizations, and is a member of the boards of directors of Red Hat Corp., Pharmaceutical Product Development, Inc., Burroughs-Wellcome Fund, W.R. Grace Co. and the Camille and Henry Dreyfus Foundation. She has been honored by a wide range of educational and

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**Class III Director Nominees (Term Expires 2010 or if Proposal 2 is approved, 2008) (continued)**

professional organizations, and she has authored more than 350 publications, including five books. Dr. Fox holds a B.S. in Chemistry from Notre Dame College, an M.S. in Organic Chemistry from Cleveland State University, and a Ph.D. in Organic Chemistry from Dartmouth College.

N.J. Nicholas, Jr  
Age 67  
Director since 1994

N.J. Nicholas, Jr. 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 director of Turner Broadcasting and a member of the President's Advisory Committee for Trade Policy and Negotiations and the President's Commission on Environmental Quality. Mr. Nicholas is Chairman of the Board of Trustees of Environmental Defense and a member of the Council on Foreign Relations. Mr. Nicholas received an A.B. degree from Princeton University and an M.B.A. degree from Harvard Business School. He is also the brother of Pete Nicholas, Chairman of the Board.

John E. Pepper  
Age 68  
Director since 2003

John E. Pepper has been a Director of Boston Scientific since 2003 and he previously served as a director of Boston Scientific from November 1999 to May 2001. Mr. Pepper is the Chief Executive Officer and director of the National Underground Railroad Freedom Center. Previously he served as Vice President for Finance and Administration of Yale University from January 2004 to December 2005. Prior to that, he served as Chairman of the executive committee of the board of directors of The Procter & Gamble Company until December 2003. Since 1963, he served in various positions at Procter & Gamble, including Chairman of the Board from 2000 to 2002, Chief Executive Officer and Chairman from 1995 to 1999, President from 1986 to 1995 and director since 1984. Mr. Pepper is Chairman of the board of directors of The Walt Disney Company, and is a member of the executive committee of the Cincinnati Youth Collaborative. Mr. Pepper graduated from Yale University in 1960 and holds honorary doctoral degrees from Yale University, The Ohio State University, Xavier University, Mount St. Joseph College and St. Petersburg University (Russia).

**THE BOARD RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF  
ALL FOUR OF THESE NOMINEES FOR DIRECTOR.**



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The following directors hold the Company's remaining Board seats:

**Class I Directors (Term Expires 2008)**

Nancy-Ann DeParle  
Age 50  
Director since 2006

Nancy-Ann DeParle has been a Director of Boston Scientific since our acquisition of Guidant in April 2006. Since August 2006, Ms. DeParle has been a Managing Director of CCMP Capital Advisors, LLC. Previously, she had been a Senior Advisor for JP Morgan Partners and an Adjunct Professor at The Wharton School of the University of Pennsylvania from 2000 to 2006, and prior to that she served as the Administrator of the Health Care Financing Administration (HCFA) (now the Centers for Medicare and Medicaid Services) from 1997 to 2000. Prior to her role at HCFA, Ms. DeParle was the Associate Director for Health and Personnel at the White House Office of Management and Budget and served as commissioner of the Tennessee Department of Human Services. She also has worked as a lawyer in private practice in Nashville, Tennessee and Washington, DC. Ms. DeParle is a director of Cerner Corporation, DaVita Inc. and Triad Hospitals, Inc. Ms. DeParle is a trustee of the Robert Wood Johnson Foundation and serves on the Medicare Payment Advisory Commission. Ms. DeParle received a B.A. degree from the University of Tennessee, a J.D. from Harvard Law School, and B.A. and M.A. degrees in Politics and Economics from Balliol College of Oxford University, where she was a Rhodes Scholar.

