

BOSTON SCIENTIFIC CORP

Form DEF 14A

April 04, 2003

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

BOSTON SCIENTIFIC CORPORATION

(Name of Registrant as Specified In Its Charter)

BOSTON SCIENTIFIC CORPORATION

(Name of Person(s) Filing Proxy Statement)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) 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:

- Fee paid previously with preliminary materials.
- 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:

Natick, Massachusetts

April 4, 2003

Dear Fellow Stockholder:

You are cordially invited to attend Boston Scientific Corporation's Annual Meeting of Stockholders to be held on Tuesday, May 6, 2003, beginning at 10:00 A.M. Eastern Daylight Time, at the FleetBoston Financial Building, 100 Federal Street, Boston, Massachusetts.

This year you are being asked to elect five directors, approve the Boston Scientific Corporation 2003 Long-Term Incentive Plan, and vote upon a stockholder proposal relating to stock compensation for senior executives. These matters are 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** the director nominees and approval of the 2003 Long-Term Incentive Plan, and **AGAINST** the stockholder proposal.

At the meeting, management will also report on the Company's performance and an opportunity will be provided for stockholders 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,

PETER M. NICHOLAS
Chairman of the Board

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Natick, Massachusetts

April 4, 2003

The Annual Meeting of Stockholders of Boston Scientific Corporation will be held at the FleetBoston Financial Building, 100 Federal Street, Boston, Massachusetts on Tuesday, May 6, 2003, beginning at 10:00 A.M. Eastern Daylight Time, for the following purposes:

- (1) To elect four Class II directors to serve until the 2006 Annual Meeting of Stockholders and one Class III director to serve until the 2004 Annual Meeting of Stockholders;
- (2) To approve the Boston Scientific Corporation 2003 Long-Term Incentive Plan;
- (3) To vote upon a stockholder proposal relating to stock compensation for senior executives; and
- (4) To transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

Stockholders of record at the close of business on March 21, 2003 are entitled to notice of and to vote at the meeting or any adjournments or postponements of the meeting.

Please sign, date and promptly return the enclosed proxy card in the postage-paid envelope provided, or vote by telephone or Internet as instructed on the proxy card, so that your shares will be represented whether or not you attend the Annual Meeting.

By Order of the Board of Directors

Paul W. Sandman
Secretary

ONE BOSTON SCIENTIFIC PLACE

NATICK, MASSACHUSETTS 01760

April 4, 2003

PROXY STATEMENT

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

The Annual Meeting

The Annual Meeting of Stockholders of Boston Scientific Corporation (Boston Scientific or the Company) will be held on Tuesday, May 6, 2003, beginning at 10:00 A.M. Eastern Daylight Time, at the FleetBoston Financial Building, 100 Federal Street, Boston, Massachusetts. At this meeting, stockholders will be asked to elect five directors, approve the 2003 Long-Term Incentive Plan, and vote upon a stockholder proposal relating to stock compensation for senior executives. Management of the Company will also report on the Company's performance during fiscal 2002 and respond to questions from stockholders.

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

Stockholders of record at the close of business on March 21, 2003 are entitled to attend and vote at the Annual Meeting. Each share of 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 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 common stock outstanding on March 21, 2003, the record date, will constitute a quorum for purposes of this meeting. As of the record date, 409,947,858 shares of Boston Scientific common stock were outstanding. 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 election of each of the five nominees for director;
- (2) **FOR** the approval of the Boston Scientific Corporation 2003 Long-Term Incentive Plan; and
- (3) **AGAINST** the stockholder proposal.

If any other matter is presented or if the meeting is to be postponed or adjourned, your proxy will vote your shares in accordance with his best judgment. At present, the Board knows of no other business which is intended to be acted on at the 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 how to vote your shares in the manner provided by your broker. 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 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. Should such a matter come to a vote at the Annual Meeting and your broker has not received voting instructions from you, your shares will not be voted on that matter. Depending on the practices of your broker, these matters may include approval of the 2003 Long-Term Incentive Plan and the stockholder proposal. Shares represented by broker non-votes will, however, be counted in determining whether there is a quorum.

Can I change my vote after I return my proxy card?

Yes. You may change your vote at any time before the proxy is exercised at the Annual Meeting. To change your vote, you may:

file with the Secretary of the Company a written notice revoking your earlier vote;

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

vote again telephonically or electronically (available through 11:00 p.m. Eastern Time on May 5, 2003); or

vote in person at the 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, bank or other nominee, you must bring an account statement or letter from the nominee indicating that you were the beneficial owner of the shares on March 21, 2003, the record date for voting.

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 participate in the Company's Global Employee Stock Ownership Plan (GESOP), you will receive a single proxy card that covers both 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 the Company's 401(k) Plan and GESOP how to vote any Company shares held in these plans on your behalf.

