

BOSTON PROPERTIES INC
Form DEF 14A
April 05, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

Filed by Registrant

Filed by a Party other than the Registrant

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 PROPERTIES, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

April 5, 2013

Dear Stockholder:

You are cordially invited to attend the 2013 annual meeting of stockholders of Boston Properties, Inc. The annual meeting will be held on Tuesday, May 21, 2013 at 10:00 a.m., Eastern Time, at 399 Park Avenue, 13th Floor, New York, New York.

The proxy statement, with the accompanying formal notice of the meeting, describes the matters expected to be acted upon at the meeting. We urge you to review these materials carefully and to use this opportunity to take part in the affairs of Boston Properties by voting on the matters described in the proxy statement. Following the formal portion of the meeting, we will report on the operations of our company and our directors and management team will be available to answer appropriate questions from stockholders.

We are pleased to inform you that we are again taking advantage of the Securities and Exchange Commission's rules that allow companies to furnish proxy materials to their stockholders via the Internet rather than in paper form. Accordingly, we are sending most of our stockholders a notice regarding the availability of the proxy statement and our annual report via the Internet. We believe these rules will expedite your receipt of proxy materials, help conserve natural resources and reduce our printing and mailing costs.

Your vote is important. We hope that you will be able to attend the meeting. Whether or not you plan to attend the meeting, please vote as soon as possible. Instructions on how to vote are contained in the proxy statement.

Thank you for your continued support of Boston Properties.

Sincerely,

Mortimer B. Zuckerman

Executive Chairman

BOSTON PROPERTIES, INC.

800 Boylston Street

Suite 1900

Boston, MA 02199-8103

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 21, 2013

The 2013 annual meeting of stockholders of Boston Properties, Inc. will be held on Tuesday, May 21, 2013 at 10:00 a.m., Eastern Time, at 399 Park Avenue, 13th Floor, New York, New York, for the following purposes:

1. To elect the eleven nominees named in the proxy statement, each to serve for a one-year term and until their respective successors are duly elected and qualified.
2. To hold an advisory vote on named executive officer compensation.
3. To ratify the Audit Committee's appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2013.
4. To consider and act upon any other matters that are properly brought by or at the direction of the Board of Directors before the annual meeting and at any adjournments or postponements thereof.

You may vote if you were a stockholder of record as of the close of business on March 27, 2013. If you do not plan to attend the meeting and vote your shares of common stock in person, we urge you to vote your shares as instructed in the proxy statement. If you received a copy of the proxy card by mail, you may sign, date and mail the proxy card in the postage-paid envelope provided.

If your shares of common stock are held by a broker, bank or other nominee, please follow the instructions you receive from your broker, bank or other nominee to have your shares of common stock voted.

Any proxy may be revoked at any time prior to its exercise at the annual meeting.

By Order of the Board of Directors

FRANK D. BURT, ESQ.
Secretary

April 5, 2013

Important Notice Regarding the Availability of Proxy Materials for

the Stockholders Meeting to be Held on May 21, 2013

The proxy statement and our 2012 annual report to stockholders are available at

www.edocumentview.com/bxp

PROXY STATEMENT

TABLE OF CONTENTS

	Page
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING</u>	1
<u>Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the proxy materials?</u>	1
<u>What is the purpose of the annual meeting?</u>	1
<u>Who is entitled to vote?</u>	1
<u>May I attend the meeting?</u>	2
<u>What constitutes a quorum?</u>	2
<u>How do I vote?</u>	2
<u>Will other matters be voted on at the annual meeting?</u>	3
<u>May I revoke my proxy instructions?</u>	3
<u>What is householding?</u>	3
<u>How can I access Boston Properties proxy materials electronically?</u>	3
<u>CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS</u>	4
<u>The Board of Directors and its Committees</u>	4
<u>Consideration of Director Nominees</u>	9
<u>Communications with the Board</u>	11
<u>Corporate Governance Guidelines</u>	11
<u>Code of Business Conduct and Ethics</u>	11
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	12
<u>Introduction</u>	12
<u>Vote Required</u>	12
<u>Recommendation</u>	12
<u>Information Regarding the Nominees and Executive Officers</u>	13
<u>PRINCIPAL AND MANAGEMENT STOCKHOLDERS</u>	19
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	23
<u>COMPENSATION DISCUSSION AND ANALYSIS</u>	24
<u>Executive Summary</u>	24
<u>Executive Compensation Objectives</u>	26
<u>Competitive Benchmarking Analysis</u>	27
<u>Elements of Executive Compensation</u>	33
<u>Base Salaries for 2013</u>	34
<u>Annual Cash Bonuses for 2012</u>	34
<u>Annual Long-Term Equity Incentive Awards for 2012</u>	34
<u>Performance-Based Long-Term Incentive Awards for 2012</u>	35
<u>Equity Award Grant Policy</u>	38
<u>LTIP Units</u>	38
<u>Policy Concerning Hedging and Pledging Transactions</u>	40
<u>Mandatory Minimum Equity Ownership Policy for Senior Executives</u>	40
<u>Employment Agreements</u>	40
<u>Change in Control Arrangements</u>	41
<u>Perquisites</u>	41
<u>Deferred Compensation Plan</u>	42
<u>Other Benefits</u>	42
<u>Tax and Accounting Implications</u>	42
<u>COMPENSATION COMMITTEE REPORT</u>	42
<u>COMPENSATION OF EXECUTIVE OFFICERS</u>	43
<u>Summary Compensation Table</u>	43
<u>2012 Grants of Plan-Based Awards</u>	45
<u>Outstanding Equity Awards at December 31, 2012</u>	47

<u>2012 Option Exercises and Stock Vested</u>	49
<u>Nonqualified Deferred Compensation</u>	49
<u>Potential Payments Upon Termination or Change in Control</u>	50
<u>Agreements Entered into in Connection with Succession Planning</u>	55
<u>Compensation Risks</u>	58
<u>COMPENSATION OF DIRECTORS</u>	59
<u>Director Compensation</u>	60
<u>Director Stock Ownership Guidelines</u>	61
<u>COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION</u>	62
<u>PROPOSAL 2: ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION</u>	63
<u>Proposal</u>	63
<u>Vote Required</u>	63
<u>Recommendation</u>	63
<u>PROPOSAL 3: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u>	64
<u>Proposal</u>	64
<u>Fees</u>	64
<u>Auditor Fees Policy</u>	64
<u>Vote Required</u>	65
<u>Recommendation</u>	65
<u>AUDIT COMMITTEE REPORT</u>	66
<u>CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS</u>	67
<u>OTHER MATTERS</u>	69
<u>Expenses of Solicitation</u>	69
<u>Stockholder Proposals for the 2014 Annual Meeting</u>	69

April 5, 2013

BOSTON PROPERTIES, INC.

800 Boylston Street

Suite 1900

Boston, MA 02199-8103

PROXY STATEMENT

This proxy statement is being made available to stockholders of Boston Properties, Inc. (we, us, our, Boston Properties or the Company) on about April 5, 2013 via the Internet or by delivering printed copies by mail, and is furnished in connection with the solicitation of proxies by the Board of Directors of Boston Properties, Inc. for use at the 2013 annual meeting of stockholders of Boston Properties, Inc. to be held on Tuesday, May 21, 2013 at 10:00 a.m., Eastern Time, at 399 Park Avenue, 13th Floor, New York, New York, and at any adjournments or postponements thereof.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

Why did I receive a notice in the mail regarding the Internet availability of the proxy materials instead of a paper copy of the proxy materials?

As permitted by rules adopted by the Securities and Exchange Commission (SEC), we are making this proxy statement and our 2012 annual report, including a copy of our annual report on Form 10-K and financial statements for the year ended December 31, 2012, available to our stockholders electronically via the Internet. On or about April 5, 2013, we began mailing to many of our stockholders a Notice of Internet Availability of Proxy Materials (Notice) containing instructions on how to access this proxy statement and our annual report online, as well as instructions on how to vote. Also on or about April 5, 2013, we began mailing printed copies of these proxy materials to stockholders that have requested printed copies. If you received a Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you request a copy. Instead, the Notice instructs you on how to access and review all of the important information contained in the proxy statement and annual report. The Notice also instructs you on how you may vote via the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice. Our 2012 annual report is not part of the proxy solicitation material.

What is the purpose of the annual meeting?

At the annual meeting, stockholders will be asked to vote upon the matters set forth in the accompanying notice of annual meeting, including the election of directors, an advisory resolution on named executive officer compensation and the ratification of the appointment of our independent registered public accounting firm.

Who is entitled to vote?

If you were a stockholder of record as of the close of business on March 27, 2013, which is referred to in this proxy statement as the record date, you are entitled to receive notice of the annual meeting and to vote the shares of common stock that you held as of the close of business on the

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record date. Each stockholder is entitled to one vote for each share of common stock held by such stockholder on the record date.

May I attend the meeting?

All stockholders of record of shares of common stock of Boston Properties, Inc. at the close of business on the record date, or their designated proxies, are authorized to attend the annual meeting. Each stockholder and proxy will be asked to present a valid government-issued photo identification, such as a driver's license or passport, before being admitted. If you are not a stockholder of record but you hold your shares in street name, you should provide proof of beneficial ownership as of the record date, such as an account statement reflecting your stock ownership as of the record date, a copy of the voting instruction card provided by your broker, bank or other nominee, or other similar evidence of ownership. We reserve the right to determine the validity of any purported proof of beneficial ownership. If you do not have proof of ownership, you may not be admitted to the annual meeting. Cameras, recording devices and other electronic devices will not be permitted, and attendees may be subject to security inspections and other security precautions. You may obtain directions to the annual meeting on our website at <http://www.bostonproperties.com/proxy>.

What constitutes a quorum?

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of common stock entitled to vote is necessary to constitute a quorum for the transaction of business at the annual meeting. As of the record date, there were 151,639,524 shares of common stock outstanding and entitled to vote at the annual meeting. Each share of common stock outstanding on the record date is entitled to one vote on each matter properly submitted at the annual meeting and, with respect to the election of directors, one vote for each director to be elected. Abstentions or broker non-votes (i.e., shares represented at the meeting held by brokers, as to which instructions have not been received from the beneficial owners or persons entitled to vote such shares and with respect to which, on one or more but not all matters, the broker does not have discretionary voting power to vote such shares) will be counted for purposes of determining whether a quorum is present for the transaction of business at the annual meeting.

How do I vote?

Voting in Person at the Meeting. If you are a stockholder of record and attend the annual meeting, you may vote in person at the meeting. If your shares of common stock are held in street name and you wish to vote in person at the meeting, you will need to obtain a legal proxy from the broker, bank or other nominee that holds your shares of common stock of record.

Voting by Proxy for Shares Registered Directly in the Name of the Stockholder. If you hold your shares of common stock in your own name as a holder of record with our transfer agent, Computershare Trust Company, N.A., you may instruct the proxy holders named in the proxy card how to vote your shares of common stock in one of the following ways:

Vote by Internet. You may vote via the Internet by following the instructions provided in the Notice or, if you received printed materials, on your proxy card. The website for Internet voting is printed on the Notice and also on your proxy card. Please have your Notice or proxy card in hand. Internet voting is available 24 hours per day until 11:59 p.m., Eastern Time, on May 20, 2013. You will receive a series of instructions that will allow you to vote your shares of common stock. You will also be given the opportunity to confirm that your instructions have been properly recorded. **If you vote via the Internet, you do not need to return your proxy card.**

Vote by Telephone. If you received printed copies of the proxy materials, you also have the option to vote by telephone by calling the toll-free number listed on your proxy card. Telephone voting is available 24 hours per day until 11:59 p.m., Eastern Time, on May 20, 2013. When you call, please have your proxy card in hand. You will receive a series of voice instructions that will allow you to vote your shares of common stock. You will also be given the opportunity to confirm that your instructions have been properly recorded. If you did not receive printed materials and would like to vote by telephone, you must request printed copies of the proxy materials by following the instructions on your Notice. **If you vote by telephone, you do not need to return your proxy card.**

Vote by Mail. If you received printed materials, and would like to vote by mail, then please mark, sign and date your proxy card and return it promptly to our transfer agent, Computershare Trust Company, N.A., in the postage-paid envelope provided. If you did not receive printed materials and would like to vote by mail, you must request printed copies of the proxy materials by following the instructions on your Notice.

Voting by Proxy for Shares Registered in Street Name. If your shares of common stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares of common stock voted.

Will other matters be voted on at the annual meeting?

We are not currently aware of any other matters to be presented at the annual meeting other than those described in this proxy statement. If any other matters not described in the proxy statement are properly presented at the meeting, any proxies received by us will be voted in the discretion of the proxy holders.

May I revoke my proxy instructions?

You may revoke your proxy at any time before it has been exercised by:

filing a written revocation with the Secretary of Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, Massachusetts 02199-8103;

submitting a new proxy by telephone, Internet or proxy card after the time and date of the previously submitted proxy; or

appearing in person and voting by ballot at the annual meeting.

If you are a stockholder of record as of the record date attending the annual meeting you may vote in person whether or not a proxy has been previously given, but your presence (without further action) at the annual meeting will not constitute revocation of a previously given proxy.

What is householding?

If you and other residents at your mailing address own shares of common stock in street name, your broker, bank or other nominee may have sent you a notice that your household will receive only one annual report, Notice of Internet Availability of Proxy Materials, notice of annual meeting and/or proxy statement. This procedure, known as householding, is intended to reduce the volume of duplicate information stockholders receive and also reduce our printing and postage costs. Under applicable law, if you consented or were deemed to have consented, your broker, bank or other nominee may send one copy of our annual report, Notice of Internet Availability of Proxy Materials, notice of annual meeting and/or proxy statement to your address for all residents that own shares of common stock in street name. If you wish to revoke your consent to householding, you must contact your broker, bank or other nominee. If you are receiving multiple copies of our annual report, Notice of Internet Availability of Proxy Materials, notice of annual meeting and/or proxy statement, you may be able to request householding by contacting your broker, bank or other nominee.

If you wish to request extra copies free of charge of our annual report or proxy statement, please send your request to Investor Relations, Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, Massachusetts 02199-8103; call us with your request at (617) 236-3322; or visit our website at <http://www.bostonproperties.com>.

How can I access Boston Properties proxy materials electronically?

This proxy statement and our 2012 annual report are available at <http://www.edocumentview.com/bxp>. Instead of receiving copies of our future annual reports, proxy statements, proxy cards and, when applicable,

Notices of Internet Availability of Proxy Materials, by mail, we encourage you to elect to receive an email that will provide electronic links to our proxy materials and also will give you an electronic link to the proxy voting site. Choosing to receive your future proxy materials online will save us the cost of producing and mailing the proxy materials or Notices of Internet Availability of Proxy Materials to you and help conserve natural resources. You may sign up for electronic delivery by visiting <http://www.bostonproperties.com/proxy>.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

The Board of Directors and its Committees

Board of Directors. Boston Properties is currently governed by an eleven member Board of Directors. The current members of our Board of Directors are Mortimer B. Zuckerman, Zoë Baird Budinger, Carol B. Einiger, Dr. Jacob A. Frenkel, Joel I. Klein, Douglas T. Linde, Matthew J. Lustig, Alan J. Patricof, Owen D. Thomas, Martin Turchin and David A. Twardock. Mr. Klein was appointed to our Board of Directors on January 24, 2013 to fill the vacancy resulting from the resignation of Lawrence S. Bacow on September 11, 2012. The Nominating and Corporate Governance Committee oversaw the search process for a new director and the Chairman of the Board initially recommended Mr. Klein to such committee. Mr. Thomas was appointed to our Board of Directors effective April 2, 2013, the date on which he began his service as our Chief Executive Officer.

At the 2013 annual meeting of stockholders, all directors are to be elected for one-year terms until the 2014 annual meeting of stockholders or until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. Any director appointed to our Board of Directors to fill a vacancy will hold office for a term expiring at the next annual meeting of stockholders following such appointment.

Leadership Structure. Currently, Mr. Zuckerman serves as Executive Chairman, our most senior executive officer. Mr. Zuckerman co-founded Boston Properties in 1970 and has served as the Chairman of the Board since our initial public offering in June 1997. From June 1997 through January 2010, Edward H. Linde, a co-founder of Boston Properties, served as Chief Executive Officer. Following the passing of Mr. E. Linde on January 10, 2010, Mr. Zuckerman assumed the duties of Chief Executive Officer. In connection with succession planning, on March 10, 2013 we entered into an employment agreement with Mr. Thomas pursuant to which, among other things, Mr. Thomas was hired to become our new Chief Executive Officer effective April 2, 2013. Pursuant to a separate agreement, Mr. Zuckerman has resumed his original role with us and, accordingly, the roles of Chairman and Chief Executive Officer are once again separated. See *Agreements Entered into in Connection with Succession Planning* beginning on page 55.

Boston Properties does not have a lead independent director. Our Board of Directors encourages strong communication among all of our independent directors and the Chairman and believes that it is currently best served without designating a single lead independent director. Our Board of Directors believes that it is able to effectively provide independent oversight of Boston Properties' business and affairs, including risks facing Boston Properties, without an independent Chairman or a lead independent director through the composition of our Board of Directors, the strong leadership of the independent directors and the independent committees of our Board of Directors, and the other corporate governance structures and processes already in place. Seven of the eleven current members of our Board of Directors are non-management directors who qualify as independent under the New York Stock Exchange Corporate Governance Rules, or the NYSE Rules. All of our directors are free to suggest the inclusion of items on the agenda for meetings of our Board of Directors or raise subjects that are not on the agenda for that meeting. In addition, our Board of Directors and each committee have complete and open access to any member of management and the authority to retain independent legal, financial and other advisors as they deem appropriate without consulting or obtaining the approval of any member of management. Our Board of Directors also holds regularly scheduled executive sessions of only non-management directors in order to promote discussion among the non-management directors and assure independent oversight of

management. Moreover, our Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee, all of which are comprised entirely of independent directors, also perform oversight functions independent of management.

Director Independence. Under the NYSE Rules, a majority of the Board of Directors must qualify as independent directors. To qualify as an independent director, the Board of Directors must affirmatively determine that the director has no material relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us). Our Board of Directors established categorical standards to assist it in making the required independence determinations.

Under these categorical standards, any relationship with us shall be deemed not material if:

1. The relationship does not preclude a finding of independence under Sections 303A.02(b)(i) through 303A.02(b)(v) of the New York Stock Exchange Listed Company Manual (the "NYSE Disqualifying Rules");
2. The relationship does not involve any of the following, whether currently existing or occurring since the end of the last fiscal year or during the past three fiscal years:
 - (a) a director being an executive officer of, or owning, or having owned, of record or beneficially in excess of ten percent (10%) equity interest in, any business or professional entity that has made during any of such fiscal years, or proposes to make during the Company's current fiscal year, payments to the Company, an executive officer of the Company or an entity controlled by an executive officer of the Company for property or services in excess of five percent (5%) of: (i) the Company's consolidated gross revenues for such fiscal year (or, in the case of proposed payments, its last fiscal year), or (ii) the other entity's consolidated gross revenues for such fiscal year (or, in the case of proposed payments, its last fiscal year);
 - (b) a director being an executive officer of, or owning, or having owned, of record or beneficially in excess of ten percent (10%) equity interest in, any business or professional entity to which the Company, an executive officer of the Company or an entity controlled by an executive officer of the Company has made during any of such fiscal years, or proposes to make during the Company's current fiscal year, payments for property or services in excess of five percent (5%) of: (i) the Company's consolidated gross revenues for such fiscal year (or, in the case of proposed payments, its last fiscal year), or (ii) the other entity's consolidated gross revenues for such fiscal year (or, in the case of proposed payments, its last fiscal year);
 - (c) a director or an immediate family member of the director being an officer, director or trustee of a charitable organization where the annual discretionary charitable contributions of the Company, an executive officer of the Company or an entity controlled by an executive officer of the Company in any single year to the charitable organization exceeded the greater of \$1 million or two percent (2%) of that organization's consolidated gross revenues for the fiscal year;
 - (d) a director or an immediate family member of a director being indebted to the Company, an executive officer of the Company or an entity controlled by an executive officer of the Company in an amount in excess of \$120,000;
 - (e) a director being an executive officer, partner or greater than 10% equity owner of an entity, or being a trustee or a substantial beneficiary of a trust or estate, indebted to the Company, an executive officer of the Company or an entity controlled by an executive officer of the Company in an amount in excess of the greater of \$120,000 or 5% of such entity's total consolidated assets, or to whom the Company or an entity controlled by an executive officer of the Company is indebted (other than with respect to (i) any publicly traded debt securities of the Company or such entity or (ii) non-recourse loans secured by real estate where both the lender and the Company or such entity intend for the lender to transfer all right to, and control over, the loan within 12 months

and the documentation includes customary provisions for loans targeted at the commercial mortgage backed securities (CMBS) or collateralized debt obligation (CDO) markets) in an amount in excess of 5% of the Company's or such entity's total consolidated assets;

- (f) a transaction or currently proposed transaction (other than relating to the ownership of securities), which involved or involves the direct or indirect payment in a single year of in excess of \$120,000 from the Company, an executive officer of the Company or an entity controlled by an executive officer of the Company to a director or an immediate family member of a director;
- (g) a director or an immediate family member of a director being an executive officer, general or managing partner or owner of more than 10% of the outstanding equity securities of an entity that has a co-investment or is a joint venture partner with the Company where the amount of the entity's equity investment in any single year exceeds the greater of \$1 million or 2% of the total consolidated assets of the entity; or
- (h) a director or an immediate family member of a director being an executive officer, general or managing partner or owner of more than 10% of the outstanding equity securities of an entity (other than the Company) in which an executive officer of the Company or an entity controlled by an executive officer of the Company is an executive officer, general or managing partner or owner of more than 10% of the outstanding equity securities of the entity.