Ray J. Groves  
Age 71  
Director since 1999

From 2001 to 2005, Ray J. Groves served in various roles at Marsh Inc., including President, Chairman and Senior Advisor, and is a former member of the board of directors of its parent company, Marsh & McLennan Companies, Inc. He served as Chairman of Legg Mason Merchant Banking, Inc. from 1995 to 2001. Mr. Groves served as Chairman and Chief Executive Officer of Ernst & Young for 17 years until his retirement in 1994. Mr. Groves currently serves as a member of the boards of directors of Electronic Data Systems Corporation, Overstock.com and the Colorado Physicians Insurance Company. Mr. Groves is a member of the Council on Foreign Relations. He is a former member of the Board of Governors of the American Stock Exchange and the National Association of Securities Dealers. Mr. Groves is former Chairman of the board of directors of the American Institute of Certified Public Accountants. He is a member and former Chair of the board of directors of The Ohio State University Foundation and a member of the Dean's Advisory Council of the Fisher College of Business. He is a former member of the Board of Overseers of The Wharton School of the University of Pennsylvania and served as the Chairman of its Center for the Study of the Service Sector. Mr. Groves is a managing director of the Metropolitan Opera Association and a director of the Collegiate Chorale. Mr. Groves received a B.S. degree from The Ohio State University.

Pete M. Nicholas  
Age 65  
Director since 1979

Pete M. Nicholas, a co-founder of Boston Scientific, has been Chairman of the Board since 1995. He 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 currently Chairman Emeritus of the Board of Trustees

of Duke University. Mr. Nicholas is also a Fellow of the National Academy of Arts and Sciences and a member of the Trust for that organization. He has also served on several for profit and not-for-profit boards. Mr. Nicholas is a member of the Massachusetts Business Roundtable,

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**Class I Directors (Term Expires 2008) (continued)**

Massachusetts Business High Technology Council, 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 also the brother of N.J. Nicholas, Jr., one of our directors.

Warren B. Rudman  
Age 76  
Director since 1999

Senator Warren B. Rudman has been Of Counsel to the international law firm Paul, Weiss, Rifkind, Wharton, and Garrison LLP since January 2003. Previously, he was a partner of that firm since 1992. Prior to joining the firm, he served two terms as a U.S. Senator from New Hampshire from 1980 to 1992. He serves on the boards of directors of Collins & Aikman Corporation and several funds managed by the Dreyfus Corporation. He is the founding co-chairman of the Concord Coalition. Senator Rudman received a B.S. from Syracuse University and an LL.B. from Boston College Law School and served in the U.S. Army during the Korean War.

James R. Tobin  
Age 62  
Director since 1999

James R. Tobin is our President and Chief Executive Officer. Prior to joining Boston Scientific in March 1999, Mr. Tobin served as President and Chief Executive Officer of Biogen, Inc. from 1997 to 1998 and Chief Operating Officer of Biogen from 1994 to 1997. From 1972 to 1994, Mr. Tobin served in a variety of executive positions with Baxter International, including President and Chief Operating Officer from 1992 to 1994. Previously, he served at Baxter as Managing Director in Japan, Managing Director in Spain, President of Baxter's I.V. Systems Group and Executive Vice President. Mr. Tobin currently serves on the boards of directors of Curis, Inc. and Applera Corporation. Mr. Tobin holds an A.B. from Harvard College and an M.B.A. from Harvard Business School. Mr. Tobin also served in the U.S. Navy from 1968 to 1972 where he achieved the rank of lieutenant.