What vote is required to approve each proposal?

- (1) ***For the Election of Directors.*** The five nominees for director who receive 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 not count either for or against the nominee, although it will be counted for purposes of determining whether there is a quorum.
- (2) ***Other Matters.*** For each other matter expected to be voted upon at the meeting, the affirmative vote of a majority of the shares represented and voting at the Annual Meeting is required for approval. Similarly, most other matters which may properly come before the meeting would require the affirmative vote of a majority of the shares represented and voting. At present, the Board knows of no other matters to be presented for stockholder action at the meeting. A properly executed proxy marked abstain with respect to any of these matters will not be voted, although it 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. Proxy cards, ballots and voting tabulations are treated as confidential by the Company. Generally, only the inspectors of election and certain employees associated with processing proxy cards and counting the vote have access to these documents.

How is the Company soliciting proxies?

Proxies will be solicited chiefly by mail, but additional solicitations may be made by electronic delivery, telephone or other media by the officers or employees of the Company. The Company may enlist the assistance of brokerage houses, fiduciaries, custodians and other third parties in soliciting proxies. All solicitation expenses, including costs of preparing, assembling and mailing proxy material, will be borne by the Company.

PROPOSALS TO BE VOTED UPON

Proposal 1: Election of Directors.

Currently, the Board of Directors of the Company consists of 13 members, divided into three approximately equal classes. Each class serves for a period of three years, with the terms of office of the respective classes expiring in successive years. 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 the Company's Class II directors expires at this Annual Meeting. The Board has nominated the following incumbent Class II directors to stand for re-election for a term of three years expiring at the Company's 2006 Annual Meeting and until his successor has been elected and qualified: John E. Abele, Joel L. Fleishman, Ernest Mario and Uwe E. Reinhardt. In addition, the Board has nominated John E. Pepper, to stand for election to serve as a Class III director to hold office until the expiration of the current Class III term at the 2004 Annual Meeting. Mr. Lawrence L. Horsch, a Class II director whose term expires at this Annual Meeting, is retiring from the Board and will be not standing for re-election.

The Company knows of no reason why any of the nominees would be unable to serve as a director. Should, however, 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 II Directors (Term Expires 2006)

The Incumbent Nominees

John E. Abele
Age 66
Director since 1979

Mr. Abele, a co-founder of the Company, has been a director of Boston Scientific since 1979. Mr. Abele held the position of Treasurer from 1979 to 1992, Co-Chairman from 1979 to 1995 and Vice Chairman and Founder, Office of the Chairman from February 1995 to March 1996. 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 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 68
Director since 1992

Mr. Fleishman served as President of The Atlantic Philanthropies from September 1993 until January 2001, when he became Senior Advisor of that organization. He is also Professor of Law and Public Policy and has served in various administrative positions, including First Senior Vice President, at Duke University 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 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. Mr. Fleishman also serves as Chairman of the Board of Trustees of The John and Mary Markle Foundation, Vice-Chairman of the Board of Trustees of the Urban Institute and as a director of Polo Ralph Lauren Corporation. Mr. Fleishman received A.B., M.A. and J.D. degrees from the University of North Carolina at Chapel Hill.

Class II Directors (Term Expires 2006) (cont d)

Ernest Mario

Age 64

Director since 2001

Dr. Mario is currently the Chairman of IntraBiotics Pharmaceuticals, Inc., a pharmaceutical development company. Prior to joining IntraBiotics in April 2002, Dr. Mario 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 Officer of Glaxo Holdings plc from 1989 until March 1993 and as Deputy Chairman and Chief Executive Officer 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 Catalytica Energy Systems, Inc., Maxygen, Inc., Orchid Biosciences, Inc., Pharmaceutical Product Development, Inc. and SonoSite, Inc. He is also a Trustee of Duke University and Chairman of the Board of the Duke University Health System. He is the Chairman of the American Foundation for Pharmaceutical Education and serves as an advisor to the colleges of pharmacy at the University of Maryland, the University of Rhode Island and 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.

Uwe E. Reinhardt

Age 65

Director 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 Duke University, the Duke University Health System, H&Q Healthcare Investors and H&Q Life Sciences Investors. He is also a member of the Boards of Directors of the Amerigroup Corporation and Triad Hospital, Inc. Dr. Reinhardt is also a member of the National Advisory Council (NAC) for Health Care Policy, Research and Evaluation for the Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services. Dr. Reinhardt received a Bachelor of Commerce degree from the University of Saskatchewan, Canada and a Ph.D. in economics from Yale University. **Class III Director (Term expires 2004)**

The Nominee

John E. Pepper

Age 64

Nominated 2003 Mr. Pepper has been nominated by the Board of Directors to stand for election as a Class III director at the Company's 2003 Annual Meeting of Stockholders. He previously served as a director of the Company from November 1999 to May 2001. Mr. Pepper is Chairman of the Executive Committee of the Board of Directors of The Procter & Gamble Company, where he has served in various positions since 1963, 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 a member of the Board of Directors of Xerox Corporation and Motorola Inc. Mr. Pepper is a Fellow of The Yale Corporation and a Trustee of the Christ Church Endowment Fund. He serves on the boards of Partnership for a Drug Free America and the National Advisory Board of the National Underground Railroad Freedom Center. Mr. Pepper graduated from Yale University in 1960 and holds honorary doctorate degrees from Ohio State University, Xavier University, Mount St. Joseph College and St. Petersburg University (Russia).