For purposes of these standards, "immediate family" member has the same meaning as in the NYSE Disqualifying Rules.

Relationships not specifically deemed not material by the above categorical standards may, in the Board's judgment, be deemed not to be material.

Because Meses. Budinger and Einiger and Messrs. Frenkel, Klein, Lustig, Patricof and Twardock do not have any relationships with us other than those that are deemed not material under the foregoing categorical standards, our Board of Directors has determined that they are "independent directors" for purposes of the NYSE Rules.

Risk Oversight. Our Board of Directors plays an important role in the risk oversight of Boston Properties. Our Board of Directors is involved in risk oversight through direct decision-making authority with respect to significant matters and the oversight of management by our Board of Directors and its committees. In particular, our Board of Directors administers its risk oversight function through (1) the review and discussion of regular periodic reports to our Board of Directors and its committees on topics relating to the risks that Boston Properties faces, including, among others, market conditions, tenant concentrations and credit worthiness, leasing activity and expirations, the status of current and anticipated development projects, compliance with debt covenants, management of debt maturities, access to debt and equity capital markets, existing and potential legal claims against Boston Properties and various other matters relating to Boston Properties' business, (2) the required approval by our Board of Directors (or a committee thereof) of significant transactions and other decisions, including, among others, acquisitions and dispositions of properties, development projects, new borrowings and the appointment and retention of Boston Properties' senior management, (3) the direct oversight of specific areas of Boston Properties' business by the Audit, Compensation and Nominating and Corporate Governance Committees, and (4) regular periodic reports from Boston Properties' independent accountants and other outside consultants regarding various areas of potential risk, including, among others, those relating to the qualification of Boston Properties as a REIT for tax purposes and Boston Properties' internal control over financial reporting. Our Board of Directors also relies on management to bring significant matters impacting Boston Properties to its attention.

Pursuant to the Audit Committee's charter, the Audit Committee is specifically responsible for discussing the guidelines and policies that govern the process by which Boston Properties' exposure to risk is assessed and managed by management. As part of this process, the Audit Committee oversees the planning and conduct of an

annual risk assessment that is designed to identify and analyze risks to achieving Boston Properties' business objectives. The results of the risk assessment are then discussed with management and used to develop Boston Properties' annual internal audit plan. In addition, as one component of Boston Properties' anti-fraud program, Boston Properties, under the supervision of the Audit Committee, established a hotline available to all employees for the anonymous and confidential submission of complaints relating to any matter to encourage employees to report questionable activities directly to our senior management and the Audit Committee.

Because of the role of our Board of Directors in the risk oversight of Boston Properties, our Board of Directors believes that any leadership structure that it adopts must allow it to effectively oversee the management of the risks relating to Boston Properties' operations. Our Board of Directors recognizes that there are different leadership structures that could allow it to effectively oversee the management of the risks relating to Boston Properties' operations, and while our Board believes its current leadership structure enables it to effectively manage such risks, it was not the primary reason our Board of Directors selected its current leadership structure over other potential alternatives. See the discussion under the heading *Leadership Structure* above for a discussion of why our Board of Directors has determined that its current leadership structure is appropriate.

Meetings. Our Board of Directors met seven times during 2012. Each director attended at least 75% of the aggregate of (1) the total number of meetings of our Board of Directors (held during the period for which he or she has been a director) and (2) the total number of meetings of all committees of our Board of Directors on which the director served (during the periods that he or she served). Directors are expected to attend annual meetings of our stockholders in person unless doing so is impracticable due to unavoidable conflicts. All of the directors then serving attended the 2012 annual meeting of stockholders.

Directors who qualify as non-management within the meaning of the NYSE Rules meet on a regular basis in executive sessions without management participation. The executive sessions occur after each regularly scheduled meeting of the entire Board and at such other times that the non-management directors deem appropriate. Each director has the right to call an executive session. In addition, at least once per year, an executive session is held with only independent directors present. The executive sessions are chaired by the chair of the Board committee having jurisdiction over the particular subject matter to be discussed at the particular executive session or portion of an executive session.

Committees. Our Board of Directors has the following three committees: (1) Audit, (2) Compensation and (3) Nominating and Corporate Governance. The membership and the function of each of these committees are described below.

Audit	Compensation	Nominating and Corporate Governance
Alan J. Patricof, Chair	David A. Twardock, Chair	Zoë Baird Budinger, Chair
Carol B. Einiger	Dr. Jacob A. Frenkel	Joel I. Klein
David A. Twardock		Alan J. Patricof
		David A. Twardock

Audit Committee. Our Board of Directors has established an Audit Committee consisting of Messrs. Patricof (Chair) and Twardock and Ms. Einiger. Mr. Twardock was appointed to the Audit Committee on September 10, 2012. Mr. Bacow's service on the Audit Committee ceased concurrently with this resignation from our Board of Directors on September 11, 2012. The Audit Committee operates pursuant to a charter that was approved by our Board of Directors and that is reviewed and reassessed at least annually. The Audit Committee, among other functions, (1) has the sole authority to appoint, retain, terminate and determine the compensation of our independent accountants, (2) reviews with our independent accountants the scope and results of the audit engagement, (3) approves professional services provided by our independent accountants and (4) reviews the independence of our independent accountants. Each member of the Audit Committee is independent as that term is defined in the rules of the SEC and the applicable NYSE Rules. Our Board of

Directors determined that Mr. Patricof qualifies as an audit committee financial expert as that term is defined in the rules of the SEC. The Audit Committee Report is included in this proxy statement on page 66. The Audit Committee met eight times during 2012.

Compensation Committee. Our Board of Directors has established a Compensation Committee consisting of Messrs. Twardock (Chair) and Frenkel. Mr. Bacow's service on the Compensation Committee ceased concurrently with this resignation from our Board of Directors on September 11, 2012. None of the members of the Compensation Committee is an employee of Boston Properties and each of them is an independent director under the NYSE Rules.

The Compensation Committee operates pursuant to a charter that was approved by our Board of Directors and that is reviewed and reassessed at least annually. The Compensation Committee's responsibilities include, among other duties, the responsibility to (1) review and approve the corporate goals and objectives relevant to the compensation of the Chairman, the Chief Executive Officer and certain designated senior executive officers, (2) evaluate the performance of the Chairman, the Chief Executive Officer and designated senior executive officers in light of such goals and objectives and determine and approve compensation of such officers based on such evaluation, (3) review and approve the compensation of other executive officers, (4) review and approve grants and awards under all incentive-based compensation plans and equity-based plans and (5) perform other functions or duties deemed appropriate by our Board of Directors.

The Compensation Committee makes all compensation decisions for all executive officers. With respect to compensation decisions relating to executive officers other than the Chairman, the Compensation Committee takes into consideration recommendations made by the Chairman, the Chief Executive Officer and the President. Decisions regarding the non-equity compensation of other officers and employees are made by the Chairman, the Chief Executive Officer and the President. The Compensation Committee has delegated limited authority to the Chief Executive Officer to make equity grants to employees who are not executive officers. In 2011, the Compensation Committee engaged FTI Consulting, Inc. (" FTI ") and in 2012 the Compensation Committee engaged FPL Associates L.P. (" FPL "), to assist the committee in determining the amount and form of executive compensation. Information concerning the nature and scope of FPL's assignments and related disclosures is included in *Compensation Discussion and Analysis* beginning on page 24. We have concluded that the work of FPL did not raise any conflict of interest. The Compensation Committee also reviews and makes recommendations to the full Board of Directors regarding the compensation of non-employee directors.

The Compensation Committee Report is included in this proxy statement on page 42. The Compensation Committee met 17 times during 2012.

Nominating and Corporate Governance Committee. Our Board of Directors has established a Nominating and Corporate Governance Committee (the " NCG Committee ") consisting of Ms. Budinger (Chair) and Messrs. Klein, Patricof and Twardock, each of whom is an independent director under the NYSE Rules. Mr. Klein was appointed to the NCG Committee on January 24, 2013. The NCG Committee operates pursuant to a charter that was approved by our Board of Directors and that is reviewed and reassessed at least annually. Under its charter, the NCG Committee is responsible for developing and annually reviewing and recommending to the Board a set of corporate governance guidelines. These corporate governance guidelines provide that the NCG Committee, together with our Chairman and our Chief Executive Officer, is responsible for coordinating succession planning by the Board. The NCG Committee, among other functions specified in its charter, is also responsible for identifying individuals qualified to become Board members, consistent with criteria established by the NCG Committee, and recommending to the Board director nominees for election at each annual meeting of stockholders. In addition, the NCG Committee is responsible for establishing a policy with regard to the consideration by the NCG Committee of director candidates recommended by securityholders, establishing procedures to be followed by securityholders submitting such recommendations and establishing a process for identifying and evaluating nominees for the Board, including nominees recommended by securityholders. The NCG Committee met 14 times during 2012.

A copy of each of our Audit Committee, Compensation Committee and NCG Committee Charters is available on our website at <http://www.bostonproperties.com> under the heading Corporate Governance.

Our Board of Directors also has (1) a Special Transactions Committee, the current members of which are Messrs. Zuckerman and Linde, which may approve acquisitions, dispositions, financings and refinancings involving amounts less than \$25 million and may approve refinancings in amounts greater than \$25 million if the existing debt is increasing by less than \$25 million, and (2) a Significant Transactions Committee, the current members of which are Messrs. Zuckerman, Linde and Lustig, which may approve acquisitions, dispositions, financings and refinancings involving amounts equal to or greater than \$25 million but less than \$200 million and may approve refinancings in amounts greater than \$200 million if the existing debt is increasing by less than \$200 million. Mr. Lustig was appointed to the Significant Transactions Committee on October 18, 2012 to replace Mr. Twardock. The Special Transactions Committee held no meetings and took action by written consent four times during 2012. The Significant Transactions Committee did not meet during 2012.

Our Board of Directors may from time to time establish other special or standing committees to facilitate the management of Boston Properties or to discharge specific duties delegated to the committee by the full Board of Directors.

Consideration of Director Nominees

Securityholder Recommendations. The NCG Committee's current policy is to review and consider any director candidates who have been recommended by securityholders in compliance with the procedures established from time to time by the NCG Committee. All securityholder recommendations for director candidates must be submitted to our Secretary at Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, MA 02199-8103, who will forward all recommendations to the NCG Committee. We did not receive any securityholder recommendations for director candidates for election at the 2013 annual meeting in compliance with the procedures set forth below. All securityholder recommendations for director candidates for election at the 2014 annual meeting of stockholders must be submitted to our Secretary on or before December 6, 2013 and must include the following information:

the name and address of record of the securityholder;

a representation that the securityholder is a record holder of our securities, or if the securityholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) under the Securities Exchange Act of 1934;

the name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the preceding five (5) full fiscal years of the proposed director candidate;

a description of the qualifications and background of the proposed director candidate which addresses the minimum qualifications and other criteria for Board membership as approved by the Board from time to time;

a description of all arrangements or understandings between the securityholder and the proposed director candidate;

the consent of the proposed director candidate (1) to be named in the proxy statement relating to our annual meeting of stockholders and (2) to serve as a director if elected at such annual meeting; and

any other information regarding the proposed director candidate that is required to be included in a proxy statement filed pursuant to the rules of the SEC.

Board Membership Criteria. The NCG Committee has established criteria for NCG Committee-recommended director nominees. These criteria include the following specific, minimum qualifications that the NCG Committee believes must be met by an NCG Committee-recommended nominee for a position on the Board:

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the candidate must have experience at a strategic or policymaking level in a business, government, non-profit or academic organization of high standing;

the candidate must be highly accomplished in his or her respective field, with superior credentials and recognition;

the candidate must be well regarded in the community and must have a long-term reputation for high ethical and moral standards;

the candidate must have sufficient time and availability to devote to our affairs, particularly in light of the number of boards on which the nominee may serve;

the candidate's principal business or occupation must not be such as to place the candidate in competition with us or conflict with the discharge of a director's responsibilities to us and our stockholders; and

to the extent the candidate serves or has previously served on other boards, the candidate must have a history of actively contributing at board meetings.

In addition to the minimum qualifications for each nominee set forth above, the NCG Committee will recommend director candidates to the full Board for nomination, or present director candidates to the full Board for consideration, to help ensure that:

a majority of the Board of Directors shall be independent as defined by the NYSE Rules;

each of its Audit, Compensation and NCG Committees shall be comprised entirely of independent directors; and

at least one member of the Audit Committee shall have such experience, education and other qualifications necessary to qualify as an audit committee financial expert as defined by the rules of the SEC.

Finally, in addition to any other standards the NCG Committee may deem appropriate from time to time for the overall structure and composition of the Board, the NCG Committee may consider the following factors when recommending director candidates to the full Board for nomination, or presenting director candidates to the full Board for consideration:

whether the candidate has direct experience in the real estate industry or in the markets in which we operate; and

whether the candidate, if elected, assists in achieving a mix of Board members that represents a diversity of background and experience.

Identifying and Evaluating Nominees. The NCG Committee may solicit recommendations for director nominees from any or all of the following sources: non-management directors, the Chairman, the Chief Executive Officer, other executive officers, third-party search firms or any other source it deems appropriate.

The NCG Committee will review and evaluate the qualifications of any proposed director candidate that it is considering or has been recommended to it by a securityholder in compliance with the NCG Committee's procedures for that purpose, and conduct inquiries it deems appropriate into the background of these proposed director candidates. In identifying and evaluating proposed director candidates, the NCG Committee may consider, in addition to the minimum qualifications for NCG Committee-recommended director nominees, all facts and circumstances that it deems appropriate or advisable, including, among other things, the skills of the proposed director candidate, his or her depth and breadth of business experience, his or her independence and the needs of our Board. Neither the NCG Committee nor the Board has a specific policy with regard to the consideration of diversity in identifying director nominees, although both may consider diversity when identifying and evaluating proposed director candidates. As noted above, the NCG Committee, when recommending director candidates to the full Board for nomination, may consider whether a director candidate, if elected, assists in achieving a mix of Board members that represents a diversity of background and experience.

Other than circumstances in which we may be legally required by contract or otherwise to provide third parties with the ability to nominate directors, the NCG Committee will evaluate all proposed director candidates that it considers or who have been properly recommended to it by a securityholder based on the same criteria and in substantially the same manner, with no regard to the source of the initial recommendation of the proposed director candidate.

Communications with the Board

Stockholders and other interested parties who wish to communicate with any of our directors or the Board of Directors as a group, may do so by writing to them at [Name(s) of Director(s)/Board of Directors of Boston Properties, Inc.], c/o Compliance Officer, Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, MA 02199-8103.

Stockholders and other interested parties who wish to contact the Audit Committee to report complaints or concerns regarding accounting, internal accounting controls or auditing matters, may do so by writing to the Chair of the Audit Committee of Boston Properties, Inc., c/o Compliance Officer, Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, MA 02199-8103. You are welcome to make any such reports anonymously, but we prefer that you identify yourself so that we may contact you for additional information if necessary or appropriate.

Stockholders and other interested parties who wish to communicate with our non-management directors as a group, may do so by writing to Non-Management Directors of Boston Properties, Inc., c/o Compliance Officer, Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, MA 02199-8103.

We recommend that all correspondence be sent via certified U.S. mail, return receipt requested. All correspondence received by the Compliance Officer will be forwarded by the Compliance Officer promptly to the addressee(s).

Corporate Governance Guidelines

Our Board of Directors adopted Corporate Governance Guidelines, a copy of which is available on our website at <http://www.bostonproperties.com> under the heading Corporate Governance.

Code of Business Conduct and Ethics

Our Board of Directors adopted a Code of Business Conduct and Ethics (the Code), which governs business decisions made and actions taken by our directors, officers and employees. A copy of this Code is available on our website at <http://www.bostonproperties.com> under the heading Corporate Governance. We intend to disclose on this website any amendment to, or waiver of, any provision of this Code applicable to our directors and executive officers that would otherwise be required to be disclosed under the rules of the SEC or the NYSE Rules.

PROPOSAL 1: ELECTION OF DIRECTORS

Introduction

At the annual meeting, eleven directors will be elected to serve for one-year terms until the 2014 annual meeting of stockholders and until their respective successors are duly elected and qualified. Following the recommendation of the NCG Committee, our Board of Directors has nominated Ms. Zoë Baird Budinger, Ms. Carol B. Einiger, Dr. Jacob A. Frenkel, Mr. Joel I. Klein, Mr. Douglas T. Linde, Mr. Matthew J. Lustig, Mr. Alan J. Patricof, Mr. Owen D. Thomas, Mr. Martin Turchin, Mr. David A. Twardock and Mr. Mortimer B. Zuckerman for election. Each nominee is currently serving as a director of Boston Properties. In making its recommendations, the NCG Committee considered a number of factors, including its criteria for Board membership, which included the minimum qualifications that must be possessed by a director candidate in order to be nominated for a position on our Board. Our Board of Directors anticipates that, if elected, the nominees will serve as directors. However, if any person nominated by our Board of Directors is unable to serve or for good cause will not serve, the proxies will be voted for the election of such other person as our Board of Directors may recommend.

Vote Required

Our By-laws provide that, in an uncontested election, nominees for director are elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election. The majority voting standard would not apply in contested elections, which, generally, will include any situation in which Boston Properties receives a notice that a stockholder has nominated a person for election to our Board of Directors at a meeting of stockholders that is not withdrawn on or before the tenth day before Boston Properties first mails its notice for such meeting to the stockholders.

The majority voting standard will apply to the election of directors at the 2013 annual meeting of stockholders. Accordingly, nominees for director will be elected if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Broker non-votes, if any, and abstentions will not be treated as votes cast.

Our Board of Directors has also adopted a resignation policy, included in our Corporate Governance Guidelines, under which a director who fails to receive the required number of votes for re-election will tender his or her resignation to our Board of Directors for its consideration. The NCG Committee will act on an expedited basis to determine whether it is advisable to accept the director's resignation and will submit the recommendation for prompt consideration by our Board of Directors. Our Board of Directors will act on the tendered resignation within 90 days following certification of the stockholder vote and will promptly and publicly disclose its decision. The director whose resignation is under consideration will abstain from participating in any decision regarding his or her resignation. If the resignation is not accepted, the director will continue to serve until the next annual meeting of stockholders and until the director's successor is duly elected and qualified or until the director's earlier resignation or removal. The NCG Committee and our Board of Directors may consider any factors they deem relevant in deciding whether to accept a director's resignation.

Recommendation

The Board of Directors unanimously recommends a vote FOR its nominees, Zoë Baird Budinger, Carol B. Einiger, Jacob A. Frenkel, Joel I. Klein, Douglas T. Linde, Matthew J. Lustig, Alan J. Patricof, Owen D. Thomas, Martin Turchin, David A. Twardock and Mortimer B. Zuckerman. Properly authorized proxies solicited by the Board will be voted FOR each of the nominees unless instructions to the contrary are given.

Information Regarding the Nominees and Executive Officers

The following biographical descriptions set forth certain information with respect to the nominees for election as directors at the annual meeting and the executive officers who are not directors, based on information furnished to Boston Properties by each nominee and executive officer. Each executive officer holds office until the regular meeting of the Board of Directors following the next annual meeting of stockholders and until his or her successor is duly elected and qualified or until his or her earlier resignation or removal.

The biographical description below for each nominee includes the specific experience, qualifications, attributes and skills that led to the conclusion by our Board of Directors that such person should serve as a director of Boston Properties.

Nominees for Election

Zoë Baird Budinger. Ms. Zoë Baird Budinger has been a director since May 11, 2005. Since January 1998 she has served as President of the Markle Foundation, a private philanthropy that focuses on using information and communications technologies to address critical public needs, particularly in the areas of health care and national and economic security. Ms. Budinger previously gained extensive experience in the legal profession, including senior governmental positions and positions with large public companies, a prominent law firm and Yale Law School, during which time she has gained significant experience spanning a broad range of legal matters, including corporate governance matters. Ms. Budinger previously had been Senior Vice President and General Counsel of Aetna, Inc., an international insurance company, from 1990 to 1996, and a senior visiting scholar at Yale Law School from 1996 to 1997. Prior to holding such positions, Ms. Budinger had served as Counselor and Staff Executive of General Electric Co., a partner in the international law firm of O Melveny and Myers, an associate general counsel to President Jimmy Carter and an attorney in the Office of Legal Counsel of the United States Department of Justice. Ms. Budinger is a member of the Council on Foreign Relations and the Advisory Board for the Lloyd N. Cutler Center for the Rule of Law at the Salzburg Global Seminar and The Trilateral Commission, and she serves on the board of The Chubb Corporation. She also serves as an honorary trustee of The Brookings Institution. She has also served on the Technology & Privacy Advisory Committee to the United States Secretary of Defense from 2003 to 2004, President Clinton's Foreign Intelligence Advisory Board from 1993 to 2001 and the International Competition Policy Advisory Committee to the United States Attorney General from 1997 to 2000. Ms. Budinger received an undergraduate degree from the University of California at Berkeley with majors in communications and public policy, as well as political science. She also received a JD from the University of California at Berkeley's Boalt School of Law. She is 60 years old.