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<b>Class II Directors (Term Expires 2009)</b>	
John E. Abele Age 70 Director since 1979	John E. Abele, our co-founder, was our Treasurer from 1979 to 1992, our Co-Chairman from 1979 to 1995 and our Vice Chairman and Founder, Office of the Chairman from February 1995 to March 1996. Mr. Abele is also the owner of The Kingbridge Centre and Institute, a 120-room conference center in Ontario that provides special services and research to businesses, academia and government. He was President of Medi-tech, Inc. from 1970 to 1983, and prior to that served in sales, technical and general management positions for Advanced Instruments, Inc. Mr. Abele serves on the board of directors of Color Kinetics, is the Chairman of the Board of the FIRST (For Inspiration and Recognition of Science and Technology) Foundation and is also a member of numerous not-for-profit boards. Mr. Abele received a B.A. degree from Amherst College.
Joel L. Fleishman Age 72 Director since 1992	Joel L. Fleishman is a Professor of Law and Public Policy at Duke University where he has served in various administrative positions, including First Senior Vice President, since 1971. Mr. Fleishman is a founding member of the governing board of the Duke Center for Health Policy Research and Education and was the founding director from 1971 to 1983 of Duke University's Terry Sanford Institute of Public Policy. He is the director of the Samuel and Ronnie Heyman Center for Ethics, Public Policy and the Professions and the director of the Duke University Philanthropic Research Program. From 1993 to 2001, Mr. Fleishman took a part-time leave from Duke University to serve as President of the Atlantic Philanthropic Service Company, the U.S. program staff of Atlantic Philanthropies. Mr. Fleishman also serves as a member of the Board of Trustees of The John and Mary Markle Foundation, Chairman of the Board of Trustees of the Urban Institute, Chairman of The Visiting Committee of the Kennedy School of Government, Harvard University, and as a director of Polo Ralph Lauren Corporation and the James River Insurance Group. Mr. Fleishman received A.B., M.A. and J.D. degrees from the University of North Carolina at Chapel Hill, and an LL.M. degree from Yale University.
Ernest Mario Age 68 Director since 2001	Ernest Mario is currently the Chairman of Reliant Pharmaceuticals. From 2003 to 2006, he was also the chief executive officer of Reliant Pharmaceuticals. Prior to joining Reliant Pharmaceuticals in April 2003, he was the Chairman of IntraBiotics Pharmaceuticals, Inc. from April 2002 to April 2003. Dr. Mario also served as Chairman and Chief Executive Officer of Apothogen, Inc., a pharmaceutical company, from January 2002 to April 2002 when Apothogen was acquired by IntraBiotics. Dr. Mario served as the Chief Executive of Glaxo Holdings plc from 1989 until March 1993 and as Deputy Chairman and Chief Executive from January 1992 until March 1993. From 1993 to 1997, Dr. Mario served as Co-Chairman and Chief Executive Officer of ALZA Corporation, a research-based pharmaceutical company with leading drug-delivery technologies, and Chairman and Chief Executive Officer from 1997 to 2001. Dr. Mario presently serves on the boards of directors

of Maxygen, Inc., Alexza Pharmaceuticals, Inc. and Pharmaceutical Product Development, Inc. He is also a Trustee of Duke University and Chairman of the Board of the Duke University Health System. 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, and an M.S. and a Ph.D. in Physical Sciences from the University of Rhode Island.

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Uwe E. Reinhardt  
Age 69  
Director since 2002

**Class II Directors (Term Expires 2009) (continued)**

Uwe E. 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 Duke University and 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 Triad Hospitals, Inc. Dr. Reinhardt is a member of the Institute of Medicine of the National Academy of Sciences. Dr. Reinhardt received a Bachelor of Commerce degree from the University of Saskatchewan, Canada and a Ph.D. in economics from Yale University.

Kristina M. Johnson  
Age 49  
Director since 2006

Kristina M. Johnson has been a Director of Boston Scientific since our acquisition of Guidant in April 2006. Dr. Johnson is the Dean of the Pratt School of Engineering at Duke University, a position she has held since July 1999. Previously, she served as a professor in the Electrical and Computer Engineering Department, University of Colorado, from 1994 to 1999 and as associate and assistant professor from 1985. She served as deputy director and later as director of the National Science Foundation Engineering Research Center for Optoelectronics Computing Systems at the University of Colorado, Boulder, from 1992 to 1997. Dr. Johnson is a co-founder of the Colorado Advanced Technology Institute Center of Excellence in Optoelectronics and serves as a director of Minerals Technologies, Inc., AES Corporation and Nortel Corporation. Dr. Johnson also serves on the board of directors of the Society of Photo-Instrumentation Engineers and Duke Children's Classic to benefit Duke Children's Hospital. Dr. Johnson was a Fulbright Faculty Scholar in the Department of Electrical Engineering at the University of Edinburgh, Scotland, from 1991 to 1992 and a NATO Post-Doctoral Fellow at Trinity College, Dublin, Ireland, from 1983 to 1985. Dr. Johnson received B.S., M.S. and Ph.D. degrees in electrical engineering from Stanford University.

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**CORPORATE GOVERNANCE**

Our Board of Directors has established a Corporate Governance Manual to guide the operation and direction of the Board and its committees. The Corporate Governance Manual consists of our Corporate Governance Guidelines, charters for the standing committees of the Board and our Code of Conduct. Current copies of our Corporate Governance Guidelines, committee charters and Code of Conduct are available on our website at [www.bostonscientific.com](http://www.bostonscientific.com) and may also be obtained free of charge by written request to: Investor Relations, One Boston Scientific Place, Natick, MA 01760-1537.