The Board recommends that you vote FOR the election all five nominees for director.

STOCK OWNERSHIP*Who are the largest owners of the Company's stock?*

Set forth below are stockholders known by the Company to beneficially own more than 5% of the Company's common stock. In general, beneficial ownership includes those shares a person or entity has the power to vote or transfer, and stock options or warrants that are exercisable currently or within 60 days. Unless otherwise indicated, the persons and entities named below have sole voting and investment power over the shares listed. The table below sets forth information, as of February 1, 2003, regarding the beneficial ownership of these individuals and entities with the exception of FMR Corp. whose information is presented as of October 31, 2002. As of February 1, 2003, there were 412,816,482 shares of Company common stock outstanding.

STOCK OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**As of February 1, 2003**

Name	Number of Shares Beneficially Owned	Percent of Shares Outstanding
John E. Abele(1) c/o Boston Scientific Corporation One Boston Scientific Place Natick, MA 01760	27,956,369	6.8%
Robert M. Dombroff as Trustee of The Abele Children's Irrevocable Trust Dated October 29, 1979 c/o Bingham McCutchen LLP 100 Pearl Street Hartford, CT 06103	34,708,567	8.41%
Peter M. Nicholas(3) c/o Boston Scientific Corporation One Boston Scientific Place Natick, MA 01760	55,396,601	13.4%
Promerica, L.P.(4) Peter M. Nicholas, General Partner c/o The Bollard Group One Joy Street Boston, MA 02113	51,917,340	12.6%
FMR Corp.(5) 82 Devonshire Street Boston, MA 02109	40,824,715	10.03%

- (1) Includes 583,400 shares of common stock held by a charitable trust of which Mr. Abele shares voting and investment control, 230,719 shares of common stock held by a trust of which Mr. Abele shares voting and investment control, and 130,000 shares subject to exercisable options granted pursuant to the Company's 1995 Long-Term Incentive Plan. Excludes 200,000 shares held by Mary S. Abele, the spouse of Mr. Abele, with respect to which Mr. Abele disclaims beneficial ownership.
- (2) Includes 51,917,340 shares of common stock held by Promerica, L.P., separately presented, a family limited partnership of which Mr. Peter M. Nicholas is general partner and as to which he is deemed to have beneficial ownership, 1,675,043 shares held jointly by Mr. Peter M. Nicholas and his spouse, with whom he shares voting and investment power, and 1,111,943 shares subject to exercisable options granted pursuant to the Company's 1995 and 2000 Long-Term Incentive Plans. Also includes 76,000 shares held by Peter M. Nicholas, Llewellyn Nicholas and Anastasios Parafestas as trustees of the Gore Creek Trust, an irrevocable trust for the benefit of Mr. N. J. Nicholas, Jr.'s children as to which Mr. Peter M. Nicholas disclaims beneficial ownership. Excludes 170,954 shares of common stock held by Ruth V. Lilly Nicholas and N. J. Nicholas, Jr. as Trustees of The Peter M. Nicholas 1993 Irrevocable Family Trust dated February 1, 1993, an

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irrevocable trust for the benefit of Mr. Peter M. Nicholas children and spouse as to which Mr. Peter M. Nicholas disclaims beneficial ownership.

- (3) These shares are also included in the shares held by Mr. Peter M. Nicholas, separately presented, because as general partner of Promerica, L.P., Mr. Nicholas is deemed to have beneficial ownership of these shares.
- (4) Based solely on information in reports filed by the beneficial owners under Section 13(d) or 13(g) of the Securities Act of 1934 on November 12, 2002. The Company assumes no responsibility for the information presented.

How much stock do the Company's directors and executive officers own?

The following table shows, as of February 1, 2003, the amount of common stock of the Company beneficially owned by:

- (1) the Company's directors;
- (2) the executive officers of the Company named in the Summary Compensation Table below; and
- (3) all of the directors and executive officers of the Company as a group.