Carol B. Einiger. Ms. Carol B. Einiger has been a director since May 5, 2004. Ms. Einiger has more than 35 years of experience as an investment banker and investment advisor, during which time she has gained significant expertise in the operation of public and private debt and equity capital markets and the evaluation of investment opportunities. Ms. Einiger is President of Post Rock Advisors, LLC, a private investment advisory firm established in 2005. Ms. Einiger began her investment career in 1971 at Goldman, Sachs & Co. and worked at The First Boston Corporation from 1973 to 1988, becoming Managing Director and head of the Capital Markets Department and the Short-Term Finance Department. In 1988, Ms. Einiger became Executive-in-Residence and Visiting Professor at Columbia Business School, and in 1989 she joined Wasserstein Perella & Co. as Managing Director. She joined the Edna McConnell Clark Foundation in 1992, serving as Chief Financial Officer and then Acting President until 1996. From 1996 through 2005, Ms. Einiger served as Chief Investment Officer of The Rockefeller University, where she was responsible for the management of the University's endowment. Ms. Einiger is a Director of The New York Stem Cell Foundation, a member of the Board of Overseers of Columbia Business School and a trustee and a member of the Investment Committee of UJA-Federation of New York. She previously served on the Boards of Trustees and Investment Committees of the University of Pennsylvania, the Horace Mann School and the Lasker Foundation; as Vice Chair of the Investment Committee of The Museum of Modern Art; as a Director of Credit Suisse First Boston (USA); and on the Advisory Board of Blackstone Alternative Asset Management. Ms. Einiger is the recipient of numerous awards, including the Alumni Award of Merit of the University of Pennsylvania, the Columbia Business School

Distinguished Alumna Award, the AJC National Human Relations Award, the Anti-Defamation League Woman of Achievement Award and the Catalyst Award for Corporate Leadership. She received a BA from the University of Pennsylvania and an MBA with honors from Columbia Business School. She is 63 years old.

Dr. Jacob A. Frenkel. Dr. Jacob A. Frenkel has been a director since February 24, 2010. Dr. Frenkel has worked for more than 40 years in the financial industry, government and academia, during which time he gained significant knowledge of global macroeconomics and experience advising large financial institutions. Dr. Frenkel has been the Chairman of JPMorgan Chase International and a member of the executive committee of JPMorgan Chase & Co. since December 2009. Since November 2009, Dr. Frenkel has served as a director of Loews Corporation, one of the largest diversified holding companies in the United States. Dr. Frenkel is Chairman of the Board of Trustees of the Group of Thirty (G-30), a private, nonprofit, consultative group on international economic and monetary affairs. He has been a member of this group since 1988 and served as Chairman and Chief Executive Officer from 2000 to 2011. He previously served as Vice Chairman of American International Group, Inc. from 2004 to 2009. He was with Merrill Lynch Inc. between 2000 and 2004 and served as Chairman of Merrill Lynch International. Prior to that, he served for two terms as Governor of the Bank of Israel from 1991 to 2000. Dr. Frenkel was also Chairman of the Board of Governors of the Inter-American Development Bank, Vice Chairman of the Board of Governors of the European Bank for Reconstruction and Development and Economic Counselor and Director of Research at the International Monetary Fund. Dr. Frenkel also held numerous academic positions. Between 1971 and 1987, he was at the University of Chicago where he served as the David Rockefeller Professor of International Economics. He received a BA in Economics and Political Science from Hebrew University in Israel and an MA and Ph.D. in Economics from the University of Chicago. He is 70 years old.

Joel I. Klein. Mr. Joel I. Klein has been a director since January 24, 2013. Mr. Klein has worked for more than 40 years in private industry and government during which time he has gained significant experience in senior policy making and executive roles, as well as a broad range of legal matters. Mr. Klein has been a Director and Executive Vice President, Office of the Chairman of News Corporation and Chief Executive Officer of Amplify, the education division of News Corporation, since January 2011. From 2002 through 2010, Mr. Klein was Chancellor of the New York City Department of Education where he oversaw a system of over 1,600 schools with 1.1 million students, 136,000 employees and a \$22 billion budget. He was the U.S. Chairman and Chief Executive Officer of Bertelsmann, Inc. and Chief U.S. Liaison Officer to Bertelsmann AG, a media company, from 2001 to 2002. Mr. Klein also served with the Clinton administration in a number of roles, including Assistant U.S. Attorney General in charge of the Antitrust Division of the U.S. Department of Justice from 1997 until 2000 and Deputy White House Counsel to President Clinton from 1993 to 1995. Mr. Klein entered the Clinton administration after 20 years of public and private legal work in Washington, D.C. Mr. Klein received a BA with honors from Columbia University and a JD with honors from Harvard Law School. He has also received honorary degrees from ten colleges and universities. He is 66 years old.

Douglas T. Linde. Mr. Douglas T. Linde has been a director since January 21, 2010. Mr. Linde serves as President of Boston Properties, Inc. Prior to his appointment to this position in May 2007, he served as Executive Vice President since January 2005 and he also served as Chief Financial Officer and Treasurer from 2000 until November 2007. He joined Boston Properties in January 1997 as Vice President of Acquisitions and New Business to help identify and execute acquisitions and to develop new business opportunities and was promoted to Senior Vice President for Financial and Capital Markets in October 1998. Prior to joining Boston Properties, Mr. Linde served from 1993 to 1997 as President of Capstone Investments, a Boston real estate investment company. From 1989 to 1993, he served as Project Manager and Assistant to the Chief Financial Officer of Wright Runstad and Company, a private real estate developer in Seattle, WA. He began his career in the real estate industry with Salomon Brothers Real Estate Finance Group. Mr. Linde is a member of the Board of Directors of Beth Israel Deaconess Medical Center. He is a member of the Real Estate Roundtable and serves as a director of the Boston Municipal Research Bureau and Jobs for Massachusetts. Mr. Linde also serves on the Urban Studies and Planning Visiting Committee at MIT. Mr. Linde received a BA from Wesleyan University in 1985 and an MBA from Harvard Business School in 1989. Mr. Linde is 49 years old.

Matthew J. Lustig. Matthew J. Lustig has been a director since January 20, 2011. Mr. Lustig has worked for more than 25 years in the real estate industry, during which time he gained extensive experience providing strategic and financial advice and execution to clients, and investing in real estate companies and assets as a principal. Mr. Lustig is Managing Partner of North America Investment Banking and Head of Real Estate, Gaming and Lodging at Lazard Frères & Co. (Lazard), the investment bank, and, separately, Chief Executive Officer of Lazard Real Estate Partners LLC (LREP), the real estate investment business of Lazard Alternative Investments LLC (LAI). He is responsible for managing Lazard's investment banking business in North America, as well as running its Real Estate, Gaming and Lodging industry group, in addition to overseeing LAI's real estate fund activities. In recent years, he has played an active role in more than \$200 billion of advisory assignments and transactions involving leading real estate companies in the public and private markets. At LREP, Mr. Lustig has overseen multiple funds with over \$2.5 billion of equity capital invested in real estate operating companies and properties. Prior to joining Lazard in 1989, Mr. Lustig was a First Vice President in the real estate group at Drexel Burnham Lambert and, before that, was a lending officer at Chase Manhattan Bank specializing in credit, construction and real estate finance. Mr. Lustig is a member of the board of directors of Ventas, Inc. and he previously served as the Chairman of Atria Senior Living Group, Inc., which was acquired by Ventas in May 2011. Mr. Lustig also served as the Chairman of the Board of Atria Senior Living, Inc., a private senior housing management company that was formed prior to the disposition of Atria Senior Living Group, Inc. to Ventas. He has also served as a director of several other public and private LREP portfolio companies. Mr. Lustig is a member of the Real Estate Roundtable and numerous other industry organizations, and he serves on the boards of Pension Real Estate Association, Larson Leadership Initiative at the Urban Land Institute, The Wharton School Samuel Zell/Robert Lurie Real Estate Center and the Paul Milstein Center for Real Estate Advisory Board at Columbia University School of Business. He also serves on the Board of Visitors at the School of Foreign Service at Georgetown University from which he graduated with a BSFS. He is 52 years old.

Alan J. Patricof. Mr. Alan J. Patricof has been a director since June 23, 1997. Mr. Patricof has more than 40 years of experience leading venture capital firms, during which time he has completed several billion dollars of investments in a diverse range of companies and gained significant expertise evaluating investment opportunities and overseeing the management development and operations of portfolio companies. Currently, Mr. Patricof is Managing Director of Greycroft, LLC, a venture capital firm he formed in 2006, which has more than \$200 million under management. Prior to that, he was Chairman of Apax Partners, Inc. (formerly Patricof & Co. Ventures, Inc.), a venture capital company that he founded in 1969, which is now one of the world's leading private equity firms with approximately \$40 billion under management or advice. He serves on the Global Advisory Board of Endeavor, Inc. Mr. Patricof received a BS in Finance from Ohio State University and an MBA from Columbia Business School. He is 78 years old.

Owen D. Thomas. Mr. Owen D. Thomas has been a director and the Chief Executive Officer of Boston Properties, Inc. since April 2, 2013. Mr. Thomas served as Chairman of the Board of Directors of Lehman Brothers Holdings Inc. (LBHI) from March 2012 until March 2013 and continues to serve as a member of the Board of Directors of LBHI. From 1987 until 2011, Mr. Thomas held various positions at Morgan Stanley, including Chief Executive Officer of Morgan Stanley Asia Ltd., President of Morgan Stanley Investment Management, Head of Morgan Stanley Real Estate and Managing Director. Mr. Thomas was also a member of Morgan Stanley's Management Committee from 2005 to 2011. He is a Director of the University of Virginia Investment Management Company, a Trustee of the Urban Land Institute and the former Chairman of the Pension Real Estate Association. He received a B.A. in Mechanical Engineering from the University of Virginia and an MBA from Harvard Business School. He is 51 years old.

Martin Turchin. Mr. Martin Turchin has been a director since June 23, 1997. Mr. Turchin serves as Vice-Chairman of CB Richard Ellis, the world's largest real estate services company. From 1985 until its merger with CB Richard Ellis in July 2003, Mr. Turchin served as Vice-Chairman of Insignia/ESG, Inc., a subsidiary of Insignia Financial Group, which was one of the nation's largest commercial real estate brokerage, consulting and management firms. Prior to joining Insignia/ESG, Inc., he spent 14 years with Kenneth E. Laub & Company, Inc. where he was involved in real estate acquisition, financing, leasing and consulting. Mr. Turchin has more than

30 years experience as a commercial real estate broker, consultant and advisor and has been involved in some of the largest real estate transactions in the United States. During his career, he has orchestrated more than 50 million square feet of real estate transactions. He is a three-time recipient of the Real Estate Board of New York's Most Ingenious Deal of the Year Award and a two-time recipient of the Robert T. Lawrence Award. Mr. Turchin serves on the board of GenCorp Inc. He holds a BS from City College of the University of New York and a JD from St. John's Law School. He is 71 years old.

David A. Twardock. Mr. David A. Twardock has been a director since May 7, 2003. Mr. Twardock has more than 30 years of experience in the real estate finance industry, during which time he has overseen the lending and asset management of billions of dollars of commercial mortgages and other real estate debt financing and the management and disposition of billions of dollars of real estate equity. From December 1998 to March 2013, Mr. Twardock was the President of Prudential Mortgage Capital Company, LLC, the real estate finance affiliate of Prudential Financial, Inc., which had more than \$70 billion in assets under management and administration as of December 31, 2012 and annually lends billions of dollars in real estate debt financing. Since 1982, Mr. Twardock has held numerous positions relating to real estate equity and debt with Prudential, including his position from 1996 to November 1998 as Senior Managing Director of Prudential Realty Group. Mr. Twardock is a member of the Urban Land Institute, International Council of Shopping Centers and the Economics Club of Chicago. Mr. Twardock currently serves as a director of the Real Estate Roundtable and he previously served as Chairman of the Real Estate Roundtable Capital Markets Committee. Mr. Twardock serves as a director of Prudential Mortgage Capital Holdings Corp. and its various subsidiaries, Prudential Asset Resources, Inc. and Prudential Realty Securities, Inc. He received a BS in Civil Engineering from the University of Illinois and an MBA in Finance and Behavioral Science from the University of Chicago. He is 55 years old.

Mortimer B. Zuckerman. Mr. Mortimer B. Zuckerman currently serves as Executive Chairman of Boston Properties, Inc. and has been a director since June 23, 1997. Mr. Zuckerman served as Chief Executive Officer from January 10, 2010 until April 2, 2013. Mr. Zuckerman co-founded Boston Properties in 1970 after spending seven years at Cabot, Cabot & Forbes where he rose to the position of Senior Vice President and Chief Financial Officer. He is also Chairman and Editor-in-Chief of U.S. News & World Report and Chairman and Publisher of the New York Daily News. He serves as a trustee of Memorial Sloan-Kettering Cancer Center and he is a member of the Bank of America Global Wealth & Investment Management Committee, the Council on Foreign Relations, the Washington Institute for Near East Studies and the International Institute of Strategic Studies. He is also Vice Chair of the International Peace Institute. Mr. Zuckerman is the vice chairman of the Fund for Public Schools and serves as a Co-Chair of the Bipartisan Policy Center's Cyber Security Task Force. He is a former Associate Professor of City and Regional Planning at the Harvard Graduate School of Design, a former lecturer of City and Regional Planning at Yale University and a past president of the Board of Trustees of the Dana Farber Cancer Institute in Boston. Mr. Zuckerman was awarded the Commandeur De L'Ordre des Arts et des Lettres by the government of France, the Lifetime Achievement Award from Guild Hall and the Gold Medal from the American Institute of Architecture in New York. Mr. Zuckerman is a graduate of McGill University in Montreal where he received an undergraduate degree with first class honors in 1957 and a degree in law in 1961. He received an MBA with distinction from the Wharton School, University of Pennsylvania in 1961 and an LLM from Harvard University in 1962. He has also received three honorary degrees. He is 75 years old.

Executive Officers who are not Directors

Raymond A. Ritchey. Mr. Raymond A. Ritchey serves as Executive Vice President, Head of the Washington, D.C. Office and National Director of Acquisitions and Development. Prior to his appointment in April 1998 to this position, he served as Senior Vice President and Co-Manager of our Washington, D.C. office. In his current position, Mr. Ritchey is responsible for all business development, leasing and marketing as well as new opportunity origination in the Washington, D.C. area. He also directly oversees similar activities on a national basis. Mr. Ritchey joined us in 1980, leading our expansion to become one of the dominant real estate firms in the Washington, D.C. metropolitan area. For four years prior to joining us, Mr. Ritchey was one of the

leading commercial real estate brokers in the Washington, D.C. area with Coldwell Banker. He is a 1972 graduate of the U.S. Naval Academy and a 1973 graduate of the U.S. Naval Post Graduate School in Monterey, California. He is 62 years old.

Michael E. LaBelle. Mr. Michael E. LaBelle serves as Senior Vice President, Chief Financial Officer and Treasurer. Prior to his appointment to this position in November 2007, Mr. LaBelle served as Senior Vice President, Finance since February 2005. His primary responsibilities have included managing all debt capital market activities, including maintaining our relationships with our rating agencies and lending institutions, supervising treasury management and underwriting tenant credit capacity. In his current role, Mr. LaBelle oversees the finance, accounting, tax, information systems, internal audit and investor relations departments and is also responsible for capital raising, financial strategy and planning. Prior to joining us in March 2000, Mr. LaBelle held the position of Vice President & Relationship Manager with Fleet National Bank for nine years with the responsibility of financing large-scale commercial real estate developments. He started his career as an Associate National Bank Examiner with the Office of the Comptroller of the Currency in New York City specializing in commercial real estate debt portfolio analysis and valuation in commercial banks located throughout the Mid-Atlantic and Northeastern United States. Mr. LaBelle is on the National Advisory Board for the University of Colorado Real Estate Center. Mr. LaBelle holds a BS degree in Economics from the University of Colorado. He is 48 years old.

Peter D. Johnston. Mr. Peter D. Johnston serves as Senior Vice President and Regional Manager of our Washington, D.C. office. He is in charge of all operations including project development, leasing, construction, property management and administrative activities for our Washington, D.C. office, with a staff of approximately 170 people. Mr. Johnston joined the Company in 1987. In 1989 he was promoted to Project Manager, with subsequent promotions in 1991 to Vice President and in 1997 to Senior Vice President. In 2003 he was appointed head of the development team in the Washington, D.C. Region and held this position until his promotion in September 2005 to the position of Regional Manager. Mr. Johnston has been directly responsible for more than four million square feet of new development and renovation projects. He is a past member of the board of directors of the Northern Virginia Chapter of the National Association of Industrial and Office Properties (NAIOP). Mr. Johnston received a BA in Business Administration from Roanoke College, an MA in 1982 from Hollins College and an MBA in 1987 from the University of Virginia. He is 54 years old.

Bryan J. Koop. Mr. Bryan J. Koop serves as Senior Vice President and Regional Manager of our Boston office. Mr. Koop is responsible for overseeing the operation of our existing regional portfolio in the Boston area, which includes the Prudential Center and Cambridge Center. He is also responsible for developing new business opportunities in the area. Prior to joining us in 1999, Mr. Koop served at Trammell Crow Company from 1982 to 1999 where his career covered high-rise office building leasing and the development of commercial office buildings and shopping centers. From 1993 to 1999, his position was Managing Director and Regional Leader for Trammell Crow Company's New England region, which included all commercial office and shopping center operations. Mr. Koop is a member of the Board of Directors for the Massachusetts Chapter of NAIOP and previously served as chairman of the Back Bay Association. Mr. Koop received a BBA in 1980 and an MBA in 1982 from Texas Christian University. He is 54 years old.

Mitchell S. Landis. Mr. Mitchell S. Landis serves as Senior Vice President and Regional Manager of our Princeton office. Prior to his appointment to this position in February 2001, he served as Vice President and Regional Manager of our Princeton office. He is responsible for overseeing development, leasing and management for the Carnegie Center and Tower Center assets and for the pursuit of new business opportunities in the region. Mr. Landis joined Boston Properties in June 1998 when we acquired the assets of The Landis Group, for which he was Chief Operating Officer. For 19 years prior to that, he owned and operated Landis Food Services, a restaurant franchiser and owner in the Northeast United States and Canada. Mr. Landis received a BS degree in Economics from New York University in 1973 and completed coursework toward a master's degree in Economics in 1975. Mr. Landis is 62 years old.

Robert E. Pester. Mr. Robert E. Pester serves as Senior Vice President and Regional Manager of our San Francisco office, with responsibility for all of our activities on the West Coast. Mr. Pester is responsible for overseeing existing operations at the Embarcadero Center and our other Bay Area properties on the Peninsula and in Silicon Valley, and developing new business opportunities in the area. Prior to joining us in 1998, he served as Executive Vice President and Chief Investment Officer of Bedford Property Investors, a real estate investment trust in Lafayette, CA, where he led the acquisitions and development program. Prior to 1994, he was President of Bedford Property Development, a private West Coast development concern that held more than \$2 billion in real estate assets. From 1980 to 1989, he was a leading commercial real estate broker with Cushman & Wakefield in northern California, where he last served as Vice President. He is a 1979 graduate of the University of California at Santa Barbara with a BA in Economics and Political Science. He is 56 years old.

Robert E. Selsam. Mr. Robert E. Selsam serves as Senior Vice President and Regional Manager of our New York office. He oversees all aspects of our New York activities, including development, acquisitions, leasing and building operations. He joined us as a Vice President in 1984, prior to which he was Director of Planning for the Metropolitan Transportation Authority of the State of New York. Mr. Selsam is a member of the Board of Governors of the Real Estate Board of New York and is a board member of the New York Building Congress. He is also a trustee and chairman of the Executive Committee of Phipps Houses, past Chairman of the Salvadori Center and a member of the Advisory Board of Goldman Family Enterprises. He received a BA from the University of Pennsylvania in 1968 and an MS in Urban Planning from the Columbia University School of Architecture in 1970. He is 66 years old.

Frank D. Burt. Mr. Frank D. Burt serves as Senior Vice President and General Counsel, a position he has held since 2003. He is responsible for overseeing the legal and risk management departments. Mr. Burt has served in various capacities since he joined us in 1986, and he represented us in the acquisition of the Prudential Center in Boston and the Embarcadero Center in San Francisco, as well as in the development activities at the Prudential Center. He previously worked in the real estate department at Nutter, McClennen & Fish in Boston. Mr. Burt is a member of the Boston Bar Association and a speaker for Massachusetts Continuing Legal Education and the National Association of Real Estate Investment Trusts (NAREIT). Mr. Burt received a BA, magna cum laude, from Brown University in 1980 and a JD, cum laude, from the University of Pennsylvania Law School in 1983. Mr. Burt is 54 years old.

Arthur S. Flashman. Mr. Arthur S. Flashman serves as Vice President and Controller. He is responsible for overseeing financial reporting, property accounting and tax compliance and is also responsible for providing transactional support on capital markets activity. Prior to joining us in 2002, Mr. Flashman served as an Asset Manager with the Winn Companies and previous to this role he was with PricewaterhouseCoopers LLP where he specialized in real estate, serving both public REITs and private institutional funds. Mr. Flashman is a member of the Best Financial Practices Council of NAREIT and a member of the Real Estate Roundtable. He also served as chairman of the accounting committee of NAREIT. Mr. Flashman received a BS/BA in finance and accounting from Boston University in 1984 where he was elected to the Beta Alpha Psi honor society. Mr. Flashman is 51 years old.