***Director Independence***

Our Corporate Governance Guidelines require that a significant majority of the Board be independent. Our common stock is listed on the New York Stock Exchange (NYSE). To be considered independent under the NYSE rules, the Board must determine that a director does not have a direct or indirect material relationship with the Company. In addition, a director is not independent if:

The director is, or has been within the last three years, an employee of the Company or if the director has an immediate family member who is, or has been within the last three years, an executive officer of the Company.

The director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

(A) The director or the director's immediate family member is a current partner of the Company's internal or external auditor; (B) the director is a current employee of such auditing firm; (C) the director has an immediate family member who is a current employee of such auditing firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or the director's immediate family member was within the last three years (but is no longer) a partner or employee of such auditing firm and personally worked on the Company's audit within that time.

The director or the director's immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company's present executive officers serves or served at the same time on that other company's compensation committee.

The director is a current employee, or the director's immediate family member is a current executive officer, of a company that has made payments to or received payments from the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues.

The Board also has established the following categorical standards, which can be found in our Corporate Governance Guidelines, to assist it in determining director independence in accordance with the NYSE rules:

*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, and (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.* The following 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.



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*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 qualifying within the foregoing guidelines, the determination of whether the relationship is material, and therefore whether the director is independent, shall be made by the directors who satisfy the foregoing independence guidelines. For purposes of these guidelines, "immediate family member" has the meaning defined in the NYSE rules. The Board monitors its compliance with the NYSE requirements for director independence on an ongoing basis.

In accordance with current NYSE rules and our own categorical standards of independence, the Board of Directors has determined that the following non-employee directors are deemed "independent" and have no direct or indirect material relationship with the Company, except as a director and stockholder: Ursula M. Burns, Nancy-Ann DeParle, Joel L. Fleishman, Marye Anne Fox, Ray J. Groves, Kristina M. Johnson, Ernest Mario, John E. Pepper, Uwe E. Reinhardt and Warren B. Rudman. Currently, ten out of the fourteen members of our Board are independent. The Board has determined that James R. Tobin, our President and CEO, is not independent because he is an employee of Boston Scientific; Pete Nicholas and John Abele are not independent because they were employees of Boston Scientific within the last three years, retiring in 2005; and N.J. Nicholas, Jr. is not independent because he is the brother of Pete Nicholas, who received more than \$100,000 in direct compensation from Boston Scientific within the last three years. The Board reviewed Boston Scientific's relationship with Xerox Corporation, of which Ursula Burns is an executive officer, and determined that that relationship falls below our categorical standards for commercial relationships, was established in the ordinary course of business on an arms-length basis and is not material to Boston Scientific, Xerox, or Ms. Burns.

### ***Nominations for Directors***

Our Nominating and Governance Committee is responsible for identifying and recommending nominees for election to the Board. The Nominating and Governance Committee believes that all director nominees must, at a minimum, meet the general criteria outlined in our Corporate Governance Guidelines (which are available on our website at [www.bostonscientific.com](http://www.bostonscientific.com)).

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 the Company.

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. Under our Bylaws and SEC regulations, any stockholder proposal or director nominations for the 2008 Annual Meeting of Stockholders must be received on or before December 12, 2007 in order to be considered for inclusion in our 2008 Proxy Statement. Please address your proposal, recommendation or nomination to our Secretary at Boston Scientific Corporation, One Boston Scientific Place, Natick, MA 01760-1537.

***Communications with the Board***

Stockholders and other interested parties who wish to communicate directly with any member of our Board of Directors, or our non-management directors as a group, may do so by writing to the Board of Directors, Boston

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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, StrategicInvestmentCommittee@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.

### ***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).

### ***Arrangements for the Election of Directors***

We do not have any current arrangements relating to the election of directors to our Board.

### ***Separation of Chairman and Chief Executive Officer***

We separate the roles of Chairman of the Board and Chief Executive Officer. Our Chairman is Pete M. Nicholas and our Chief Executive Officer is James R. Tobin.

### ***Related Party Transactions***

Our Board of Directors has adopted a new written related party transaction policy to monitor transactions, arrangements or relationships in which Boston Scientific and any of the following have an interest: an executive officer or director, an immediate family member of an executive officer or director, a person or entity holding more than a 5% beneficial interest in our common stock, or any entity in which any of the foregoing persons is employed, is a principal, or has 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).