STOCK OWNERSHIP OF OFFICERS, DIRECTORS AND NOMINEES
As of February 1, 2003

Name	Number of Shares Beneficially Owned	Percent of Shares Outstanding
John E. Abele(1)	27,956,369	6.8%
Ursula M. Burns(2)	2,000	*
Joseph A. Ciffolillo(3)	121,447	*
Joel L. Fleishman(4)	63,832	*
Marye Anne Fox (5)	6,227	*
Ray J. Groves(6)	22,468	*
Lawrence L. Horsch(7)	52,370	*
Ernest Mario (8)	46,450	*
N.J. Nicholas, Jr.(9)	286,463	*
Peter M. Nicholas(10)	55,396,601	13.4%
John E. Pepper(11)	11,000	*
Uwe E. Reinhardt(12)	4,000	*
Warren B. Rudman(13)	16,568	*
James R. Tobin(14)	1,401,250	*
Lawrence C. Best(15)	2,598,846	*
Fredericus A. Colen(16)	194,087	*
Paul A. LaViolette(17)	576,679	*
Paul W. Sandman (18)	476,481	*
All directors and executive officers as a group(19)	90,185,387	21.5%

* Reflects beneficial ownership of less than one percent (1%) of the outstanding common stock of the Company.

- (1) Includes 583,400 shares of common stock held by a charitable trust of which Mr. Abele shares voting and investment control, 230,719 shares of common stock held by a trust to which Mr. Abele shares voting and investment control, and 130,000 shares subject to exercisable options granted pursuant to the Company's 1995 Long-Term Incentive Plan. Excludes 200,000 shares held by Mary S. Abele, the spouse of Mr. Abele, as to which Mr. Abele disclaims beneficial ownership.
- (2) Includes 2,000 shares of restricted stock granted pursuant to the Company's 2000 Long-Term Incentive Plan and subject to certain tax withholding and forfeiture provisions as to which Ms. Burns has sole voting but not investment power.
- (3) Includes 15,332 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan and 4,000 shares of restricted stock subject to certain tax withholding and forfeiture provisions granted pursuant to the Company's 2000 Long-Term Incentive Plan as to which Mr. Ciffolillo has sole voting but not investment power. Also includes 76,000 shares held by Peter M. Nicholas, Llewellyn Nicholas and Anastasios Parafestas as trustees of the Gore Creek Trust, an irrevocable trust for the benefit of Mr. N. J. Nicholas, Jr.'s children as to which Mr. Peter M. Nicholas disclaims beneficial ownership. Excludes 912,523 shares held by the Joseph A. Ciffolillo Family Trust of which Mr. Ciffolillo's children are beneficiaries and as to which Mr. Ciffolillo disclaims beneficial ownership.
- (4) Includes 22,332 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan and 4,000 shares of restricted stock subject to certain tax withholding and forfeiture provisions granted pursuant to the Company's 2000 Long-Term Incentive Plan as to which Mr. Fleishman has sole voting but not investment power. Excludes 6,000 shares

held by a charitable foundation of which Mr. Fleishman is the president and as to which Mr. Fleishman disclaims beneficial ownership.