PRINCIPAL AND MANAGEMENT STOCKHOLDERS

The table below shows the amount of common stock of Boston Properties, Inc. and units of partnership interest in Boston Properties Limited Partnership (the Operating Partnership) beneficially owned as of February 1, 2013 by:

each director;

each of our named executive officers;

all directors and executive officers of Boston Properties as a group; and

each person known by Boston Properties to be the beneficial owner of more than 5% of our outstanding common stock. On February 1, 2013, there were:

- (1) 151,636,083 shares of our common stock outstanding;
- (2) 16,050,180 common units of partnership interest in the Operating Partnership (common units) outstanding (other than the common units held by Boston Properties), each of which is redeemable for one share of Boston Properties common stock (if Boston Properties elects to issue common stock rather than pay cash upon such redemption);
- (3) 1,454,675 long term incentive units of partnership interest in the Operating Partnership (LTIP units) issued pursuant to the Long Term Incentive Plan (other than LTIP units issued in the form of 2011 outperformance plan (OPP) awards, 2012 OPP awards or 2013 Multi-Year Long-Term Incentive Program (MYLTIP) awards) each of which, upon the satisfaction of certain conditions, is convertible into one common unit;
- (4) 995,997 Series Two preferred units of partnership interest in the Operating Partnership (Series Two preferred units), each of which is currently convertible into approximately 1.312336 common units (or a total of 1,307,083 common units);
- (5) 1,221,527 Series Four preferred units of partnership interest in the Operating Partnership, which are not convertible into common units or exchangeable for our common stock; and
- (6) 77,140 deferred stock units.

All references in this proxy statement to LTIP units include long term incentive units of partnership interest in the Operating Partnership, but exclude LTIP units issued in the form of 2011 OPP awards, 2012 OPP awards and 2013 MYLTIP awards. LTIP units issued in the form of 2011 OPP awards, 2012 OPP awards and 2013 MYLTIP awards are collectively referred to herein as Performance Awards. None of our non-employee directors or named executive officers beneficially own preferred units or shares of our preferred stock.

Name and Address of Beneficial Owner*	Common Stock		Common Stock and Units	
	Number of Shares Beneficially Owned(1)	Percent of Common Stock(2)	Number of Shares and Units Beneficially Owned(1)	Percent of Common Stock and Units(3)
Directors and Named Executive Officers				
Mortimer B. Zuckerman(4)	1,016,305	**	7,768,761	4.55%
Zoë Baird Budinger(5)	8,157	**	12,166	**
Carol B. Einiger(6)	11,670	**	17,323	**
Jacob A. Frenkel(7)		**	2,372	**
Joel I. Klein(8)		**	379	**
Douglas T. Linde(9)	251,506	**	320,733	**
Matthew J. Lustig(10)	1,412	**	3,360	**
Alan J. Patricof(11)	27,067	**	34,070	**
Owen D. Thomas(12)		**		**
Martin Turchin(13)	22,701	**	23,957	**
David A. Twardock(14)	21,921	**	21,921	**
Raymond A. Ritchey(15)	143,007	**	484,388	**
Michael E. LaBelle(16)	4,572	**	37,191	**
Peter D. Johnston(17)	29,238	**	62,453	**
E. Mitchell Norville(18)	55,894	**	66,183	**
All directors and executive officers as a group (21 persons)(19)	1,764,493	1.16%	9,119,791	5.34%
5% Holders				
The Vanguard Group, Inc.(20)	17,092,153	11.27%	17,092,153	10.02%
BlackRock, Inc.(21)	11,929,549	7.87	11,929,549	7.00
Vanguard Specialized Funds Vanguard REIT Index Fund(22)	9,980,009	6.58	9,980,009	5.85
State Street Corporation(23)	8,026,260	5.29	8,026,260	4.71

* Unless otherwise indicated, the address is c/o Boston Properties, Inc., 800 Boylston Street, Suite 1900, Boston, MA 02199-8103.

** Less than 1%.

- (1) The number of shares of common stock beneficially owned by each stockholder is determined under rules issued by the SEC regarding the beneficial ownership of securities. This information is not necessarily indicative of beneficial ownership for any other purpose. Number of Shares Beneficially Owned includes (a) shares of common stock that may be acquired upon the exercise of options that are exercisable on or within 60 days after February 1, 2013 and (b) the number of shares of common stock issuable to directors upon conversion of deferred stock units. The Number of Shares and Units Beneficially Owned includes all shares included in the Number of Shares Beneficially Owned column plus the number of shares of common stock for which common units and LTIP units may be redeemed (assuming, in the case of LTIP units, that they have first been converted into common units). Pursuant to the limited partnership agreement of the Operating Partnership, the holders of the common units and LTIP units (assuming conversion in full into common units, as applicable) have the right to redeem such units for cash or, at our option, shares of common stock, subject to certain conditions. Prior to May 15, 2012, deferred stock units were granted under the Boston Properties, Inc. Second Amended and Restated 1997 Stock Option and Incentive (the 1997 Plan) and on and from May 15, 2012, deferred stock units are granted under the Boston Properties, Inc. 2012 Stock Option and Incentive Plan (the 2012 Plan) pursuant to elections by certain non-employee directors to defer their cash compensation and to receive their cash compensation in the form of Boston Properties common stock upon their retirement from our Board of Directors. See *Compensation of Directors* beginning on page 59. Except as otherwise noted, each beneficial owner has sole voting and

- investment power over the shares and units. Holders of common units, LTIP units and deferred stock units are not entitled to vote such units on any of the matters presented at the 2013 annual meeting.
- (2) The total number of shares outstanding used in calculating this percentage assumes (a) the exercise of all options to acquire shares of common stock that are exercisable on or within 60 days after February 1, 2013 held by the beneficial owner and that no options held by other beneficial owners are exercised and (b) the conversion into shares of common stock of all deferred stock units held by the beneficial owner and that no deferred stock units held by other beneficial owners are converted.
 - (3) The total number of shares outstanding used in calculating this percentage assumes (a) that all common units, LTIP units and Series Two preferred units are presented (assuming conversion in full into common units, if applicable) to Boston Properties for redemption and are acquired by Boston Properties for shares of common stock, (b) does not separately include outstanding common units held by Boston Properties, as these common units are already reflected in the denominator by the inclusion of all outstanding shares of common stock, (c) the exercise of all options to acquire shares of common stock that are exercisable on or within 60 days after February 1, 2013 held by the beneficial owner and that no options held by other beneficial owners are exercised and (d) the conversion into shares of common stock of all deferred stock units.
 - (4) Includes 975,112 shares of common stock held directly and 41,193 shares of common stock underlying exercisable stock options. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 6,215,294 common units held directly, 46,474 common units held by limited partnerships of which the sole general partners are limited liability companies of which Mr. Zuckerman is the sole member and manager and 490,688 LTIP units (of which 109,036 LTIP units are subject to vesting). Excludes an aggregate of 476,740 shares of common stock held by charitable remainder trusts, of which Mr. Zuckerman is the grantor, 43,552 shares of common stock held by the MBZ 1996 Exempt Trust, of which Mr. Zuckerman is the grantor, and 1,405,392 common units held by The MBZ 1996 Trust (GST Non-Exempt), of which Mr. Zuckerman is the grantor. Also excludes Performance Awards.
 - (5) Includes 1,834 shares of common stock and 6,323 deferred stock units. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 4,009 LTIP units (of which 823 LTIP units are subject to vesting).
 - (6) Includes 1,283 shares of common stock held directly and 10,387 deferred stock units. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 5,653 LTIP units (of which 823 LTIP units are subject to vesting).
 - (7) Represents, only under the *Number of Shares and Units Beneficially Owned* column, 2,372 LTIP units (of which 823 LTIP units are subject to vesting).
 - (8) Represents, only under the *Number of Shares and Units Beneficially Owned* column, 379 LTIP units (all of which are subject to vesting).
 - (9) Includes 227,774 shares of common stock held directly (of which 20,480 shares are subject to vesting), 700 shares of common stock held by Mr. Linde's wife, 2,100 shares of common stock held by Mr. Linde's children, and 20,932 shares of common stock underlying exercisable stock options. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 69,227 LTIP units (of which 32,896 LTIP units are subject to vesting). Excludes Performance Awards. Mr. Linde has shared voting and dispositive power with respect to 700 shares of common stock.
 - (10) Represents 1,412 deferred stock units. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 1,948 LTIP units (of which 823 LTIP units are subject to vesting).
 - (11) Includes 415 shares of common stock held directly and 26,652 deferred stock units. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 7,003 LTIP units (of which 823 LTIP units are subject to vesting).
 - (12) Mr. Thomas was appointed as a director and the Chief Executive Officer of Boston Properties, Inc., effective April 2, 2013. See *Agreements Entered into in Connection with Succession Planning* beginning on page 55.
 - (13) Includes 3,262 shares of common stock held directly (of which 412 shares are subject to vesting), 500 shares of common stock held by Mr. Turchin's wife, 650 shares of common stock held through trusts and 18,289 deferred stock units. Also includes, only under the *Number of Shares and Units Beneficially Owned* column, 1,256 LTIP units (of which 411 LTIP units are subject to vesting). Mr. Turchin has shared voting and dispositive power with respect to 500 shares of common stock.

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- (14) Includes 7,844 shares of common stock held directly (of which 823 shares are subject to vesting) and 14,077 deferred stock units.
- (15) Includes 22,610 shares of common stock held directly, 29,718 shares of common stock held by a limited partnership (the RAR LP) of which the limited partners are Mr. Ritchey, his spouse, a trust of which Mr. Ritchey's spouse is the trustee and Mr. Ritchey's family members are beneficiaries and a trust of which Mr. Ritchey is the beneficiary, and the sole general partner is a limited liability company of which Mr. Ritchey is the sole manager and which is owned by a trust of which Mr. Ritchey's spouse is the sole beneficiary and sole trustee, and 90,679 shares of common stock underlying exercisable stock options. Also includes, only under the Number of Shares and Units Beneficially Owned column, 166,760 common units held directly, 35,600 common units held by a limited liability company of which Mr. Ritchey is the sole manager and a member, an aggregate of 83,810 common units held by two limited liability companies of which Mr. Ritchey is the sole manager and which are each owned by a grantor retained annuity trust of which Mr. Ritchey is the sole trustee and beneficiary, and 55,211 LTIP units. Excludes Performance Awards.
- (16) Includes 138 shares of common stock held directly and 4,434 shares of common stock underlying exercisable stock options. Also includes, only under the Number of Shares and Units Beneficially Owned column, 32,619 LTIP units (of which 11,664 LTIP units are subject to vesting). Excludes Performance Awards.
- (17) Includes 24,624 shares of common stock held directly and 4,614 shares of common stock underlying exercisable stock options. Also includes, only under the Number of Shares and Units Beneficially Owned column, 12,984 common units and 20,231 LTIP units (of which 12,045 LTIP units are subject to vesting). Excludes Performance Awards.
- (18) Includes 38,078 shares of common stock held directly and 17,816 shares of common stock held by a limited liability company of which Mr. Norville is the sole manager and a member. Also includes, only under the Number of Shares and Units Beneficially Owned column, 10,289 LTIP units. Excludes Performance Awards. Mr. Norville resigned as Executive Vice President, Chief Operating Officer effective as of February 29, 2012.
- (19) Includes an aggregate of 1,491,804 shares of common stock, 195,549 shares of common stock underlying exercisable stock options and 77,140 deferred stock units. Also includes, only under the Number of Shares and Units Beneficially Owned column, 6,568,922 common units and 786,376 LTIP units. See also notes (4) (18) above. Excludes Performance Awards.
- (20) Information regarding The Vanguard Group, Inc. (Vanguard) is based solely on a Schedule 13G/A filed by Vanguard with the SEC on February 11, 2013. Vanguard's address is 100 Vanguard Blvd., Malvern, PA 19355. The Schedule 13G/A indicates that Vanguard has sole voting power with respect to 488,831 shares of common stock, shared voting power with respect to 116,710 shares of common stock, sole dispositive power with respect to 16,682,861 shares of common stock and shared dispositive power with respect to 409,292 shares of common stock.
- (21) Information regarding BlackRock, Inc. (BlackRock) is based solely on a Schedule 13G/A filed by BlackRock with the SEC on February 8, 2013. BlackRock's address is 40 East 52nd Street, New York, NY 10022. The Schedule 13G/A indicates that BlackRock has sole voting and dispositive power with respect to all of the shares of common stock.
- (22) Information regarding Vanguard Specialized Funds Vanguard REIT Index Fund (Vanguard REIT) is based solely on a Schedule 13G/A filed by Vanguard REIT with the SEC on February 14, 2013. Vanguard REIT's address is 100 Vanguard Blvd., Malvern, PA 19355. The Schedule 13G/A indicates that Vanguard REIT has sole voting power with respect to all of the shares of common stock.
- (23) Information regarding State Street Corporation (State Street) is based solely on a Schedule 13G filed by State Street with the SEC on February 11, 2013. State Street's address is One Lincoln Street, Boston, MA 02111. The Schedule 13G indicates that State Street has shared voting and dispositive power with respect to all of the shares of common stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act), requires the executive officers and directors of Boston Properties, and persons who own more than ten percent of a registered class of Boston Properties equity securities, to file reports of ownership and changes in ownership with the SEC and the New York Stock Exchange. Officers, directors and greater than ten percent beneficial owners are required by SEC regulations to furnish Boston Properties with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports furnished to us and written representations that no other reports were required during the fiscal year ended December 31, 2012, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than ten percent beneficial owners were timely satisfied.

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

We seek to attract and retain executives who can lead the Company as we seek to continue our track record of profitability, growth and outperformance in total shareholder return, including share appreciation and dividends, or TSR. To better align the interests of our executives with those of our stockholders in a pay-for-performance setting, most of each executive's total compensation is variable through a combination of cash bonus and long-term equity awards subject to time-based and performance-based vesting conditions, with the amounts awarded being predicated on various performance criteria.

This year the Compensation Committee's advisor, FPL Associates L.P., or FPL, benchmarked our top executives' compensation against a group consisting of fifteen public real estate companies comparable to us in size, as defined by total capitalization, irrespective of asset class. The Company ranks close to the median of the peer group in terms of total capitalization. The peer group includes several of the largest REITs that specialize in the office sector and companies geographically focused on higher-priced markets similar to ours. We believe that this benchmarking approach, which has changed from prior years, is consistent with that used by all of the other REITs included in the S&P 500 Index, in which the Company is also included. Further, every company in our peer group that has disclosed their peer comparisons has listed us as a peer company.

The Compensation Committee does not employ a formula for determining the relationship among the different elements of compensation, but rather seeks to determine both total compensation and the relative amounts of base salary, cash bonus and long-term equity incentive compensation based on a benchmarking analysis of competitive pay practices and performance relative to pre-established corporate and individual goals. The most material quantitative and qualitative performance factors that the Compensation Committee considered in making 2012 compensation decisions were:

Total shareholder return. The Compensation Committee focused particularly on our compounded, annualized TSR performance over the last ten, five and three years (16.7%, 6.0% and 19.1%, respectively). For each of these periods the Company outperformed both the FTSE NAREIT Office Index, or NAREIT Office Index (8.9%, 1.4% and 10.3%, respectively), and the MSCI US REIT Index, or RMS Index (11.6%, 5.6% and 18.0%, respectively). In addition, the Company's compounded, annualized growth for every five-year period on a rolling basis over the last ten years exceeded that of both the NAREIT Office Index and the RMS Index. The Compensation Committee's focus on TSR over these periods is consistent with the Company's focus on creating value over the long-term.

Earnings performance. The Company's funds from operations, or FFO, was \$4.90 per share diluted, which significantly exceeded our guidance to investors of \$4.65 to \$4.78 per share.

Same store cash and GAAP NOI. Our goal was to manage the projected decline in same store net operating income, or NOI, year over year to between (1%) and (2%) on a cash basis and (1.5%) and (3%) on a GAAP basis. The Company exceeded this goal by limiting the decline in same store cash NOI to (0.2%) and in same store GAAP NOI to (0.1%) year over year.

Management of G&A expenses. The Company's G&A expense of \$82.4 million, including charges attributable to the departure of our chief operating officer early in 2012, was in line with our budgeted goal of \$83 million.

Management of capital expenditures. The Company managed non-leasing related capital expenditures to \$47 million, as compared to a budget of \$50 million.

Acquisitions. The Company sourced significant off-market acquisitions: 100 Federal Street in Boston, Massachusetts, for an aggregate investment of \$615 million in cash; 680 Folsom Street and 50 Hawthorne Street in San Francisco, California, a \$340 million partially completed redevelopment project; Fountain Square, in Reston, Virginia, valued at approximately \$385 million; and land in San Francisco, California, which could support a 61-story, 1.4 million square foot office tower known as Transbay Tower. The Company also continued efforts to explore international markets, including London and Toronto.

Management of the balance sheet. The Company accessed both the equity and the debt capital markets to elongate our debt maturity schedule, reduce our overall average corporate borrowing cost and fund acquisitions, while also maintaining satisfactory liquidity and leverage ratios within our target operating range so as to be able to fund future opportunities as they arise.

Dividends. In November 2012, the Company increased its quarterly dividend by 18% to \$0.65 per share, or \$2.60 per share on an annual basis.

Leasing. In total, the Company completed approximately 5.6 million square feet of leasing in 2012, exceeding our goal by approximately 1.0 million square feet. Year-end same store occupancy at the end of 2012 stood at 91.4%, compared to a goal of 91.2%.

The Compensation Committee relied on these factors and its assessment of management's performance in 2012 to determine the compensation of our named executive officers, as well as that of our regional managers. Please see pages 90-91 and 94-95 of the Company's Annual Report on Form 10-K for the year ended December 31, 2012 for information about FFO and NOI, including a reconciliation of these measures to net income attributable to Boston Properties, Inc., the most directly comparable financial measure reported under GAAP.

Effective February 29, 2012, E. Mitchell Norville resigned as our Executive Vice President, Chief Operating Officer. As a result, Peter D. Johnston, Senior Vice President and Regional Manager of our Washington, D.C. office, is one of our named executive officers for 2012 as the third most highly compensated officer after our principal executive officer and our principal financial officer.

Effective April 2, 2013, Owen D. Thomas was appointed as the Company's Chief Executive Officer to succeed Mr. Zuckerman. Mr. Zuckerman will continue to serve as Executive Chairman of the Company for a transition period and thereafter will continue to serve as the Non-Executive Chairman of the Board. Mr. Thomas will be one of our named executive officers for 2013 and his compensation will be discussed in the proxy statement for the Company's 2014 annual meeting of stockholders. The terms of the related agreements entered into by the Company with Messrs. Thomas and Zuckerman are summarized under the heading *Agreements Entered into in Connection with Succession Planning* beginning on page 55.

FPL advised the Compensation Committee that based on 2011 data, total compensation levels for our named executive officers were generally in line with the Compensation Committee's target of between the 70th and 85th percentiles (or 75th percentile on average) of the peer group. Considering the Company's and individual executives' performance (including relative and absolute TSR performance and other quantitative and qualitative performance accomplishments in 2012), FPL recommended that the Compensation Committee increase annual total compensation for our named executive officers by approximately 5.9% in the aggregate (5.6% on a weighted-average basis) from 2011 levels. Individual changes in the amount and components of total compensation were based on benchmarking and the Compensation Committee's assessment of each executive officer.

This is the Compensation Committee's basic framework for our named executive officers:

consistent with our pay-for-performance philosophy, base salary should generally be a relatively small percentage of total compensation;

incentive non-cash compensation, through a combination of time-based and performance-based equity awards, should generally be at least 50% of total annual compensation;

annual awards of long-term incentive compensation should include both full-value awards and stock options so as to provide alignment with stockholders, coupled with service-based vesting as a retention tool;

variable incentive compensation should be tied primarily to Company-wide quantitative performance goals established at the beginning of the year;

each executive officer's incentive compensation should also be tied to quantitative and qualitative goals relating to his specific role; and

annual performance-based awards should provide executive officers with the potential to earn significant long-term equity compensation if we achieve superior TSR on a relative basis over a multi-year period with market-appropriate absolute TSR.

Executive Compensation Objectives

Our executive compensation program is administered under the direction of the Compensation Committee of our Board of Directors. The current members of the Compensation Committee are Messrs. Twardock (Chair) and Frenkel. Mr. Lawrence S. Bacow served as a member of the Compensation Committee until his resignation from our Board of Directors in September 2012.

Compensation Consultant

The Compensation Committee retained FPL as its advisor in November 2012. The Compensation Committee directed FPL to, among other things: (1) benchmark our executive compensation against our peers and assist in developing compensation objectives; (2) analyze trends in compensation in the marketplace generally and among our peers specifically; and (3) recommend the components and amounts of compensation for our top executive officers. FPL did not perform any other services for the Company in 2012.

Objectives

Our executive compensation objectives are:

to attract, retain and reward executives who have the motivation, experience and skills to continue our track record of profitability, growth and attractive TSR;

to link compensation with enhancing stockholder value, given market conditions;

to base each executive's compensation on the appropriate blend of corporate and individual goals, with top executives accountable for balance sheet management, strategic planning and the allocation of resources to competing growth opportunities among our five distinct regions and executives in each region accountable for the operating performance of the assets within their control;

to set total compensation to be competitive with similarly situated public real estate companies across property sectors;

to provide most of each top executive's total compensation as variable compensation in a pay-for-performance setting through a combination of cash bonuses and long-term equity awards; and

to provide a significant portion of total compensation as performance-based equity awards that align our executives with our stockholders.

2012 Advisory Resolution on NEO Compensation

At our 2012 annual meeting, a non-binding resolution approving the compensation paid to our named executive officers, as disclosed in our proxy statement including the Compensation Discussion and Analysis, compensation tables and narrative discussions, was approved by our stockholders with 96.9% of the votes cast in favor (representing 82.6% of all shares eligible to vote). The Compensation Committee considered the stockholders' overwhelming support as clear indication they were satisfied with the manner in which we compensated our named executive officers in 2011. Accordingly, the Compensation Committee generally has maintained the philosophy and overall structure of our executive compensation programs unchanged for 2012, although, as discussed below, the Compensation Committee chose a different methodology in selecting the peer group used for benchmarking and modified the design of our performance-based long-term incentive equity program.