Our Executive Vice President and General Counsel is responsible for identifying any potential related party transactions and, if he determines that the existing or proposed transaction constitutes a related party transaction under the policy, he will provide relevant details and analysis of the related party transaction to the Audit Committee. The General Counsel will provide an annual summary to the Audit 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 Audit Committee that would otherwise be provided by the General Counsel. The Audit 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 disapproves 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.

During 2006, we made payments of approximately \$4.5 million to Arnold & Porter LLP, a law firm of which the brother of Paul W. Sandman, our General Counsel, is an equity partner. Mr. Sandman's brother did not perform any

services for us. At the time these transactions occurred, they were not subject to our current related party transaction policy. We will continue to monitor and, if appropriate in 2007, approve this relationship under our newly implemented written related party transactions policy.

Until August 2006, Nancy-Ann DeParle, one of our directors, was a Senior Advisor to JP Morgan Partners, LLC, the private equity division of JP Morgan Chase & Co. JP Morgan Securities Inc., an indirect wholly owned subsidiary of JP Morgan Chase & Co., acted as a financial advisor to Guidant in connection with our acquisition of

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Guidant and as a financial advisor to Boston Scientific in connection with several of our credit facilities and public debt offerings. During 2006, Guidant made payments of approximately \$50.3 million to JP Morgan in connection with the Guidant acquisition and Boston Scientific made payments of approximately \$1.5 million to JP Morgan in connection with our credit facilities and public debt offerings. At the time these transactions occurred, they were not subject to our current related party transaction policy. In August 2006, Ms. DeParle became a Managing Director of CCMP Capital Advisors, LLC, a private equity firm formed by the buyout professionals of JP Morgan Partners, LLC, which is independent from its former parent company.

Several of our directors are affiliated with Duke University. Joel L. Fleishman has been employed by Duke University since 1971 and is currently a Professor of Law and Public Policy there. Ernest Mario is a Trustee of Duke University and Chairman of the Board of the Duke University Health System. 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 Duke University and the Duke University Health System. Kristina M. Johnson is the Dean of the Pratt School of Engineering at Duke University. We also conduct business in the ordinary course with the medical center and other healthcare facilities at Duke University. We will monitor these relationships and, if appropriate in 2007, approve transactions with Duke-affiliated entities under our newly implemented written related party transactions policy.

From time to time, our directors or executive officers may invest in venture funds in which we are also an investor. These venture funds are generally managed by unaffiliated third parties. Our decisions, and the decisions of our directors and officers, to invest in these ventures are made independently of each other.

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**MEETINGS AND BOARD COMMITTEES**

***Board Meetings***

The Board met 9 times in fiscal year 2006. Each director attended more than 75% of the meetings of the Board and of the Committees on which he or she served.

***Executive Sessions***

The non-management directors or 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 Executive Compensation and Human Resources 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. Fourteen out of 14 of our directors attended last year's Annual Meeting. We also held a special meeting of stockholders on March 31, 2006, in connection with seeking approval for the Guidant transaction, which three out of 12 of our directors attended.

***Committees of the Board***

Our Board of Directors has standing Audit, Executive Compensation and Human Resources, Nominating and Governance, Finance and Strategic Investment, and Compliance and Quality Committees. The charters of the standing Committees of the Board are available on our website at [www.bostonscientific.com](http://www.bostonscientific.com). Our Board also establishes special committees from time to time.

***Committee Independence***

All of the members of the Audit Committee, Executive Compensation and Human Resources Committee, Nominating and Governance Committee and the Compliance and Quality Committee are independent directors under the criteria for independence required by law, the NYSE rules and under our categorical standards of independence. A significant majority of the members of the Finance and Strategic Investment Committee are independent directors.

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Membership on each committee is set forth in the following table as of March 1, 2007:

**BOARD COMMITTEE MEMBERSHIP  
As of March 1, 2007**

<b>Name</b>	<b>Audit Committee</b>	<b>Executive Compensation and Human Resources Committee</b>	<b>Nominating and Governance Committee</b>	<b>Finance and Strategic Investment Committee</b>	<b>Compliance and Quality Committee</b>
Ursula M. Burns		*		*	+