7

- (5) Includes 1,561 common stock equivalents acquired pursuant to the Company's Deferred Compensation Program offered to non-employee directors, 666 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan and 2,000 shares of restricted stock subject to certain tax withholding and forfeiture provisions granted pursuant to the Company's 2000 Long-Term Incentive Plan as to which Dr. Fox has sole voting but not investment power. Also includes 2,000 shares of restricted common stock granted pursuant to the Company's 2000 Long-Term Incentive Plan which Ms. Fox has deferred under the Company's Deferred Compensation Program.
- (6) Includes 6,636 common stock equivalents acquired pursuant to the Company's Deferred Compensation Program offered to non-employee directors and 7,332 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan. Also includes 4,000 shares of restricted common stock granted pursuant to the Company's 2000 Long-Term Incentive Plan which Mr. Groves has deferred under the Company's Deferred Compensation Program.
- (7) Includes 20,492 shares of common stock subject to exercisable options granted pursuant to the SCIMED Life Systems, Inc. 1991 Directors Stock Option Plan and 23,824 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan, as well as 1,762 shares owned jointly with Mr. Horsch's wife, with respect to which Mr. Horsch shares voting and investment power. Also includes 4,000 shares of restricted stock subject to certain tax withholding and forfeiture provisions granted pursuant to the Company's 2000 Long-Term Incentive Plan as to which Mr. Horsch has sole voting but not investment power.
- (8) Includes 1,784 common stock equivalents acquired pursuant to the Company's Deferred Compensation Program offered to non-employee directors and 666 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan. Also includes 4,000 shares of restricted common stock granted pursuant to the Company's 2000 Long-Term Incentive Plan which Dr. Mario has deferred under the Company's Deferred Compensation Program.
- (9) Includes 22,332 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan, 9,177 common stock equivalents acquired pursuant to the Company's Deferred Compensation Program offered to non-employee directors and 4,000 shares of restricted common stock granted pursuant to the Company's 2000 Long-Term Incentive Plan which Mr. N.J. Nicholas has deferred under the Company's Deferred Compensation Program. Also includes 60,000 shares held by a self-directed IRA, 20,000 shares of common stock held by Mr. N.J. Nicholas, Jr., as sole trustee of a revocable trust for the benefit of Mr. N.J. Nicholas, Jr.'s wife and children and 170,954 shares of common stock held by Ruth V. Lilly Nicholas and N. J. Nicholas, Jr. as trustees of the Peter M. Nicholas 1993 Irrevocable Family Trust, an irrevocable trust for the benefit of Mr. Peter M. Nicholas' children and spouse as to which Mr. N. J. Nicholas, Jr. disclaims beneficial ownership. Excludes 76,000 shares held by Peter M. Nicholas, Llewellyn Nicholas and Anastasios Parafestas as Trustees of The Gore Creek Trust dated October 28, 1997, an irrevocable trust for the benefit of Mr. N. J. Nicholas, Jr.'s children as to which Mr. N. J. Nicholas, Jr. disclaims beneficial ownership.
- (10) Includes 51,917,340 shares of common stock held by Promerica, L.P., a family limited partnership of which Mr. Peter M. Nicholas is general partner and as to which Mr. Peter M. Nicholas is deemed to have beneficial ownership, 1,675,043 shares held jointly by Mr. Peter M. Nicholas and his spouse, with whom he shares voting and investment power, and 1,111,943 shares subject to exercisable options granted pursuant to the Company's 1995 and 2000 Long-Term Incentive Plans. Also includes 76,000 shares held by Peter M. Nicholas, Llewellyn Nicholas and Anastasios Parafestas as trustees of the Gore Creek Trust, an irrevocable trust for the benefit of Mr. N. J. Nicholas, Jr.'s children as to which Mr. Peter M. Nicholas disclaims beneficial ownership. Excludes 170,954 shares of common stock held by Ruth V. Lilly Nicholas and N. J. Nicholas, Jr. as Trustees of The Peter M. Nicholas 1993 Irrevocable Family Trust dated February 1, 1993, an irrevocable trust for the benefit of Mr. Peter M. Nicholas' children and spouse as to which Mr. Peter M. Nicholas disclaims beneficial ownership.
- (11) Includes 4,000 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Directors Stock Option Plan. Excludes 1,200 shares owned by Mr. Pepper's spouse as to which he disclaims beneficial ownership.
- (12) Includes 2,000 shares of restricted stock subject to certain tax withholding and forfeiture provisions granted pursuant to the Company's 2000 Long-Term Incentive Plan as to which Dr. Reinhardt has sole voting but not investment power.
- (13) Includes 6,236 common stock equivalents acquired pursuant to the Company's Deferred Compensation Program offered to non-employee directors and 3,332 shares of common stock subject to exercisable options granted pursuant to the Company's 1992 Non-Employee Director Stock Option Plan. Also includes 4,000 shares of restricted common stock granted pursuant to the Company's 2000 Long-Term Incentive Plan which Senator Rudman has deferred under the Company's Deferred Compensation Program. Excludes 500 shares of common stock owned by Senator Rudman's spouse with respect to which he disclaims beneficial ownership.
- (14)

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Includes 1,376,250 shares of common stock subject to exercisable options granted pursuant to the Company's 1995 and 2000 Long-Term Incentive Plans.

- (15) Includes 2,586,961 shares of common stock subject to exercisable options granted to Mr. Best pursuant to certain Stock Option Agreements dated June 22, 1992 and the Company's 1995 and 2000 Long-Term Incentive Plans.
- (16) Includes 187,500 shares of common stock subject to exercisable options granted pursuant to the Company's 1992, 1995 and 2000 Long-Term Incentive Plans.
- (17) Includes 560,333 shares of common stock subject to exercisable options granted pursuant to the Company's 1992, 1995 and 2000 Long-Term Incentive Plans.
- (18) Includes 460,419 shares of common stock subject to exercisable options granted pursuant to the Company's 1992, 1995 and 2000 Long-Term Incentive Plans. The balance (except two shares) is held jointly by Mr. Sandman and his spouse, with whom he shares voting and investment control. Excludes 1,450 shares of common stock held by Mr. Sandman as custodian for his child as to which he disclaims beneficial ownership.
- (19) Please refer to footnotes 1 through 18 above.

INFORMATION ABOUT DIRECTORS AND EXECUTIVE OFFICERS

The Board of Directors

Who sits on the Company's Board of Directors?