Competitive Benchmarking Analysis

In 2012, FPL conducted a competitive benchmarking analysis of the compensation of our top executives as a group, as well as on an individual basis and looking at the blend of different components of compensation. FPL selected the companies to be included in our peer group based on a review of the methodologies employed by twelve of the REITs included in the S&P 500 Index, which include: (i) size as the main parameter; (ii) ten to twenty peers, with the median at fifteen and the mode at ten; and (iii) a single set of peers. FPL recommended to the Compensation Committee a peer group for executive compensation benchmarking of fifteen publicly traded real estate companies comparable to the Company in terms of total capitalization, irrespective of asset class but including the next few largest office REITs. FPL felt that size, as measured by total capitalization rather than equity market capitalization, is the most relevant criterion because top executives are ultimately responsible for managing the entire organization and total capitalization best depicts scale, complexity and breadth of operations, as well as the amount of capital managed. FPL noted a relatively high degree of correlation between company size and levels of compensation, though the relationship is not linear in nature. Each of the peer companies selected shares with us one or more of the following characteristics: similar size, focus on office properties, geographic location and inclusion in the S&P 500 Index.

The following table provides the names and key information for each peer company as of December 31, 2012 (multi-year TSR performance is annualized):

Name	Property		Number of Employees	Total Market Capitalization (in millions)	3-Year TSR	5-Year TSR
	Focus	Headquarters				
AvalonBay Communities, Inc.	Multi-family	Arlington, VA	2,095	\$ 19,438	21.9%	12.6%
Digital Realty Trust, Inc.	Specialty	San Francisco, CA	532	\$ 13,547	15.1%	16.5%
Equity Residential	Multi-family	Chicago, IL	3,800	\$ 27,869	22.5%	13.8%
General Growth Properties, Inc.	Regional Mall	Chicago, IL	1,750	\$ 35,173	NA	NA
HCP, Inc.	Health Care	Long Beach, CA	147	\$ 29,450	20.0%	11.7%
Health Care REIT, Inc.	Health Care	Toledo, OH	308	\$ 25,773	17.9%	13.2%
Host Hotels & Resorts, Inc.	Hospitality	Bethesda, MD	219	\$ 16,958	11.5%	0.0%
Kimco Realty Corporation	Shopping Center	N. Hyde Park, NY	685	\$ 13,153	17.4%	-7.1%
The Macerich Company	Regional Mall	Santa Monica, CA	1,236	\$ 14,205	22.1%	1.4%
Prologis, Inc.	Industrial	San Francisco, CA	1,457	\$ 29,914	10.9%	-19.1%
Public Storage	Self-storage	Glendale, CA	5,000	\$ 28,214	25.1%	18.4%
Simon Property Group, Inc.	Regional Mall	Indianapolis, IN	4,400	\$ 80,536	29.3%	16.0%
SL Green Realty Corp.	Office	New York, NY	1,047	\$ 14,703	16.2%	-1.7%
Ventas, Inc.	Health Care	Chicago, IL	328	\$ 27,512	19.0%	12.8%
Vornado Realty Trust	Office	New York, NY	4,823	\$ 29,676	8.6%	1.8%
Median			1,236	\$27,512	18.4%	12.1%
Average			1,855	\$27,075	18.4%	6.4%
75th Percentile			2,948	\$29,563	22.1%	13.7%
Boston Properties, Inc.			700	\$26,989	19.1%	6.0%
Relative Percentile Rank			36th	48th	55th	42nd

Ten of the fifteen peer companies (AvalonBay Communities, Inc., Digital Realty Trust, Inc., Host Hotels & Resorts, Inc., Kimco Realty Corporation, Prologis, Inc., Public Storage, Simon Property Group, Inc., SL Green Realty Corp., Ventas, Inc. and Vornado Realty Trust) were included in the more comprehensive of two peer groups we used in prior years, which included twenty-one publicly traded real estate companies in various property sectors. A second, more selective peer group we used in prior years only included eleven REITs from the larger group which specialized in the office sector because they more closely resembled our business model. Five companies (Equity Residential, General Growth Properties, Inc., HCP, Inc., Health Care REIT, Inc. and The Macerich Company) were added to our peer group this year.

FPL's benchmarking review was based on information disclosed in the peer companies' 2012 proxy statements, which reported data with respect to fiscal 2011 (the latest year for which comprehensive data is publicly available), as well as FPL's proprietary database. FPL's review compared our executive pay practices against the peer group to determine the range of cash and non-cash compensation awarded to executives in comparable positions, looking at the relative proportion of the common elements of executive compensation for many of the REITs in the peer group: base salary, annual bonus and long-term equity compensation (including full-value, stock option and performance-based awards).

Compensation Consultant's Conclusions

Given the Compensation Committee's historical focus on TSR on both an absolute and relative basis, FPL presented to the Compensation Committee TSR performance data for the Company compared to the NAREIT Office Index and the RMS Index as follows (multi-year TSR performance is annualized; differentials are rounded):

	2008 TSR	2009 TSR	2010 TSR	2011 TSR	2012 TSR	3-Year TSR	5-Year TSR	10-Year TSR
Boston Properties, Inc.	-37.9%	27.5%	31.6%	18.2%	8.6%	19.1%	6.0%	16.7%
NAREIT Office Index	-41.1%	35.6%	18.4%	-0.8%	14.2%	10.3%	1.4%	8.9%
RMS Index	-38.0%	28.6%	28.5%	8.7%	17.8%	18.0%	5.6%	11.6%
BXP vs NAREIT Office Index	3.1%	-8.0%	13.2%	18.9%	-5.6%	8.8%	4.6%	7.8%
BXP vs RMS Index	0.0%	-1.1%	3.1%	9.5%	-9.2%	1.0%	0.4%	5.1%

In its executive compensation benchmarking analysis FPL examined the Company's executive compensation program on a holistic basis. FPL compared aggregate compensation for the top five highest paid executives of the Company against the peer set by components of compensation, measured against size (defined by total capitalization) and performance levels (TSR over a three-year period). Based on this analysis FPL concluded that: (1) the Company's level of aggregate total compensation ranked at the 75th and 77th percentiles on a one-year and three-year basis, respectively; (2) when comparing compensation against total capitalization across the peer set, the Company ranked at the 63rd percentile; (3) when comparing compensation against three-year TSR across the peer set, the Company ranked at the 54th percentile, just above the median; and (4) using a measure of alignment between compensation and performance that proxy advisory firms use for CEO compensation (performance percentile subtracted from the total compensation percentile) the compensation of the Company's named executive officers as a group fell inside the +/- 30 points band within the peer set that is generally viewed as acceptable alignment (absolute alignment is when the difference is zero).

The following table presents the relative ranking of the Company's aggregate top five highest paid executives' compensation (by component) compared to the peer group for 2011 relative to total capitalization:

	Base Salary	Annual Incentive	Total Annual Cash	Value of LTI Awards	Total Compensation	2011 End of Year Total Capitalization	Total Comp. as a % of Total Capitalization
Boston Properties, Inc. Ranking (percentile)	57th	83rd	81st	68th	75th	58th	63rd

The following table presents the relative ranking of the Company's aggregate top five highest paid executives' compensation (by component) compared to the peer group for the most recent three-year period relative to TSR:

	Base Salary	Annual Incentive	Total Annual Cash	Value of LTI Awards	Total Compensation	3-Year TSR (2009-2011)
Boston Properties, Inc. Ranking (percentile)	71st	81st	81st	86th	77th	54th

FPL also provided to the Compensation Committee a benchmarking analysis of the aggregate top five highest paid executives' compensation (by component) as a percentage of equity market and total capitalization, which is summarized in the following table (dollars in millions):

	Base Salary	Annual Incentive	Total Annual Cash	Value of LTI Awards	Total Compensation	2011 Equity Market Capitalization	Total Comp. as % of Equity Market Capitalization	2011 Total Capitalization	Total Comp. as a % of Total Capitalization
Peer Group Median	\$ 2.815	\$ 3.820	\$ 7.012	\$ 13.940	\$ 21.110	\$ 13,207	0.153%	\$ 22,550	0.095%
Peer Group Average	\$ 3.042	\$ 4.664	\$ 7.706	\$ 15.575	\$ 23.286	\$ 14,846	0.188%	\$ 23,356	0.109%
75 th Percentile	\$ 3.375	\$ 6.282	\$ 9.108	\$ 17.728	\$ 26.333	\$ 16,599	0.198%	\$ 27,034	0.107%
Boston Properties, Inc.	\$ 3.052	\$ 6.600	\$ 9.652	\$ 16.704	\$ 26.356	\$ 16,561	0.159%	\$ 25,319	0.104%
Percentile Ranking	57th	83rd	81st	68th	75th	75th	53rd	58th	63rd

FPL advised the Compensation Committee that the companies in the peer group generally have compensation programs comparable to ours, with annual bonuses generally in the form of cash and annual long-term compensation generally in the form of equity with service-based vesting over three to five years. FPL also provided the Compensation Committee a detailed analysis of each of our named executive officers' compensation, broken down into salary, cash bonus and equity grants, compared against the peer set. FPL concluded that our compensation is, in general, at the desired level based on the Compensation Committee's objective to keep it within the 70th and 85th percentiles (or 75th percentile on average) of the peer set.

Until February 29, 2012, E. Mitchell Norville served as our Executive Vice President, Chief Operating Officer. In connection with his resignation, Mr. Norville entered into a separation agreement that provided, among other things, for severance in the amount of \$1,555,778 and accelerated vesting of 23,502 LTIP units, 4,464 stock options at an exercise price of \$92.71 and 5,117 stock options at an exercise price of \$104.47. The incremental fair values, computed in accordance with the ASC Topic 718 of the modification of these awards were as follows: LTIP units \$2,435,532; 2011 OPP Units \$448,642; and non-qualified stock options \$73,530. As a result of Mr. Norville's resignation, Peter D. Johnston, Senior Vice President and Regional Manager of our Washington, DC office, is one of our named executive officers for 2012 as the third most highly compensated officer after our principal executive officer and our principal financial officer.

The following table illustrates each named executive officer's 2011 total compensation relative to comparable officers within the peer group:

Name	2011 Total Compensation(1)	% of Median	% of 75th Percentile	% of 85th Percentile
Mr. Zuckerman	\$ 10,589,900	114%	87%	73%
Mr. Linde	\$ 5,861,500	134%	98%	79%
Mr. Ritchey	\$ 5,579,400	212%	127%	111%
Mr. LaBelle	\$ 2,189,700	89%	70%	63%
Mr. Johnston	\$ 1,910,325	92%	67%	60%

(1) Amounts represent the sum of (1) 2011 base salary, (2) annual bonus and annual long-term equity awards that were paid/granted in early 2012 reflecting performance in 2011 and (3) the grant date value of awards under the 2012 OPP.

The foregoing table more accurately reflects the decisions of the Compensation Committee with respect to our executive officers' total annual compensation package than the Summary Compensation Table presented under *Compensation of Executive Officers*. This primarily results from the fact that, in order to link our annual long-term equity incentive compensation to our annual performance, the Compensation Committee typically awards long-term equity incentive compensation for a particular year in January or February of the following

year. Due to SEC rules governing the presentation of the Summary Compensation Table, we are required to present these grants as compensation for the year in which they were granted (as opposed to the year for which they were earned). As a result, for example, the Stock Awards and Option Awards granted in February 2012 for 2011 performance are required to be reported as 2012 compensation.

Effective April 2, 2013, Mr. Thomas was appointed as the Company's Chief Executive Officer to succeed Mr. Zuckerman. Mr. Zuckerman will continue to serve as Executive Chairman of the Company for a transition period and thereafter will continue to serve as the Non-Executive Chairman of the Board. Mr. Thomas will be one of our named executive officers for 2013 and his compensation will be discussed in the proxy statement for the Company's 2014 annual meeting of stockholders. The terms of the related agreements entered into by the Company with Messrs. Thomas and Zuckerman are summarized under the heading *Agreements Entered into in Connection with Succession Planning* beginning on page 55.

Compensation Committee's Evaluation of Management's Performance

The Compensation Committee received information from FPL and Messrs. Zuckerman and Linde on both corporate and individual accomplishments to assist it in conducting its assessment of management's performance in 2012. Although we did identify specific performance objectives early in 2012, they were not designed to be applied, and were not applied, in a predetermined, formulaic manner to determine total compensation or its different components. Consistent with the intended design of our executive compensation program, the Compensation Committee reviewed executive performance on a holistic basis taking into account the business conditions and unforeseen developments that occurred during the year, as opposed to a strictly line-by-line comparison of actual performance compared to specific predetermined performance objectives. The Compensation Committee also took into account the various roles and responsibilities of individual executives at the Company compared to peer companies and had access to each officer's self-assessment. Performance relative to individual goals cannot always be measured objectively and the Compensation Committee may choose to emphasize some goals over others. In the end, the Compensation Committee made an overall assessment of each executive's effectiveness as a manager.

The most material quantitative and qualitative performance factors that the Compensation Committee considered in making 2012 compensation decisions were:

Total shareholder return. The Company's TSR relative to the NAREIT Office Index and the RMS Index was as follows (multi-year TSR performance is annualized):

	2012 TSR	3-Year TSR	5-Year TSR	10-Year TSR
Boston Properties, Inc.	8.6%	19.1%	6.0%	16.7%
NAREIT Office Index	14.2%	10.3%	1.4%	8.9%
RMS Index	17.8%	18.0%	5.6%	11.6%

The Compensation Committee focused particularly on our compounded, annualized TSR performance over the last ten, five and three years. For each of those periods the Company's TSR exceeded the TSR for both the NAREIT Office Index and the RMS Index. In addition, the Company's compounded, annualized growth for every five-year period on a rolling basis over the last ten years exceeded that of both the NAREIT Office Index and the RMS Index, as shown by the following table:

	2008 - 2012	2007 - 2011	2006 - 2010	2005 - 2009	2004 - 2008	2003 - 2007
Boston Properties Inc.	6.0%	2.0%	8.7%	7.4%	9.5%	28.5%
NAREIT Office Index	1.4%	-5.3%	2.2%	1.2%	-0.7%	17.1%
RMS Index	5.6%	-1.5%	3.0%	0.2%	0.7%	17.9%

The Compensation Committee's focus on TSR over these periods is consistent with the Company's focus on creating value over the long-term. Our TSR performance is reflective of the highly volatile environment of the

last several years in the REIT industry generally and also of differences among the various property sectors from year to year. The longer term trend reinforces the Company's commitment to the core elements of our long-held strategy: (1) to develop, acquire, own and self-manage the highest quality, iconic office buildings in premier locations in supply-constrained markets with high barriers to entry, which over the long term should result in higher relative rental rates and appreciation of property values; (2) to concentrate on longer-term leases with tenants of strong financial standing to enhance the quality and stability of our rental income; and (3) to keep the average maturity of our debt financing generally in line with the longer-term nature of our assets to reduce our exposure to interest rate volatility, as well as the risk of having to refinance significant maturities in the face of adverse conditions in the credit markets.

Our TSR going back ten years has been compelling compared to both the NAREIT Office Index and the RMS Index. As the following table indicates, the cumulative long-term value we have provided our stockholders far outpaced both indices (differentials rounded):

Year	BXP	NAREIT Office Index	BXP vs. NAREIT Office Index	RMS Index	BXP vs. RMS Index
2003	38.5%	34.0%	4.5%	36.7%	1.8%
2004	40.6%	23.3%	17.3%	31.5%	9.1%
2005	23.5%	13.1%	10.4%	12.1%	11.4%
2006	62.7%	45.2%	17.5%	35.9%	26.8%
2007	-10.4%	-19.0%	8.6%	-16.8%	6.4%
2008	-37.9%	-41.1%	3.1%	-38.0%	0.1%
2009	27.5%	35.5%	-8.0%	28.6%	-1.1%
2010	31.6%	18.4%	13.2%	28.5%	3.1%
2011	18.2%	-0.8%	18.9%	8.7%	9.5%
2012	8.6%	14.2%	-5.6%	17.8%	-9.2%
Compounded Annual Return	16.7%	8.9%	7.8%	11.6%	5.1%
Cumulative Total Return	368.6%	135.6%	233.0%	198.9%	169.7%

The Company is also included in the S&P 500 Index. While in making decisions the Compensation Committee does not rely specifically on a comparison of the Company's performance to the S&P 500 Index, it is aware that some investors may consider it a relevant benchmark and therefore reviews our performance relative to that index as well. FPL noted that the Company's compounded annual return and cumulative total return since 2003 (16.7% and 368.7%, respectively) significantly outperformed those for the S&P 500 Index (7.11% and 98.7%, respectively).

Earnings performance. The Company's FFO was \$4.90 per share diluted, which significantly exceeded our guidance to investors of \$4.65 to \$4.78 per share.

Same store cash and GAAP NOI. Our goal was to manage the projected decline in same store net operating income, or NOI, year over year to between (1%) and (2%) on a cash basis and (1.5%) and (3%) on a GAAP basis. The Company exceeded this goal by limiting the decline in same store cash NOI to (0.2%) and in same store GAAP NOI to (0.1%) year over year.

Management of G&A expenses. The Company's G&A expense of \$82.4 million, including charges attributable to the departure of our chief operating officer early in 2012, was in line with our budgeted goal of \$83 million.

Management of capital expenditures. The Company managed non-leasing related capital expenditures to \$47 million, as compared to a budget of \$50 million.

Acquisitions. The Company sourced significant off-market acquisitions:

100 Federal Street in Boston, Massachusetts, a 1,265,000 square foot Class-A office tower that is 96% leased, for an aggregate investment of \$615 million in cash. This former bank headquarters, one of the premiere assets in the Boston financial district, expands our presence in one of our core markets;

680 Folsom Street and 50 Hawthorne Street in San Francisco, California, a 522,000 square foot, partially completed redevelopment project that is 85% pre-leased to two tenants, with a total expected investment upon completion of \$340 million. This asset, located in San Francisco's South of Market (SOMA) district, expands our presence in a strong and growing technology sector;

Fountain Square, a 758,000 square foot retail and office complex in Reston, Virginia, valued at approximately \$385 million. This gives us complete control of the commercial component in the urban core of our Reston Town Center complex; and

land in San Francisco, California, which could support a 61-story, 1.4 million square foot office tower known as Transbay Tower. The Company also continued efforts to explore international markets, including London and Toronto.

Management of the balance sheet. The Company accessed both the equity and the debt capital markets to elongate our debt maturity schedule, reduce our overall average corporate borrowing cost and fund acquisitions, while also maintaining satisfactory liquidity and leverage ratios within our target operating range so as to be able to fund future opportunities as they arise:

in June 2012, the Company executed a public offering of \$1.0 billion aggregate principal amount of 3.85% senior notes, with an effective interest rate of approximately 3.954% and a 10¹/₂ year term. Strong investor demand allowed us to increase the size of the offering after announcement from a targeted range of \$500-\$700 million to \$1.0 billion;

the Company utilized its at the market equity offering program to issue an aggregate of approximately \$250 million of common stock during 2012.

Dividends. In November 2012, the Company increased its quarterly dividend by 18% to \$0.65 per share, or \$2.60 per share on an annual basis.

Leasing. In total, the Company completed approximately 5.6 million square feet of leasing, exceeding our goal by approximately 1.0 million square feet. This included 246,000 square feet at our 250 West 55th Street development in midtown Manhattan and 376,000 square feet at our 601 Massachusetts Avenue development in Washington, DC. Year-end same store occupancy at the end of 2012 stood at 91.4%, compared to a goal of 91.2%.

In addition to the Company's overall corporate performance and an analysis of each named executive officer's compensation relative to his peers as discussed above, in determining total compensation for each officer for a given year the Compensation Committee generally considers a number of factors on a subjective basis, including (i) the scope of the officer's responsibilities within the Company and in relation to comparable officers at various companies within the peer group; (ii) the experience of the officer within our industry and at the Company; (iii) performance of the officer and his contribution to the Company; (iv) the Company's financial budget and general level of wage increases throughout the Company for the coming year; (v) a review of historical compensation information for the individual officer; (vi) a subjective determination of the compensation needed to motivate and retain that individual; and (vii) the recommendations of the Compensation Committee's consultant. The Company does not have specific, proportionate ratios to define the relative total compensation among individual named executive officers, although the Compensation Committee from time to time does review the relationship in pay among executive officers to assure that relative compensation levels are appropriate and are designed to effectively motivate and retain executives. The Committee was satisfied with each named executive officer's performance against both general expectations and pre-established goals.

From time to time, the Compensation Committee reviews information for named executive officers regarding equity ownership value and dividend income relative to total compensation, the value of vested and unvested equity securities, and amounts realized and realizable upon exercise of stock option awards, as compared to comparable executives within the peer group. This information, however, did not affect the Compensation Committee's 2012 compensation decisions.

The Compensation Committee approved the following total compensation for each named executive officer for 2012:

Name	2012 Total Compensation(1)	Increase from 2011
Mr. Zuckerman	\$ 11,175,000	5.5%
Mr. Linde	\$ 6,175,000	5.3%
Mr. Ritchey	\$ 5,875,000	5.3%
Mr. LaBelle	\$ 2,365,000	8.0%
Mr. Johnston	\$ 2,012,000	5.3%

- (1) Amounts represent the sum of (1) 2012 base salary and (2) annual bonus, annual long-term equity awards and the grant date value of awards under the 2013 MYLTIP discussed below, all of which were paid/granted in February 2013 reflecting performance in 2012. These amounts are different from the amounts set forth in the Total Compensation column of the Summary Compensation Table presented under *Compensation of Executive Officers*, primarily because of reporting requirements under applicable SEC rules.