Currently, the Board of Directors of the Company consists of 13 members, divided into three approximately equal classes. Each class serves for a period of three years, with the terms of office of the respective classes expiring in successive years. 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 the Company's Class II directors expires at this Annual Meeting. The Board has nominated the following incumbent Class II directors to stand for re-election for a term of three years expiring at the Company's 2006 Annual Meeting and until his successor has been elected and qualified: John E. Abele, Joel L. Fleishman, Ernest Mario and Uwe E. Reinhardt. In addition, the Board has nominated John E. Pepper, to stand for election to serve as a Class III director to hold office until the expiration of the current Class III term at the 2004 Annual Meeting. Mr. Lawrence L. Horsch, a Class II director whose term expires at this Annual Meeting, is retiring from the Board and will be not standing for re-election.

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

Class I Directors (Term Expires 2005)

Name	
------	--

Ray J. Groves Age 67 Director since 1999	
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	Mr. Groves is President and Chief Executive Officer of Marsh Inc., a subsidiary of Marsh & McLennan Companies, Inc. He served as Chairman of Legg Mason Merchant Banking, Inc. from 1995 to 2001. Mr. Groves also 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 American Water Works Company, Inc., Electronic Data Systems Corporation and Marsh & McLennan Companies, Inc. Mr. Groves serves on the Boards of Trustees of the New York State Public Policy Institute and 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, University of Pennsylvania and served as the Chairman of its Center for the Study of the Service Sector. Mr. Groves is a managing director, a member of the executive committee and Secretary-Treasurer of the Metropolitan Opera Association. Mr. Groves received a B.S. degree from The Ohio State University.
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Class I Directors (Term Expires 2005)

Peter M. Nicholas
Age 61
Director since 1979

Mr. Nicholas, a co-founder of the Company, has been Chairman of the Board since 1995. He has been a director since 1979 and served as the Chief Executive Officer from 1979 to March 1999 and Co-Chairman of the Board from 1979 to 1995. Prior to joining the Company, 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 of the Board of Trustees of Duke University. Mr. Nicholas is a member of the American Academy of Achievement, a Fellow of the National Academy of Arts and Sciences, and in the past has served on several for profit and not-for-profit boards. Mr. Nicholas is also a member of the Massachusetts Business Roundtable and serves on the Boards of the Massachusetts 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., a director of the Company.

Warren B. Rudman
Age 72
Director since 1999

Senator Warren B. Rudman joined the Company as a Director in October 1999. Senator Rudman became a partner in the international law firm Paul, Weiss, Rifkind, Wharton, and Garrison LLP in 1992 and he became Of Counsel to the firm as of January 1, 2003. Prior to joining the firm he served two terms as a U.S. Senator from New Hampshire from 1980 to 1992. Senator Rudman serves on the Boards of Trustees of the Brookings Institution and the Council on Foreign Relations. He also serves on the Boards of Allied Waste Industries, Inc., The Chubb Corporation, Collins & Aikman Corporation, Raytheon 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 58
Director since 1999

Mr. Tobin is the President, Chief Executive Officer and Director of the Company. Prior to joining the Company, 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 Beth Israel Deaconess Medical Center, the Carl J. Shapiro Institute for Education and Research, Curis, Inc. and

Applera Corporation (formerly PE Corporation). Mr. Tobin holds an A.B. from Harvard College and an M.B.A. from Harvard Business School. Mr. Tobin also served as a lieutenant in the U.S. Navy from 1968 to 1972.

Ursula M. Burns
Age 44
Director since 2002

Class III Directors (Term Expires 2004)

Ms. Burns became a Director of the Company in 2002. Ms. Burns is President of the 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 from October 2001 until her most recent appointment in January 2003. She serves on the Boards of Directors of Banta Corporation, the National Association of Manufacturers, the University of Rochester and the Rochester Business Alliance. Ms. Burns earned a Bachelor of Science degree from Polytechnic Institute of New York and a Master of Science degree in mechanical engineering from Columbia University.

Joseph A. Ciffolillo
Age 64
Director since 1992

Mr. Ciffolillo joined the Company in 1983 as President of Medi-tech, Inc. During his tenure at the Company, he also served as President of Microvasive, Inc. and as Executive Vice President and Chief Operating Officer from 1989 until his retirement in 1996. In 1992, Mr. Ciffolillo became a director of the Company. Previously, Mr. Ciffolillo spent twenty years with Johnson & Johnson where he held a number of management positions including President, Johnson & Johnson Orthopedic Company.

Mr. Ciffolillo is a member of the Spray Venture Fund Investment Committee and a member of the Board of Directors of MedSource Technologies, Inc. He also serves on a number of for-profit and not-for-profit boards. Mr. Ciffolillo is Chairman of the Advisory Board of the Health Science Technology Division of Harvard University and the Massachusetts Institute of Technology. He is also Chairman of the President's Council of the Massachusetts General Hospital and a Director of South Coast Health Systems. Mr. Ciffolillo received his B.A. from Bucknell University, where he also serves as a Member of the Board of Trustees.