Elements of Executive Compensation

The principal compensation elements used for our executives are:

Base salary. Base salary is based on assigned responsibilities and reviewed periodically against market data and to reflect changes in individual roles.

Annual cash bonus. Executive officers are eligible to receive annual bonuses based upon corporate and individual performance as established by the Compensation Committee in its discretion. Corporate performance measures generally include FFO, balance sheet management, net operating income, occupancy, leasing activity, development starts, acquisition/disposition activity and other measures intended to reflect execution of our overall strategy.

Annual long-term equity incentive compensation. Annual long-term equity incentive compensation is awarded based on corporate performance, regional performance (if relevant to the individual executive), and individual performance. For our named executive officers we use a mix of full-value equity awards and stock options in order to provide an appropriate blend of downside risk and upside potential at the time of the initial award and in the future as our stock price changes. We use full-value equity awards for the majority of our long-term equity incentive compensation because we believe that they provide the best alignment with our stockholders by fully reflecting our TSR performance over time. We also use ten-year stock options with an exercise price equal to our stock price at the time of grant for a portion of our long-term equity incentive compensation in order to incentivize and reward our executives for increases in our stock price over the long term. Both full-value awards and stock options are subject to time-based vesting over four years (25% per year beginning on January 15 of the year following the award), subject to acceleration under certain circumstances. Employees have a choice of receiving their full-value, time-based awards in any combination of restricted stock or LTIP units, a special class of partnership units in our Operating Partnership (see *LTIP Units* below).

Performance-based awards. Performance-based equity awards are a fourth element of long-term incentive compensation designed to reward management if we achieve superior TSR on a relative basis over a multi-year period with market-appropriate absolute TSR.

Other elements of executive compensation include:

employment agreements and change in control arrangements;

perquisites; and

deferred compensation and other benefits.

The Compensation Committee does not employ a formula for determining the relationship among the different elements of compensation, but rather seeks to align both total compensation and the relative amounts of base salary, cash bonus and long-term equity incentive compensation with those paid by our peers based on market analysis of competitive pay practices and performance relative to pre-established corporate and individual goals. The Compensation Committee has developed the following basic framework for our named executive officers:

consistent with our pay-for-performance philosophy, base salary should generally be a relatively small part of total compensation;

annual incentive non-cash compensation should generally be at least 50% of the total;

annual awards of long-term incentive compensation should provide alignment with stockholders and serve as a retention tool;

variable incentive compensation should be tied primarily to company-wide quantitative performance goals established at the beginning of the year;

each executive's incentive compensation should also be tied to quantitative and qualitative goals relating to his specific role; and

annual performance-based awards should provide executives with the potential to earn significant additional long-term equity compensation.

Base Salaries for 2013

The Compensation Committee approved base salaries for 2013 as follows:

Name	2013 Base Salary	Increase from 2012
Mr. Zuckerman	\$ 1,000,000	0.0%
Mr. Linde	\$ 675,000	8.0%
Mr. Ritchey	\$ 670,000	3.1%
Mr. LaBelle	\$ 460,000	10.8%
Mr. Johnston	\$ 373,000	3.0%

Annual Cash Bonuses for 2012

The Compensation Committee approved the following cash bonuses for 2012:

Name	Cash Bonus	Increase from 2011
Mr. Zuckerman	\$ 2,800,000	3.7%
Mr. Linde	\$ 1,450,000	5.5%
Mr. Ritchey	\$ 1,400,000	1.8%
Mr. LaBelle	\$ 750,000	15.4%
Mr. Johnston	\$ 550,000	10.0%

Annual Long-Term Equity Incentive Awards for 2012

The Compensation Committee approved long-term equity incentive awards to named executive officers for 2012 as a dollar amount that was then converted 75% into full-value equity awards (restricted stock or LTIP)

units, or a combination of both, at the recipient's election; all officers elected LTIP units) and 25% into at-the-market stock options with a ten-year term. Both types of awards are generally subject to time-based vesting. A greater percentage of the dollar value is allocated to full-value equity awards because they deliver known, current value, give immediate exposure to the effect of a decline in our stock price, but retain their retentive feature even if our stock price declines, thus aligning the interests of officers with our stockholders. The following table sets forth the combined value of the LTIP unit and stock option awards for 2012:

Name	Grant Date Value	Increase (decrease) from 2011
Mr. Zuckerman	\$ 5,900,000	7.8%
Mr. Linde	\$ 2,870,000	3.2%
Mr. Ritchey	\$ 2,677,500	6.0%
Mr. LaBelle	\$ 600,000	(4.0%)
Mr. Johnston	\$ 660,000	7.3%

Pursuant to our Equity Award Grant Policy discussed below, LTIP unit awards were issued as of the close of business on February 1, 2013 based on the closing price of our common stock on the New York Stock Exchange on that date (\$105.10) in the following amounts:

Name	Number of LTIP Units Issued
Mr. Zuckerman	42,102
Mr. Linde	20,480
Mr. Ritchey	19,106
Mr. LaBelle	4,281
Mr. Johnston	4,709

Pursuant to our Equity Award Grant Policy discussed below, stock options were issued as of the close of business on February 1, 2013 at an exercise price of \$105.10 per share, the closing price of our common stock on the New York Stock Exchange on that date in the following amounts:

Name	Number of Stock Options Issued
Mr. Zuckerman	79,130
Mr. Linde	38,492
Mr. Ritchey	37,416
Mr. LaBelle	8,047
Mr. Johnston	8,851

Performance-Based Long-Term Incentive Awards for 2012

Starting in 2008, the Compensation Committee implemented an Outperformance Plan, or OPP, as a fourth element of our executive compensation program designed to provide management the potential to earn equity awards subject to the Company creating shareholder value in a pay-for-performance structure. Consistent with a trend in the REIT sector, in 2011 the Compensation Committee shifted to annual OPP awards with overlapping three-year performance periods to provide more consistency both for us and for management than the larger OPP awards at three-year intervals we had used previously.

The Compensation Committee approved 2012 OPP awards in January 2012 for 2011 performance with a three-year measurement period from February 7, 2012 to February 6, 2015. The baseline share price for these awards was \$106.694 (the average closing price of our common stock on the New York Stock Exchange for the five trading days prior to and including February 7, 2012) and the maximum aggregate amount that all 2012 OPP award recipients can earn is \$40 million, with two years of time-based vesting after the end of the measurement period (subject to acceleration in certain events). The 2012 OPP pool will consist of (i) 2% of the excess total return above a cumulative absolute TSR of 24% over the full three-year measurement period (equivalent to

8% per annum) (the Absolute TSS Component), and (ii) 2% of the excess or deficient excess total return above or below a relative TSR equal to the total return of the SNL Equity REIT Index over the three-year measurement period (the Relative TSR Component). The Relative TSR Component and Absolute TSR Component will be added together, subject to reduction and/or offset under various circumstances, but the sum of the two cannot exceed \$40 million. Under ASC Topic 718, the 2012 OPP awards had an aggregate value of approximately \$7.7 million, which amount will generally be amortized into earnings over the five-year plan period beginning on the grant date under the graded vesting method.

On January 28, 2013, the Company's Compensation Committee approved awards under a new Multi-Year Long-Term Incentive Program, or MYLTIP, for 2012 performance in lieu of further OPP awards, with a three-year measurement period from February 5, 2013 to February 4, 2016. The MYLTIP has the same general objective as the OPP: to provide our management team with the potential to earn equity awards subject to the Company creating superior shareholder value in a pay-for-performance structure. Like the OPP, the MYLTIP utilizes TSR over a three-year measurement period on an annualized, compounded basis as the performance metric to align management directly with stockholders interests. The MYLTIP, however, is designed differently from the OPP based on the following guiding principles: (1) to provide a pre-determined bandwidth of opportunity with a four-tier construct threshold, target, high and exceptional performance; (2) to keep the program design as simple and straightforward as possible; and (3) to provide more easily quantifiable incentives for management to create long-term shareholder value coupled with effective retention tools.

Earned awards under the MYLTIP will be based on our TSR relative to the Cohen & Steers Realty Majors Portfolio Index, or C&S Realty Index, and the NAREIT Office Index (adjusted to exclude the Company), have a target value, or TV, of approximately \$10.2 million, can range from zero to a maximum of approximately \$30.7 million, and have two years of time-based vesting after the end of the performance measurement period (subject to acceleration in certain events). The MYLTIP also has an absolute TSR component in the form of relatively simple modifiers that (A) reduce the level of earned MYLTIP awards in the event our annualized TSR is less than 2%, and (B) cause some MYLTIP awards to be earned in the event our annualized TSR is more than 10% even though on a relative basis alone our TSR would not result in earned awards. We expect that under ASC Topic 718, the 2013 MYLTIP awards will have an aggregate value of approximately \$8.1 million, which amount will generally be amortized into earnings over the five-year plan period under the graded vesting method.

The baseline share price for 2013 MYLTIP awards was \$105.08 (the average closing price of our common stock on the New York Stock Exchange for the five trading days prior to and including February 5, 2013). The 2013 MYLTIP pool will be based (i) 50% on our annualized, compounded TSR relative to the annualized, compounded total return of the C&S Realty Index (the C&S Realty Index Component) with a TV of approximately \$5.1 million, and (ii) 50% on our annualized, compounded TSR relative to the annualized, compounded total return of the NAREIT Office Index adjusted to exclude the Company (the NAREIT Office Index Component) with a TV of approximately \$5.1 million, as follows:

Tier	Company TSR Relative to C&S Realty Index	C&S Realty Index Component*
Threshold	-300 basis points	0.5 TV
Target	+100 basis points	1.0 TV
High	Between +500 and +800 basis points	2.0 TV
Exceptional	+1,000 basis points	3.0 TV

* Linear interpolation will apply between tiers in the table above.

Tier	Company TSR Relative to NAREIT Office Index	NAREIT Office Index Component*
Threshold	-200 basis points	0.5 TV
Target	+100 basis points	1.0 TV
High	Between +400 and +700 basis points	2.0 TV
Exceptional	+1,000 basis points	3.0 TV

* Linear interpolation will apply between tiers in the table above.

If the Company's annualized, compounded TSR is more than 300 basis points lower than the C&S Realty Index, no amount will be earned under the C&S Realty Index Component unless the Company's absolute annualized, compounded TSR is at least 10%. In that case, the C&S Realty Index Component will be calculated as follows:

Company Absolute TSR	C&S Realty Index Component*
10.0%	0.2500 TV
10.5%	0.3125 TV
11.0%	0.3750 TV
11.5%	0.4375 TV
12.0%	0.5000 TV

* Linear interpolation will apply between levels in the table above.

If the Company's annualized, compounded TSR is more than 200 basis points lower than the NAREIT Office Index (adjusted to exclude the Company), no amount will be earned under the NAREIT Office Component unless our absolute annualized, compounded TSR is at least 10%. In that case the NAREIT Office Index Component will be calculated as follows:

Company Absolute TSR	NAREIT Office Index Component*
10.0%	0.2500 TV
10.5%	0.3125 TV
11.0%	0.3750 TV
11.5%	0.4375 TV
12.0%	0.5000 TV

* Linear interpolation will apply between levels in the table above.

If the Company's absolute annualized, compounded TSR is 2% or less, the resulting incentive pool will be reduced downward on a sliding scale, starting with a 0% reduction at precisely 2% absolute TSR performance and ending with a 25% reduction at 0% absolute TSR performance, from what the incentive pool would have been based on relative performance alone. The reduction will be calculated as follows:

Company Absolute TSR	Reduction in Incentive Pool*
D>	0
Ms. Greffin	2009 \$ 862,477 2007-2009 \$ 105,254
Ms. Mayes	2009 \$ 240,898 2007-2009 \$ 130,156 2008 \$ 46,008 2006-2008 \$ 0
Mr. Ruebenson	2009 \$ 224,976 2007-2009 \$ 275,004 2008 \$ 0 2006-2008 \$ 203,852 2007 \$ 797,725 2005-2007 \$ 346,671

Amounts reflect the aggregate increase in actuarial value of the pension benefits as set forth in the Pension Benefits table, accrued during 2009, 2008, and 2007. These are benefits under the Allstate Retirement Plan (ARP) and the Allstate Insurance Company Supplemental Retirement Income Plan (SRIP), and under the pension benefit enhancement for Ms. Mayes. Non-qualified deferred compensation earnings are not reflected since our Deferred Compensation Plan does not provide above-market earnings. For 2007, the pension plan measurement date used for financial statement reporting purposes, October 31, as well as the methodology employed for purposes of Allstate's financial statements, were used in the calculation of the change in present value. For 2008 and subsequent years, the pension plan measurement date was changed to December 31 to comply with Financial Accounting Standards Board requirements. (See note 16 to our audited financial statements for 2009.) One component of the change in pension value from 2008 to 2009 displayed in this column relates to the change in the discount rate used to calculate the value of pension benefits. The discount rate decreased from 7.5% in 2008 to 6.25% at year-end 2009, which resulted in an increase in the present value of accrued benefits at year-end 2009. For participants earning final average pay benefits (i.e. Messrs. Wilson and Ruebenson and Ms. Greffin), approximately 50% of the change in pension value relates to the change in the discount rate.

- (7) The "All Other Compensation for 2009 Supplemental Table" provides details regarding the amounts for 2009 for this column.
- (8) When Mr. Civgin joined Allstate in 2008, he was paid a bonus of \$100,000. In addition, because he was guaranteed an annual cash incentive award at target, a portion of that award, \$121,501, is treated as bonus.
- (9) Reflects increases in the actuarial value of the benefits provided to Mr. Wilson pursuant to the ARP and SRIP of \$101,392 and \$949,187 respectively.
- (10) Reflects increases in the actuarial value of the benefits provided to Mr. Civgin pursuant to the SRIP of \$6,629.
- (11) Reflects increases in the actuarial value of the benefits provided to Ms. Greffin pursuant to the ARP and SRIP of \$107,951 and \$437,916, respectively.
- (12) Reflects increases in the actuarial value of the benefits provided to Ms. Mayes pursuant to the ARP, SRIP, and pension enhancement of \$6,118, \$9,508, and \$34,864 respectively.
- (13) Reflects increases in the actuarial value of the benefits provided to Mr. Ruebenson pursuant to the ARP and SRIP of \$174,770 and \$379,885, respectively.

Table of Contents**ALL OTHER COMPENSATION FOR 2009 SUPPLEMENTAL TABLE**

(In dollars)

The following table describes the incremental cost of other benefits provided in 2009 that are included in the "All Other Compensation" column.

Name		Personal Use of Aircraft(1)	401(k) Match(2)	Other(3)	Total All Other Compensation
Mr. Wilson	2009	23,154	9,800	35,118	68,072
Mr. Civgin	2009	3,216	9,800	24,702	37,718
Ms. Greffin	2009	0	9,800	17,940	27,740
Ms. Mayes	2009	0	9,800	30,460	40,260
Mr. Ruebenson	2009	0	9,800	62,389	72,189

(1)

The amount reported for personal use of aircraft is based on the incremental cost method. The incremental cost of aircraft use is calculated based on average variable costs to Allstate. Variable operating costs include fuel, maintenance, on-board catering, landing/ramp fees, and other miscellaneous variable costs. The total annual variable costs are divided by the annual number of flight hours flown by the aircraft to derive an average variable cost per flight hour. This average variable cost per flight hour is then multiplied by the flight hours flown for personal use to derive the incremental cost. This method of calculating the incremental cost excludes fixed costs that do not change based on usage, such as pilots' and other employees' salaries, costs incurred in purchasing the aircraft, and non-trip related hangar expenses.

(2)

Each of the named executives participated in our 401(k) plan during 2009. The amount shown is the amount allocated to their accounts as employer matching contributions.

(3)

"Other" consists of premiums for group life insurance and personal benefits and perquisites consisting of cell phones, tax preparation services, financial planning, executive physicals, security services, ground transportation, and supplemental long-term disability coverage, and for Ms. Mayes, additional expenses for relocation assistance, including \$2,148 reimbursed for payment of taxes, that were not part of the standard relocation package. None of the personal benefits and perquisites individually exceeded the greater of \$25,000 or 10% of the total amount of these benefits for the named executives, except Mr. Ruebenson's vacation accrual severance benefit, \$29,690, which represents the value at December 31, 2009, of his vacation days accrued but not yet taken between his annual anniversary date in 2000 and December 31, 2000. There was no incremental cost for use of the cell phone. We provide supplemental long-term disability coverage to regular full-time and regular part-time employees whose annual earnings exceed the level which produces the maximum monthly benefit provided by the Group Long Term Disability Insurance Plan. This coverage is self-insured (funded and paid for by Allstate when obligations are incurred). No obligations for the named executives were incurred in 2009 and so no incremental cost is reflected in the table.

Table of Contents**GRANTS OF PLAN-BASED AWARDS AT FISCAL YEAR-END 2009⁽¹⁾**

The following table provides information about non-equity incentive plan awards and equity awards granted to our named executives during the fiscal year 2009.

Name	Grant Date	Plan Name	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock	All Other Option Awards: Number of Securities Underlying Option Awards	Base Price of Option Awards ⁽³⁾	Grant Date Fair Value ⁽⁴⁾	
			Threshold (\$)	Target (\$)	Maximum (\$)				Stock Awards	Option Awards
Mr. Wilson		Annual cash incentive	0	1,590,000	5,500,000					
	Feb. 27, 2009	Restricted stock units				132,264			2,226,003	
	Feb. 27, 2009	Stock options					751,636	\$ 16.83		4,261,776
Mr. Civgin		Annual cash incentive	0	550,000	2,116,125					
	Feb. 27, 2009	Restricted stock units				35,458			596,758	
	Feb. 27, 2009	Stock options					201,500	\$ 16.83		1,142,505
Ms. Greffin		Annual cash incentive	0	508,694	2,116,125					
	Feb. 27, 2009	Restricted stock units				24,692			415,566	
	Feb. 27, 2009	Stock options					140,323	\$ 16.83		795,631
Ms. Mayes		Annual cash incentive	0	469,901	2,116,125					
	Feb. 27, 2009	Restricted stock units				28,955			487,313	
	Feb. 27, 2009	Stock options					164,545	\$ 16.83		932,970
Mr. Ruebenson		Annual cash incentive	0	698,968	2,116,125					
	Feb. 27, 2009	Restricted stock units				53,291			896,888	
	Feb. 27, 2009	Stock options					302,844	\$ 16.83		1,717,125

(1) Awards under the Annual Covered Employee Incentive Compensation Plan, the Annual Executive Incentive Compensation Plan, and the 2001 Equity Incentive Plan.

(2) The amounts in these columns consist of the threshold, target, and maximum annual cash incentive awards for the named executives. The threshold amount for each named executive is zero, as the minimum amount payable if no performance measures are achieved. The target amount is based upon achievement of certain performance measures set forth in the "Annual Cash Incentive Awards" section. The maximum amount payable to the named executives, except Mr. Civgin, is the lesser of a stockholder approved maximum under the Annual Covered Employee Incentive Compensation Plan of \$5.5 million or a percentage of the award

pool. The award pool is equal to 0.75% of Operating Income with award opportunities capped at 40% of the pool for Mr. Wilson and 15% of the pool for each other named executive. Mr. Civgin's maximum amount is 15% of the award pool. Mr. Civgin's annual cash incentive award is paid under the Annual Executive Incentive Compensation Plan, which has no award maximum. A description of the Operating Income performance measure is provided under the "Performance Measures" caption on page 58.

- (3) The exercise price of each option is equal to the fair market value of Allstate's common stock on the date of grant. Fair market value is equal to the closing sale price on the date of grant or, if there was no such sale on the date of grant, then on the last previous day on which there was a sale.
- (4) The aggregate grant date fair value of restricted stock units was \$16.83 and for stock option awards was \$5.67 for 2009, computed in accordance with FASB ASC 718. The assumptions used in the valuation are discussed in footnotes 3 and 4 to the Summary Compensation Table on page 43.

The following discussion of incentive compensation for 2009 elaborates on the more general information provided above in the CD&A.

Non-Equity Incentive Compensation

The Non-Equity Incentive Plan Compensation column of the Summary Compensation Table includes each named executive's annual cash incentive award for 2009 and long-term cash incentive award for the 2007-2009 cycle. The amount attributable to annual and long-term, respectively, is provided in a footnote to the Summary Compensation Table. The Estimated Future Payouts Under Non-Equity Incentive Plan Awards column of the Grants of Plan-Based Awards at Fiscal Year-End 2009 table includes the threshold, target, and maximum award opportunities for 2009 annual cash incentive compensation.

Equity Compensation

The Committee granted both restricted stock units and options in 2009. The restricted stock units granted in 2009 vest in one installment on February 26, 2013 except in certain change-in-control situations or under other special circumstances approved by the Committee. Normally, the named executive must be employed in order for the restricted stock units to vest. However, restricted stock units continue to vest following retirement on or after the normal retirement date specified in the award. If the named executive dies, then as of the date of death, all unvested restricted stock units granted in 2009 will vest and become nonforfeitable. The restricted stock units granted in 2009 and prior years include the right to receive dividend equivalents in the same amount and at the same time as dividends paid to all Allstate common stockholders.