Class III Directors (Term Expires 2004)

Marye Anne Fox

Age 55

Director since 2001

Dr. Fox became a Director of the Company in October 2001. Dr. Fox is Chancellor of North Carolina State University and Distinguished University Professor of Chemistry. 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 Trust and the Camille and Henry Dreyfus Foundation. Dr. Fox also serves on the Board of Directors of W.R. Grace Co., a specialty chemical company that filed a petition for reorganization under Chapter 11 of the Federal Bankruptcy Code in April 2001. She has been honored by a wide range of educational and 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 63

Director since 1992

Mr. Nicholas 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 Priceline.com. He has served as a director of Turner Broadcasting and member of the President's Advisory Committee for Trade Policy and Negotiations and the President's Commission on Environmental Quality. Mr. Nicholas is also Chairman of the Advisory Board of the Columbia University Graduate School of Journalism, a Trustee of the Environmental Defense Fund 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 Peter M. Nicholas, Chairman of the Board of the Company.

What committees has the Board established?

As of December 31, 2002, the Board of Directors had standing Audit, Executive Compensation and Human Resources, Governance and Strategic Investment Committees. Membership on each committee is set forth in the following table.

BOARD COMMITTEE MEMBERSHIP
As of February 1, 2003

Name	Audit Committee	Executive Compensation and Human Resources Committee	Governance Committee	Strategic Investment Committee
John E. Abele				
Ursula M. Burns		*		*
Joseph A. Ciffolillo		*		*
Joel L. Fleishman	*		*	
Marye Anne Fox	*			*
Ray J. Groves		*	*	
Lawrence L. Horsch		*		
Ernest Mario	*			*
N.J. Nicholas, Jr.				*
Peter M. Nicholas			*	
Uwe E. Reinhardt	*		*	
Warren B. Rudman	*		*	
James R. Tobin				*

Audit Committee. The Audit Committee met seven times during fiscal year 2002. The primary functions of the Audit Committee are to provide assistance to the Board of Directors in fulfilling its responsibilities relating to corporate accounting, internal control, independent audit and reporting practices and to maintain, by way of regularly scheduled meetings, a direct line of communication among the directors, management, the Company's internal auditors and the Company's independent auditors. The Audit Committee recommends the selection of the Company's independent auditors, evaluates their independence and reviews the reports and other services provided by the independent auditors. The Audit Committee is also responsible for monitoring the Company's adherence to established corporate policies, codes and practices. The Audit Committee is governed by a written charter adopted by the Board of Directors which is subject to review on an annual basis. In accordance with the rules and regulations of the Securities and Exchange Commission and the New York Stock Exchange, Inc., the Audit Committee Report can be found on page 22 of this Proxy Statement.

Executive Compensation and Human Resources Committee. The Executive Compensation and Human Resources Committee (the Compensation Committee) met seven times during fiscal year 2002. As outlined in its charter, the Committee is responsible for granting stock options and other awards to the Company's key employees, administering the Company's incentive plans and reviewing and recommending the compensation of the Company's executive officers. The Compensation Committee is also responsible for overseeing the process of succession planning and management development within the Company.

Governance Committee. The Governance Committee met five times during fiscal year 2002. Pursuant to its charter, the Governance Committee has responsibility for recommending nominees for election and re-

election to the Board, ensuring that Board nominations are consistent with the needs of the Company, reviewing the independence and performance of all members of the Board, recommending Board committee assignments, reviewing and recommending Board policies and procedures, and assessing Board performance. In addition, the Governance Committee is responsible for recommending to the Board candidates for Chief Executive Officer, evaluating the performance of the Chief Executive Officer, and developing an ongoing succession plan for the Chief Executive Officer. The Board has adopted a Corporate Governance Manual which outlines the role, responsibilities and structure of the Board and its committees. In its charter, the Governance Committee is charged with reviewing the Corporate Governance Manual on an annual basis.

Strategic Investment Committee. The Strategic Investment Committee met five times during fiscal year 2002. The primary role of this Committee is to provide a forum within the Board to review the Company's long-term strategic objectives, as well as its shorter-term acquisition and investment strategies and how these shorter-term activities fit within the Company's overall business objectives. In its charter, the Committee is charged with providing Board oversight of the Company's strategic planning and activities, approving strategic transactions for which the Board has delegated authority, and making recommendations to the Board regarding larger transactions. In addition, the Committee has responsibility to review periodically with management the Company's 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 Committee is further charged with conducting 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.

How often did the Board meet in 2002?

The Board met five times in fiscal year 2002. Each director attended more than 75% of the meetings of the Board and of the Committees on which he or she served with the exception of Ms. Burns and Dr. Reinhardt.