The stock options granted in 2009 become exercisable in four annual installments of 25% on the first four anniversaries of the grant date and expire in ten years, except in certain change-in-control situations or under

Table of Contents

other special circumstances approved by the Committee. Normally, the named executive must be employed at the time of vesting in order for the options to vest. If the named executive terminates on or after the normal retirement date under the stock option award agreements, stock options not vested will continue to vest as scheduled. When the options become vested, they may be exercised by the named executive at any time on or before the earlier to occur of (i) the expiration date of the option and (ii) the fifth anniversary of the date of the named executive's termination of employment. If the named executive dies or becomes disabled, unvested stock options will vest and may be exercised by the named executive officer (or personal representative, estate or transferee, as the case may be) at any time on or before the earlier to occur of (i) the expiration date of the option and (ii) the second anniversary of the date of the named executive's termination of employment. If the named executive terminates for any other reason, any portion of the option not vested will be forfeited. Vested options may be exercised at any time on or before the earlier to occur of (i) the expiration date of the option and (ii) three months after the date of the named executive's termination of employment. The options were granted with an exercise price equal to the closing sale price on the date of grant or, if there was no sale on the date of grant, then on the last previous day on which there was a sale. Each option is a nonqualified stock option. Each option includes tax withholding rights that permit the holder to elect to have shares withheld to satisfy minimum federal, state, and local tax withholding requirements. Option holders may exchange shares previously owned to satisfy all or part of the exercise price. The vested portions of all the options may be transferred during the holder's lifetime to, or for the benefit of, family members. Any taxes payable upon a transferee's subsequent exercise of the option remain the obligation of the original option holder.

Table of Contents**Outstanding Equity Awards at Fiscal Year-End 2009**

The following table summarizes the outstanding equity awards of the named executives as of December 31, 2009.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END 2009

Name	Option Awards(1)					Stock Awards		Market Value of Shares or Units of Stock That Have Not Vested(5)
	Option Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable(2)	Number of Securities Underlying Unexercised Options (#) Unexercisable(3)	Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)(4)	
Mr. Wilson	May 15, 2001	112,892	0	\$ 42.00	May 15, 2011			
	Feb. 07, 2002	97,750	0	\$ 33.38	Feb. 07, 2012			
	Feb. 07, 2003	101,000	0	\$ 31.78	Feb. 07, 2013			
	Feb. 06, 2004	97,100	0	\$ 45.96	Feb. 06, 2014			
	Feb. 22, 2005	98,976	0	\$ 52.57	Feb. 22, 2015			
	Jun. 01, 2005	100,000	0	\$ 58.47	June 01, 2015			
	Jun. 17, 2005	48,852*	0*	\$ 59.93	May 18, 2010			
	Feb. 21, 2006	49,500	16,500	\$ 53.84	Feb. 21, 2016	Feb. 21, 2006	18,700	\$ 561,748
	Feb. 21, 2006	93,000	31,000	\$ 53.84	Feb. 21, 2016	Feb. 21, 2006	4,750**	\$ 142,690
	Feb. 20, 2007	131,167	131,168	\$ 62.24	Feb. 20, 2017	Feb. 20, 2007	22,385	\$ 672,445
	Apr. 30, 2007	18,545	18,546*	\$ 62.32	Feb. 07, 2012			
	Feb. 26, 2008	84,579	253,737	\$ 48.82	Feb. 26, 2018	Feb. 26, 2008	36,705	\$ 1,102,618
	Feb. 27, 2009	0	751,636	\$ 16.83	Feb. 27, 2019	Feb. 27, 2009	132,264	\$ 3,973,211
								Aggregate Market Value
								\$ 6,452,712
Mr. Civgin	Sep. 08,				Sep. 08,	Sep. 08,		

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2008	16,250	48,750	\$ 46.48	2018	2008	6,300(6)	\$	189,252
Feb. 27, 2009	0	201,500	\$ 16.83	Feb. 27, 2019	Feb. 27, 2009	35,458	\$	1,065,158

**Aggregate
Market Value**

\$ 1,254,410

Ms. Greffin	Mar. 13, 2001	10,000	0	\$ 39.67	Mar. 13, 2011			
	May 15, 2001	6,500	0	\$ 42.00	May 15, 2011			
	Feb. 07, 2002	4,000	0	\$ 33.38	Feb. 07, 2012			
	Mar. 12, 2002	18,217	0	\$ 36.61	Mar. 12, 2012			
	Feb. 07, 2003	1,346	0	\$ 31.78	Feb. 07, 2013			
	Mar. 11, 2003	3,614	0	\$ 31.22	Mar. 11, 2013			
	Feb. 06, 2004	4,588	0	\$ 45.96	Feb. 06, 2014			
	Mar. 09, 2004	2,000	0	\$ 45.29	Mar. 09, 2014			
	Mar. 09, 2004	20,714	0	\$ 45.29	Mar. 09, 2014			
	Feb. 22, 2005	4,720	0	\$ 52.57	Feb. 22, 2015			
	Feb. 22, 2005	15,314	0	\$ 52.57	Feb. 22, 2015			
	Feb. 21, 2006	3,542	1,181	\$ 53.84	Feb. 21, 2016	Feb. 21, 2006	713	\$ 21,418
	Feb. 21, 2006	14,939	4,980	\$ 53.84	Feb. 21, 2016	Feb. 21, 2006	3,009	\$ 90,390
	Feb. 20, 2007	2,427	2,427	\$ 62.24	Feb. 20, 2017	Feb. 20, 2007	2,936	\$ 88,197
	Feb. 20, 2007	10,645	10,646	\$ 62.24	Feb. 20, 2017	Feb. 20, 2007	668	\$ 20,067
	Jul. 17, 2007	1,830	1,830	\$ 60.42	Jul. 17, 2017	Jul. 17, 2007	520	\$ 15,621
	Feb. 26, 2008	17,091	51,274	\$ 48.82	Feb. 26, 2018	Feb. 26, 2008	7,417	\$ 222,807
	Feb. 26, 2008	7,074	21,224	\$ 48.82	Feb. 26, 2018	Feb. 26, 2008	3,070	\$ 92,223
	Aug. 11, 2008	3,562	10,688	\$ 46.56	Aug. 11, 2018	Aug. 11, 2008	1,500	\$ 45,060
	Feb. 27, 2009	0	140,323	\$ 16.83	Feb. 27, 2019	Feb. 27, 2009	24,692	\$ 741,748

**Aggregate
Market Value**

\$ 1,337,531

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Ms. Mayes	Nov. 12, 2007	50,000	50,000	\$ 53.18	Nov. 12, 2017	Nov. 12, 2007	6,250(7)	\$	187,750
	Feb. 26, 2008	18,025	54,075	\$ 48.82	Feb. 26, 2018	Feb. 26, 2008	7,800	\$	234,312
	Feb. 27, 2009	0	164,545	\$ 16.83	Feb. 27, 2019	Feb. 27, 2009	28,955	\$	869,808
									Aggregate Market Value
									\$ 1,291,870
									<i>Table continues</i>

Table of Contents

Name	Option Awards(1)					Stock Awards		
	Option Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable(2)	Number of Securities Underlying Unexercised Options (#) Exercisable(3)	Option Exercise Price	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)(4)	Market Value of Shares or Units of Stock That Have Not Vested(5)
Mr. Ruebenson	Feb. 06, 2004	40,800	0	\$ 45.96	Feb. 06, 2014			
	Feb. 22, 2005	30,620	0	\$ 52.57	Feb. 22, 2015			
	Feb. 21, 2006	24,750	8,250	\$ 53.84	Feb. 21, 2016	Feb. 21, 2006	1,875**	\$ 56,325
	Feb. 21, 2006	20,250	6,750	\$ 53.84	Feb. 21, 2016	Feb. 21, 2006	5,000	\$ 150,200
	Feb. 20, 2007	32,900	32,900	\$ 62.24	Feb. 20, 2017	Feb. 20, 2007	9,100	\$ 273,364
	Apr. 13, 2007	1,179	1,180*	\$ 61.33	Feb. 07, 2013			
	Feb. 26, 2008	31,100	93,300	\$ 48.82	Feb. 26, 2018	Feb. 26, 2008	13,500	\$ 405,540
	Feb. 27, 2009	0	302,844	\$ 16.83	Feb. 27, 2019	Feb. 27, 2009	53,291	\$ 1,600,862
								Aggregate Market Value
								\$ 2,486,291

(1)

Options vest in four installments on the first four anniversaries of the grant date. The exercise price of each option is equal to the fair market value of Allstate's common stock on the date of grant. For options granted prior to 2007, fair market value is equal to the average of high and low sale prices on the date of grant, and for options granted in 2007 and thereafter, fair market value is equal to the closing sale price on the date of grant or in each case, if there was no sale on the date of grant, then on the last previous day on which there was a sale. An asterisk (*) denotes reload options issued to replace shares tendered in payment of the exercise price of prior option awards. These reload options are subject to the same vesting terms and expiration date as the original options including becoming exercisable in four annual installments beginning one year after the reload option grant date. For option awards granted after 2003, the Committee eliminated the reload feature and no new option awards will be granted that contain a reload feature.

(2)

The aggregate value and aggregate number of exercisable in-the-money options as of December 31, 2009, for each of the named executives is \$0 (0 aggregate number exercisable).

- (3) The aggregate value and aggregate number of unexercisable in-the-money options as of December 31, 2009, for each of the named executives is as follows: Mr. Wilson \$9,929,112 (751,636 aggregate number unexercisable), Mr. Civgin \$2,661,815 (201,500 aggregate number unexercisable), Ms. Greffin \$1,853,667 (140,323 aggregate number unexercisable), Ms. Mayes \$2,173,639 (164,545 aggregate number unexercisable), and Mr. Ruebenson \$4,000,569 (302,844 aggregate number unexercisable).
- (4) Except as otherwise noted, each restricted stock unit award vests in one installment on the fourth anniversary of the grant date. Double asterisk (**) denotes restricted stock units that vest in four equal installments on the first four anniversaries of the grant date.
- (5) Amount is based on the closing price of our common stock of \$30.04 on December 31, 2009.
- (6) Restricted stock units granted as a new hire award. 2,000 restricted stock units vest on the second anniversary of the grant date and the remaining 4,300 restricted stock units vest on the fourth anniversary of the grant date.
- (7) Restricted stock units granted as a new hire award. 6,250 restricted stock units vest on the second anniversary of the grant date and the remaining 6,250 restricted stock units vest on the fourth anniversary of the grant date.

Option Exercises and Stock Vested at Fiscal Year-End 2009

The following table summarizes the options exercised by the named executives during 2009 and the restricted stock and restricted stock unit awards that vested during 2009.

OPTION EXERCISES AND STOCK VESTED AT FISCAL YEAR-END 2009

Name	Option Awards (as of 12/31/09)		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Mr. Wilson	0	0	46,568	1,051,214
Mr. Civgin	0	0	0	0
Ms. Greffin	0	0	720	13,277
Ms. Mayes	0	0	6,250	180,375
Mr. Ruebenson	0	0	6,549	120,764

Table of Contents**Retirement Benefits**

Each named executive officer participates in two different defined benefit pension plans, and one of the named executive officers participates in a third arrangement that provides additional supplemental pension benefits which is referred to as the pension benefit enhancement. The following table summarizes the named executives' pension benefits.

PENSION BENEFITS

NAME	PLAN NAME	NUMBER OF YEARS CREDITED SERVICE (#)	PRESENT VALUE OF ACCUMULATED BENEFIT(1) (\$)	PAYMENTS DURING LAST FISCAL YEAR (\$)
Mr. Wilson	Allstate Retirement Plan	16.8	346,867	0
	Supplemental Retirement Income Plan	16.8	3,870,124	0
Mr. Civgin(2)	Allstate Retirement Plan	1.3	0	0
	Supplemental Retirement Income Plan	1.3	6,629	0
Ms. Greffin	Allstate Retirement Plan	19.3	352,176	0
	Supplemental Retirement Income Plan	19.3	1,684,606	0
Ms. Mayes(2)	Allstate Retirement Plan	2.2	6,118	0
	Supplemental Retirement Income Plan	2.2	12,348	0
	Ms. Mayes' pension benefit enhancement(3)	2.2	94,919	0
Mr. Ruebenson	Allstate Retirement Plan	28.0	1,127,813	0
	Supplemental Retirement Income Plan	28.0	3,888,784	0

(1)

These amounts are estimates and do not necessarily reflect the actual amounts that will be paid to the named executives, which will only be known at the time they become eligible for payment. Accrued benefits were calculated as of December 31, 2009, and used to calculate the Present Value of Accumulated Benefits at December 31, 2009. December 31 is our pension plan measurement date used for financial statement reporting purposes.

(2)

Mr. Civgin and Ms. Mayes are not currently vested in the Allstate Retirement Plan or the Supplemental Retirement Income Plan.

(3)

See narrative under the heading "Extra Service and Pension Benefit Enhancement" on page 52 for the explanation of the years of credited service with respect to Ms. Mayes' pension benefit enhancement.

The benefits and value of benefits shown in the Pension Benefits table are based on the following material factors:

Allstate Retirement Plan ("ARP")

The ARP has two different types of benefit formulas (final average pay and cash balance) which apply to participants based on their date of hire or individual choice made prior to the January 1, 2003 introduction of a cash balance design. Of the named executives, Ms. Mayes and Mr. Civgin are eligible to earn cash balance benefits. Benefits under the final average pay formula are earned and stated in the form of a straight life annuity payable at the normal retirement date (age 65). Participants who earn final average pay benefits may do so under one or more benefit

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formulas based on when they become members of the ARP and their years of service.

Ms. Greffin and Messrs. Ruebenson and Wilson have earned ARP benefits under the post-1988 final average pay formula which is the sum of the Base Benefit and the Additional Benefit, as defined as follows:

Base Benefit = 1.55% of the participant's average annual compensation, multiplied by credited service after 1988 (limited to 28 years of credited service)

Additional Benefit = 0.65% of the amount, if any, of the participant's average annual compensation that exceeds the participant's covered compensation (the average of the maximum annual salary taxable for Social Security over the 35-year period ending the year the participant would reach Social Security retirement age) multiplied by credited service after 1988 (limited to 28 years of credited service)

Since Mr. Ruebenson earned benefits between January 1, 1978 and December 31, 1988, one component of Mr. Ruebenson's ARP benefit will be based on the following benefit formula:

1. Multiply years of credited service from 1978 through 1988 by $2\frac{1}{8}\%$.
2. Then, multiply the percentage from step (1) by
 - a. Average annual compensation (five-year average) at December 31, 1988, and by
 - b. Estimated Social Security at December 31, 1988.

Table of Contents

3. Then, subtract 2(b) from 2(a). The result is the normal retirement allowance for service from January 1, 1978 through December 31, 1988.
4. The normal retirement allowance is indexed for final average pay. In addition, there is an adjustment of 18% of the normal retirement allowance as of December 31, 1988, to reflect a conversion to a single life annuity.

Mr. Ruebenson's ARP benefit also will include a past service element because he was an employee on December 31, 1978, with one full calendar year of service. This component of his benefit is 0.2% of his 1978 annual compensation up to \$15,000 multiplied by the number of his completed calendar years of service prior to and including 1978. There also is an adjustment of 18% to the past service element to convert to a single life annuity. Because credited service under the ARP is limited to 28 years, Mr. Ruebenson's benefit will be calculated using 11 years of credited service under the January 1, 1978, through December 31, 1988, Benefit Formula, 17 years of credited service under the January 1, 1989, Benefit Formula, plus the Past Service Element.

For participants eligible to earn cash balance benefits, pay credits are added to the cash balance account on a quarterly basis as a percent of compensation and based on the participant's years of vesting service as follows:

Cash Balance Plan Pay Credits

Vesting Service	Pay Credit
	%
Less than 1 year	0%
1 year, but less than 5 years	2.5%
5 years, but less than 10 years	3%
10 years, but less than 15 years	4%
15 years, but less than 20 years	5%
20 years, but less than 25 years	6%
25 years or more	7%

The earliest retirement age that a named executive may retire with unreduced retirement benefits under the ARP and Supplemental Retirement Income Plan is age 65. However, a participant earning final average pay benefits is entitled to an early retirement benefit on or after age 55 if he or she terminates employment after the completion of 20 or more years of service. A participant earning cash balance benefits who terminates employment with at least three years of vesting service is entitled to a lump sum benefit equal to his or her cash balance account balance. Currently, only Mr. Ruebenson is eligible for an early retirement benefit. The benefit reduction for early payment of final average pay benefits earned after 1988 is as follows: The Base Benefit as described above is reduced by 0.4% for each full month the benefit is paid prior to the participant's normal retirement date (or benefit retirement age if member prior to 1989). Mr. Ruebenson was a member prior to 1989 and his benefit retirement age under the ARP is age 63. The Additional Benefit is reduced by $\frac{2}{3}$ of 1% for each of the first 36 full months and by $\frac{1}{3}$ of 1% for each of the next 84 full months by which the benefit commencement date precedes the participant's normal retirement date (age 65). The benefit reduction for early payment of final average pay benefits earned prior to 1989 is 0.4% for each full month prior to age 60.

Supplemental Retirement Income Plan ("SRIP")

SRIP benefits are generally determined using a two-step process: (1) determine the amount that would be payable under the ARP formula specified above if the federal limits described above did not apply, then (2) reduce the amount described in (1) by the amount actually payable under the ARP formula. The normal retirement date under the SRIP is age 65. If eligible for early retirement under the ARP, an eligible employee is also eligible for early retirement under the SRIP.

Other Aspects of the Pension Plans

Eligible employees are vested in the normal retirement benefit under the ARP and the SRIP on the earlier of the completion of five years of service or upon reaching age 65 for participants with final average pay benefits or the completion of three years of service or upon reaching age 65 for participants whose benefits are calculated under the cash balance formula.

For the ARP and SRIP, eligible compensation consists of salary, annual cash incentive awards, pre-tax employee deposits made to our 401(k) plan and our cafeteria plan, holiday pay, and vacation pay. Eligible compensation also includes overtime pay, payment for temporary military service, and payments for short term disability, but does not include long-term cash incentive awards or income related to the exercise

of stock options

Table of Contents

and the vesting of restricted stock and restricted stock units. Compensation used to determine benefits under the ARP is limited in accordance with the Internal Revenue Code. Average annual compensation is the average compensation of the five highest consecutive calendar years within the last ten consecutive calendar years preceding the actual retirement or termination date.

Payment options under the ARP include a lump sum, straight life annuity, and various survivor annuity options. The lump sum under the final average pay benefit is calculated in accordance with the applicable interest rate and mortality as required under the Internal Revenue Code. The lump sum payment under the cash balance benefit is generally equal to a participant's cash balance account balance. Payments from the SRIP and amounts payable relating to Ms. Mayes' pension benefit enhancement are paid in the form of a lump sum using the same interest rate and mortality assumptions used under the ARP.

The amounts listed in the Present Value of Accumulated Benefit column of the Pension Benefits table and the amounts listed in the footnotes to the Change in Pension Value column of the Summary Compensation Table are based on the following assumptions:

Discount rate of 6.25%, payment form assuming 80% paid as a lump sum and 20% paid as an annuity, lump-sum/annuity conversion segmented interest rates of 5.0% for the first five years, 6.5% for the next 15 years, and 7% for all years after 20 and the 2010 combined static Pension Protection Act funding mortality table with a blend of 50% males and 50% females (as required under the Internal Revenue Code), and post-retirement mortality for annuitants using the 2010 Internal Revenue Service mandated annuitant table; these are the same as those used for financial reporting year-end disclosure as described in the notes to Allstate's consolidated financial statements. (See note 16 to our audited financial statements for 2009).

Retirement age: normal retirement age under the ARP and SRIP (65). Based on guidance provided by the Securities and Exchange Commission, we have assumed normal retirement age regardless of any announced or anticipated retirements.

Expected terminations, disability, and pre-retirement mortality: none assumed.

Extra Service and Pension Benefit Enhancement

No additional service is granted under the ARP or the SRIP. Generally, Allstate has not granted additional service credit outside of the actual service used to calculate ARP and SRIP benefits. However, Ms. Mayes has a supplemental nonqualified retirement benefit agreement which provides for additional cash balance pay credits. Ms. Mayes' enhanced pension benefit assumes the maximum 7% pay credits under the cash balance formula less any amounts payable from ARP or SRIP, payable six months following separation from service or upon a change-in-control. Eligible service is calculated from Ms. Mayes' employment date.

Mr. Wilson has 16.8 years of combined service with Sears, Roebuck and Co., Allstate's former parent company, and Allstate. As a result of his prior Sears service, a portion of Mr. Wilson's retirement benefits will be paid from the Sears pension plan. Similar to other employees with prior Sears service who were employed by Allstate at the time of the spin-off from Sears in 1995, Mr. Wilson's pension benefits under the ARP final average pay benefit and the SRIP are calculated as if he had worked his combined Sears-Allstate career with Allstate, and then are reduced by the amounts earned under the Sears pension plan.

Table of Contents**Non-Qualified Deferred Compensation**

The following table summarizes the non-qualified deferred compensation contributions, earnings, and account balances of our named executives in 2009. All amounts relate to the Deferred Compensation Plan.

NON-QUALIFIED DEFERRED COMPENSATION AT FISCAL YEAR-END 2009

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)(1)	Aggregate Withdrawals/Distributions (\$)	Aggregate Balance at Last FYE (\$)(2)
Mr. Wilson	0	0	80,681	0	379,355
Mr. Civgin	0	0	0	0	0
Ms. Greffin	0	0	251,939	0	1,316,517
Ms. Mayes	0	0	0	0	0
Mr. Ruebenson	0	0	143,017	0	849,043

(1) Aggregate earnings were not included in the named executive's prior year compensation.