How are the Company's directors compensated?

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

Non-employee Directors. The Company compensated its non-employee directors as follows:

- (1) an annual retainer of \$35,000;
- (2) an annual fee of \$5,000 for each Board Committee chaired by the non-employee director;
- (3) an annual option grant of 2,000 shares of Boston Scientific common stock; and
- (4) an annual grant of 2,000 shares of restricted Boston Scientific common stock.

Options to purchase common stock are granted to non-employee directors at the fair market value on the date of the grant. The options become exercisable in three approximately equal installments commencing on the first anniversary of the date of grant, and have a ten-year term. Non-employee directors are also granted an annual restricted stock award, the shares of which become free from restriction upon the expiration of each director's current term of office. The annual option grant and restricted stock awards are generally made on the date of each Annual Meeting, but if a director is elected to the Board on a date other than the Annual Meeting, an option grant and restricted stock award is made on the date the director is first elected to the

Board. Non-employee directors may defer receipt of the annual retainer, Committee chair fees and restricted stock award under the Company's Deferred Compensation Program, which allows these amounts to be invested in common stock equivalents as well as other investment options.

Arrangements for the Election of Directors.

The Company does not have any current arrangements relating to the election of directors to its Board.

Related Party Transactions

In light of the global nature of the Company's business and current air travel security issues, the Company completed, in January 2002, the acquisition of an aircraft for \$19,362,500. The aircraft was previously owned by the Company's Chairman of the Board. The transaction closed in the first quarter of 2002. The purchase price was based on a third party, independent appraisal, which the Company believes is at a value consistent with an arm's-length transaction. The Company currently operates the aircraft out of an airport hangar which is affiliated with the Chairman. The Company does not pay rent for the hangar space.

The Company has business arrangements with MedSource Technologies, Inc., a supplier and manufacturer of medical device components and products, of which Mr. Ciffolillo is a director. Amounts paid by the Company to MedSource during 2002 were approximately \$14 million.

The Company also has arrangements in the ordinary course of business with Marsh & McLennan Companies, Inc. with which Mr. Ray Groves is affiliated. Amounts paid to Marsh & McLennan Companies, Inc. for insurance brokerage services during 2002 were less than \$465,000.

EXECUTIVE OFFICERS

Who are the Company's executive officers as of March 31, 2003?

Name	Title
James R. Tobin	Director, President and Chief Executive Officer
Lawrence C. Best	Senior Vice President - Finance & Administration and Chief Financial Officer
Fredericus A. Colen	Senior Vice President and Chief Technology Officer
Paul Donovan	Vice President, Corporate Communications
Paul A. LaViolette	Senior Vice President and Group President, Cardiovascular
Robert G. MacLean	Senior Vice President - Human Resources
Stephen F. Moreci	Senior Vice President and Group President, Endosurgery
Dennis A. Ocwieja	Senior Vice President, Regulatory Affairs
Paul W. Sandman	Senior Vice President, Secretary and General Counsel
James H. Taylor, Jr.	Senior Vice President - Corporate Operations

On February 25, 2003, Dennis A. Ocwieja, Senior Vice President, Regulatory Affairs, became an executive officer of the Company. Biographical information concerning the Company's executive officers can be found under the caption Directors and Executive Officers of the Company in the Company's 2002 Annual Report on Form 10-K, which is incorporated by reference in this Proxy Statement. Stockholders may obtain a copy of this report, without exhibits, for no charge by requesting it in writing from the Company at Boston Scientific Corporation, One Boston Scientific Place, Natick, Massachusetts 01760-1537, Attention: Investor Relations.

In addition, copies of the Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through the Company's website (www.bostonscientific.com) as soon as reasonably practicable after the Company electronically files the

material with or furnishes it to the Securities and Exchange Commission. The Company's Code of Conduct, which applies to all employees and officers of the Company, including the Chief Executive Officer and Chief Financial Officer, is also available on the Company's web site. Printed copies of these materials are available free of charge to shareholders who request them in writing from Investor Relations. Information on the Company's website or connected thereto is not incorporated by reference into this Proxy Statement.

How were the Company's executive officers compensated in 2002?

The following tables show salaries, bonuses, options and other compensation paid during the last three years, options granted in 2002 and options exercised in 2002 for the Chief Executive Officer and the next four most highly compensated executive officers of the Company (the Named Officers).

SUMMARY COMPENSATION TABLE

As of December 31, 2002

Name and Principal Position	Year	Annual Compensation (1)			Long Term Compensation Award		All Other Compensation (3)
		Salary	Bonus	Other Annual Compensation	Restricted Stock (2)	Shares Underlying Stock Options	
James R. Tobin(4,5) President and	2002	\$ 795,038	\$ 795,350	\$ 49,847	0	0(5)	\$ 11,160
	2001						