(2) There are no amounts reported in the Aggregate Balance at Last FYE column that were reported in the 2009, 2008 or 2007 Summary Compensation Tables.

In order to remain competitive with other employers, we allow employees, including the named executives, whose annual compensation exceeds the amount specified in the Internal Revenue Code (e.g., \$245,000 in 2009), to defer up to 80% of their salary and/or up to 100% of their annual cash incentive award that exceeds that amount under the Deferred Compensation Plan. Allstate does not match participant deferrals and does not guarantee a stated rate of return.

Deferrals under the Deferred Compensation Plan are credited with earnings, or are subject to losses, based on the results of the investment option or options selected by the participants. The investment options available under the Deferred Compensation Plan are Stable Value, S&P 500, International Equity, Russell 2000, and Bond Funds options currently available under our 401(k) plan. Under the Deferred Compensation Plan, deferrals are not actually invested in these funds, but instead are credited with earnings or losses based on the funds' investment experience, which are net of administration and investment expenses. Because the rate of return is based on actual investment measures in our 401(k) plan, no above-market earnings are paid. Similar to our 401(k) plan, participants can change their investment elections daily. Investment changes are effective the next business day. The Deferred Compensation Plan is unfunded; participants have only the rights of general unsecured creditors.

Deferrals under the Deferred Compensation Plan are segregated into pre-2005 balances and post-2004 balances. A named executive may elect to begin receiving a distribution of a pre-2005 balance upon separation from service or in one of the first through fifth years after separation from service. In either event, the named executive may elect to receive payment of a pre-2005 balance in a lump sum or in annual cash installment payments over a period of two to ten years. An irrevocable distribution election is required before making any post-2004 deferrals into the plan. The distribution options available to the post-2004 balances are similar to those available to the pre-2005 balances, except the earliest distribution date is six months following separation from service. Upon a showing of unforeseeable emergency, a plan participant may be allowed to access certain funds in a deferred compensation account earlier than the dates specified above.

Potential Payments as a Result of Termination or Change-in-Control*Termination of Employment*

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The named executives may become eligible for severance benefits that all regular full-time and regular part-time employees are eligible to receive if their employment is terminated due to lack of work, rearrangement of work, reduction in workforce, or inability to satisfactorily perform the responsibilities of their position. The length of severance benefits depends on the named executive's years of service, up to the maximum provided in the plans.

Allstate has entered into certain agreements or provides certain plans that will require Allstate Insurance Company or The Allstate Corporation to provide compensation or benefits to the named executives in the event of a termination of employment other than compensation and benefits generally available to all salaried employees. The amount of compensation payable to each named executive or the value of benefits provided to the named executives that exceed the compensation or benefits generally available to all salaried employees in each situation is listed in the tables below. The payment of the 2009 annual cash incentive award, the 2007-2009 long-term cash

Table of Contents

incentive award, and any 2009 salary earned but not paid in 2009 due to Allstate's payroll cycle are not included in these tables because these amounts are payable to the named executives regardless of termination, death, or disability. Benefits and payments are calculated assuming a December 31, 2009, employment termination date.

POTENTIAL PAYMENTS UPON TERMINATION⁽¹⁾
(No Change-in-Control)

Name	Long-Term Cash Incentive Awards(2) (\$)	Stock Options Unvested and Accelerated(3) (\$)	Restricted Stock Units Unvested and Accelerated (\$)	Non-Qualified Pension Benefits(4) (\$)	Welfare Benefits(5) (\$)	Severance(6) (\$)	Total (\$)
Mr. Wilson							
Involuntary Termination(7)	0	0	0	4,781,473	0	968,429	5,749,902
Voluntary Termination/Retirement(8)	0	0	0	4,781,473	0	0	4,781,473
Death	1,078,722	9,929,112(9)	6,452,712(11)	4,781,473	0	0	22,242,019
Disability	1,078,722	9,929,112(9)	0	4,781,473	4,661,670	0	20,450,977
Mr. Civgin							
Involuntary Termination(7)	0	0	0	0	0	21,154	21,154
Voluntary Termination/Retirement(8)	0	0	0	0	0	0	0
Death	189,444	2,661,815(9)	1,254,410(11)	7,445	0	0	4,113,114
Disability	189,444	2,661,815(9)	0	0	2,682,397	0	5,533,656
Ms. Greffin							
Involuntary Termination(7)	0	0	0	2,135,256	0	345,089	2,480,345
Voluntary Termination/Retirement(8)	0	0	0	2,135,256	0	0	2,135,256
Death	177,174	1,853,667(9)	1,337,531(11)	2,135,256	0	0	5,503,628
Disability	177,174	1,853,667(9)	0	2,135,256	2,587,761	0	6,753,858
Ms. Mayes							
Involuntary Termination(7)	0	0	0	110,757	0	42,630	153,387
Voluntary Termination/Retirement(8)	245,000	2,173,639(10)	1,291,870(12)	110,757	0	0	3,821,266
Death	245,000	2,173,639(9)	1,291,870(11)	110,757	0	0	3,821,266
Disability	245,000	2,173,639(9)	0	110,757	857,173	0	3,386,569
Mr. Ruebenson							

Involuntary Termination(7)	0	0	0	5,260,413	0	667,197	5,927,610
Voluntary Termination/ Retirement(8)	416,672	4,000,569(10)	2,486,291(12)	5,260,413	0	0	12,163,945
Death	416,672	4,000,569(9)	2,486,291(11)	5,260,413	0	0	12,163,945
Disability	416,672	4,000,569(9)	0	5,260,413	726,962	0	10,404,616

- (1) A "0" indicates that either there is no amount payable to the named executive or no amount payable to the named executive that is not made available to all salaried employees.
- (2) If a participant dies, retires or is disabled during a performance cycle, the participant's award will be prorated based on the number of half months in which the participant was eligible to participate during the long-term cash incentive performance cycle. The amount reflected is calculated at target for purposes of this disclosure. The actual payment would be made at the time all awards are paid for that particular performance cycle and calculated based on actual results.
- (3) If the named executive's termination of employment is for any reason other than death, disability, or retirement, unvested stock options will be forfeited, and stock options, to the extent they are vested on the date of termination, may be exercised at any time on or before the earlier to occur of (a) the expiration date of the stock option and (b) three months after the date of termination.
- (4) The present value of the non-qualified pension benefits for each named executive earned through December 31, 2009, based on a 6.25% discount rate is disclosed in the Pension Benefits table. The value in this column represents the present value of each named executive's non-qualified pension benefits (SRIP) earned through December 31, 2009, and is based on the lump sum methodology (i.e., interest rate and mortality table) used by the Allstate pension plans in 2010, as required under the Pension Protection Act. Specifically, the interest rate for 2010 is based on 40% of the average August 30-year Treasury Bond rate from the prior year, and 60% of the average corporate bond segmented yield curve from August of the prior year. The mortality table for 2010 is the 2010 combined static Pension Protection Act funding mortality table with a blend of 50% males and 50% females, as published by the IRS.
- SRIP benefits earned through December 31, 2004 (Pre 409A SRIP Benefits) are generally payable at age 65, the normal retirement date under the ARP. Pre 409A SRIP Benefits may be payable earlier upon certain terminations in accordance with the terms of the SRIP. For example, Pre 409A SRIP Benefits may become payable upon reaching age 50 if disabled, following early retirement at age 55 or older with 20 years of service, or upon death. SRIP benefits earned after December 31, 2004 (Post 409A SRIP Benefits) are paid on the January 1 following termination of employment after reaching age 55 (a minimum six month deferral period applies), or immediately upon death.

Footnotes continue

Table of Contents

Mr. Wilson's Pre 409A SRIP Benefit would become payable at age 65, but is immediately payable upon death or disability. Mr. Wilson's Post 409A Benefit would be paid on January 1, 2013, or immediately upon death. Mr. Wilson will turn 65 on October 15, 2022.

The present value of Mr. Civgin's SRIP benefit earned through December 31, 2009, is \$7,445. Mr. Civgin's SRIP benefit is not currently vested but would become payable immediately upon death. Mr. Civgin will turn 65 on May 17, 2026.

Ms. Greffin's Pre 409A SRIP Benefit would become payable at age 65, but is immediately payable upon death or upon reaching age 50 if disabled. Ms. Greffin's Post 409A Benefit would be paid on January 1, 2016, or immediately upon death. Ms. Greffin will turn 65 on August 16, 2025.

The present value of Ms. Mayes' non-qualified pension benefits earned through December 31, 2009, is \$110,757 (\$12,750 SRIP benefit, plus a \$98,007 pension benefit enhancement). Ms. Mayes' SRIP benefit is not currently vested and would become payable immediately upon death. In addition, if Ms. Mayes were to terminate prior to the date the SRIP benefit becomes vested, the SRIP benefit would be paid under the terms of her pension benefit enhancement. Ms. Mayes' pension benefit enhancement is payable immediately upon death or six months after separation from service under each of the other employment termination scenarios. Ms. Mayes will turn 65 on July 9, 2014.

Based on Mr. Ruebenson's age and service, his Pre 409A SRIP Benefit is payable under the terms of the plan under each of the employment termination scenarios. Mr. Ruebenson's Post 409A Benefit would be paid on July 1, 2010, or immediately upon death. Mr. Ruebenson will turn 65 on May 31, 2013.

(5)

The named executives are eligible to participate in Allstate's supplemental long-term disability plan for employees whose annual earnings exceed the level which produces the maximum monthly benefit provided by the Allstate Long Term Disability Plan (Basic Plan). The benefit is equal to 50% of the named executive's qualified annual earnings divided by twelve and rounded to the nearest one hundred dollars, reduced by \$7,500, which is the maximum monthly benefit payment that can be received under the Basic Plan. The amount reflected assumes the named executive remains totally disabled until age 65 and represents the present value of the monthly benefit payable until age 65.

(6)

The "Severance" amount is the lump sum payment that named executives would be eligible to receive in the event of employment termination resulting from a lack of work, rearrangement of work, or reduction in workforce plus an amount of vacation accrual severance benefit, if applicable. The lump sum severance benefit is equal to two weeks of pay for each complete year of service, up to a maximum of 52 weeks of pay, and is the same benefit available to all regular full-time and regular part-time employees. The vacation accrual severance benefit is equal to the value at December 31, 2009, of the vacation days accrued but not yet taken between the executive's anniversary date in 2000 and December 31, 2000. This same benefit was made available to all eligible regular full-time and regular part-time employees following a change to the company vacation policy. Only Messrs. Wilson and Ruebenson and Ms. Greffin have a vacation accrual severance benefit amount included in the Severance column of \$30,738, \$29,690, and \$7,136 respectively.

- (7) Examples of "Involuntary Termination" independent of a change-in-control include performance-related terminations, reorganization, and terminations for employee dishonesty and violation of Allstate rules, regulations, or policies.
- (8) As of December 31, 2009, Messrs. Wilson and Civgin and Ms. Greffin were not eligible to retire in accordance with Allstate's policy or the terms of any of the Allstate compensation and benefit plans including the long-term cash incentive and equity incentive plans. If Messrs. Wilson, Civgin or Ms. Greffin voluntarily terminates employment, the non-qualified pension benefit would become payable as described in footnote (4) above. If Ms. Mayes or Mr. Ruebenson voluntarily terminates employment it would be considered a retirement because both Ms. Mayes and Mr. Ruebenson are eligible to retire in accordance with Allstate's policy and the terms of its compensation and benefit plans.
- (9) If the named executive's termination of employment is on account of death or disability, then stock options, to the extent not vested, will vest and may be exercised at any time on or before the earlier to occur of (1) the expiration date of the option and (2) the second anniversary of the date of termination of employment. Stock option values are based on a December 31, 2009, market close price of \$30.04 per share of Allstate stock.
- (10) If the named executive retires at the normal retirement date or a health retirement date, unvested stock options continue to vest in accordance with their terms, and all outstanding stock options, when vested, may be exercised, in whole or in part, by the named executive at any time on or before the earlier to occur of (a) the expiration date of the stock option and (b) the fifth anniversary of the date of such termination of employment. The "normal retirement date" under the stock option awards is the date on or after the date the named executive attains age 60 with at least one year of service. The "health retirement date" is the date on which the named executive terminates for health reasons after attaining age 50, but before attaining age 60, with at least ten years of continuous service. If the named executive retires at the early retirement date, unvested stock options are forfeited, and stock options, to the extent they are vested on the date of termination, may be exercised, in whole or in part, by the named executive at any time on or before the earlier to occur of (a) the expiration date of the stock option and (b) the fifth anniversary of the date of termination of employment. The "early retirement date" is the date the named executive attains age 55 with 20 years of service. The aggregate value of unexercisable in-the-money options as of December 31, 2009, based on a market close price of \$30.04 per share of Allstate stock for each of the named executives is reflected in the table. The actual amount received by the named executives would be based on the market close price on the date the stock options were exercised.
- (11) If the named executive's termination of employment is a result of death, restricted stock units immediately become nonforfeitable and the restrictions expire. The December 31, 2009, market close price of \$30.04 per share of Allstate stock was used to value the unvested and nonforfeitable awards.

Footnotes continue

Table of Contents

(12)

If the named executive retires on or after attaining age 60 with at least one year of service, then no unvested restricted shares or restricted stock units are forfeited and the unvested shares or restricted stock units will remain subject to the restriction period established in the award agreement. If the named executive dies following retirement and before the end of the restriction period, then all unvested restricted stock units immediately become nonforfeitable and vest as of the date of death. The aggregate value of unvested restricted shares or restricted stock units as of December 31, 2009, based on a market close price of \$30.04 per share of Allstate stock for each of the named executives is reflected in the table. The actual amount received by the named executives would be based on the market close price on the date the stock restriction lapses.

Change-in-Control

The Allstate Corporation and Allstate Insurance Company have entered into agreements with the named executives to provide certain benefits and compensation in the event of a change-in-control. In general, a change-in-control is one or more of the following events: (1) any person acquires 30% or more of the combined voting power of Allstate common stock within a 12-month period; (2) any person acquires more than 50% of the combined voting power of Allstate common stock; (3) certain changes are made to the composition of the Board; or (4) the consummation of a merger, reorganization, or similar transaction. These triggers were selected because, in a widely held company the size of Allstate, they could each result in a substantial change in management.

During the two-year period following a change-in-control, the change-in-control agreements provide for a minimum salary, annual cash incentive awards, long-term cash incentive awards, and other benefits. In addition, they provide that the named executives' positions, authority, duties, and responsibilities will be at least commensurate in all material respects with those held prior to the change-in-control.

Under the change-in-control agreements, severance benefits would be payable if a named executive's employment is terminated either by Allstate without "cause" or by the executive for "good reason" as defined in the agreements during the two-year period following the change-in-control. Cause means the named executive has been convicted of a felony or other crime involving fraud or dishonesty, has willfully or intentionally breached the change-in-control agreement, has habitually neglected his or her duties, or has engaged in willful or reckless material misconduct in the performance of his or her duties. Good reason includes a material diminution in a named executive's base compensation, authority, duties, or responsibilities, a material change in the geographic location where the named executive performs services, or a material breach of the change-in-control agreement by Allstate. The principal severance benefits payable on post-change-in-control terminations include: pro-rated annual cash incentive awards and long-term cash incentive awards (all at target); a payment equal to three times the sum of the executive's base salary and target annual cash incentive award; the continuation of certain welfare benefits for the continuation coverage period at a cost not to exceed the amount paid by the named executive prior to termination; outplacement services; an enhanced retirement benefit consisting of an additional three years of service, age, and compensation; and reimbursement (on an after-tax basis) of any resulting excise taxes.

If a named executive's employment is terminated by reason of death or disability during the two-year period commencing on the date of a change-in-control, Allstate will pay the named executive or the named executive's estate a lump-sum cash amount equal to all amounts earned but unpaid, including any annual and long-term cash incentive awards, as of the termination date. In addition, in the event of death, the named executive's estate or beneficiary will be entitled to survivor and other benefits, including retiree medical coverage, if eligible, that are not less favorable than the most favorable benefits available to the estates or surviving families of peer executives of Allstate. In the event of disability, Allstate will pay disability and other benefits, including supplemental long-term disability benefits and retiree medical coverage, if eligible, that are not less favorable than the most favorable benefits available to disabled peer executives. If Allstate terminates a named executive's employment for cause, our sole obligation is to pay the named executive a lump-sum cash amount equal to all amounts earned and due to be paid, but unpaid, as of the termination date.

If a named executive incurs legal fees or other expenses in an effort to enforce the change-in-control agreement, Allstate will reimburse the named executive for these expenses unless it is established by a court that the named executive had no reasonable basis for the claim or acted in bad faith.

Effective upon a change-in-control, the named executives become subject to covenants prohibiting competition and solicitation of employees, customers, and suppliers at any time until one year after termination of employment.

The following table describes the estimated compensation or benefits that would be provided by Allstate Insurance Company or The Allstate Corporation to the named executives in the event of a change-in-control that exceed the compensation or benefits generally available to all salaried employees in each situation. The payment of the 2009 annual cash incentive award, the 2007-2009 long-term cash incentive award and

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any 2009 salary earned but not paid in 2009 due to Allstate's payroll cycle are not included in these tables because these amounts are payable to the named executives regardless of termination, death, or disability. Benefits and payments are calculated assuming a December 31, 2009, employment termination date or change-in-control.

Table of Contents**POTENTIAL PAYMENTS UPON CHANGE-IN-CONTROL⁽¹⁾**

Name	Change-in-Control Severance (\$)	Restricted		Non-Qualified Pension and Deferred Compensation (\$)	Welfare Benefits and Outplacement Services (\$)	Excise Tax Reimbursement and Tax Gross-Up(9) (\$)	Total (\$)
		Stock Options Unvested and Accelerated(8) (\$)	Stock Units Unvested and Accelerated(6) (\$)				
Mr. Wilson							
Immediately Payable Upon							
Change-in-Control	0	9,929,112	6,452,712	5,160,828(6)	0	0	21,542,652
Involuntary or Good Reason Termination		See footnote 4	See footnote 4	See footnote 7			
Death/Disability/For Cause Termination	11,687,780(2)	0	0	0	56,964(8)	0	11,744,744
	0	0	0	0	0	0	0
Mr. Civgin							
Immediately Payable Upon							
Change-in-Control	0	2,661,815	1,254,410	7,445(6)	0	0	3,923,670
Involuntary or Good Reason Termination		See footnote 4	See footnote 4	See footnote 7			
Death/Disability/For Cause Termination	3,585,506(2)	0	0	0	35,356(8)	2,049,990	5,670,852
	0	0	0	0	0	0	0
Ms. Greffin							
Immediately Payable Upon							
Change-in-Control	0	1,853,667	1,337,531	3,451,773(6)	0	0	6,642,971
Involuntary or Good Reason Termination		See footnote 4	See footnote 4	See footnote 7			
Death/Disability/For Cause Termination	4,685,500(2)	0	0	0	41,695(8)	2,098,183	6,825,378
	0	0	0	0	0	0	0
Ms. Mayes							
Immediately Payable Upon							
Change-in-Control	0	2,173,639	1,291,870	110,757(6)	0	0	3,576,266
Involuntary or Good Reason Termination		See footnote 4	See footnote 4	See footnote 7			
Death/Disability/For Cause Termination	3,583,201(2)	0	0	0	25,777(8)	1,875,220	5,484,198
	0	0	0	0	0	0	0
Mr. Ruebenson							
Immediately Payable Upon							
Change-in-Control	0	4,000,569	2,486,291	6,109,456(6)	0	0	12,596,316
Involuntary or Good Reason Termination		See footnote 4	See footnote 4	See footnote 7			
Death/Disability/For Cause Termination	7,290,520(2)	0	0	0	28,808(8)	3,448,171	10,767,499
	0	0	0	0	0	0	0

**Death/Disability/For
Cause Termination**

- (1) A "0" indicates that either there is no amount payable to the named executive or no amount payable to the named executive that is not made available to all salaried employees.
- (2) Change-in-control severance benefits upon an involuntary termination or termination for good reason contain the following elements:
- three times the named executive's base salary;
 - three times the named executive's annual cash incentive award calculated at target;
 - the named executive's pro-rata long-term cash incentive award for the 2008-2010 performance cycle calculated at target; and
 - a lump sum payment equal to the positive difference, if any, between: (a) the sum of the lump-sum values of each maximum annuity that would be payable to the named executive under any defined benefit plan (whether or not qualified under Section 401(a) of the Internal Revenue Code) if the named executive had: (i) become fully vested in all such benefits, (ii) attained as of the named executive's termination date an age that is three years greater than named executive's actual age, (iii) accrued a number of years of service that is three years greater than the number of years of service actually accrued by the named executive as of the named executive's termination date, and (iv) received a lump-sum severance benefit consisting of three times base salary, three times annual incentive cash compensation calculated at target, plus the 2009 annual incentive cash award as covered compensation in equal monthly installments during the three-year period following the named executive's termination date; and (b) the lump-sum values of the maximum annuity benefits vested and payable to the named executive under each defined benefit plan that is qualified under Section 401(a) of the Internal Revenue Code plus the aggregate amounts simultaneously or previously paid to the named executive under the defined benefit plans (whether or not qualified under Section 401(a)). The calculation of the lump sum amounts payable under this formula does not impact the benefits payable under the ARP, the SRIP, or Ms. Mayes' pension benefit enhancement. Ms. Mayes' pension benefit enhancement is described in the Retirement Benefits narrative.
- The change-in-control agreements provide that if the after-tax benefits of all change of control payments are less than 110% of the after-tax benefit of the safe harbor benefit amount, then the change-in-control benefits are to be reduced to the safe harbor benefit amount. The safe harbor benefit amount is the highest level of benefits that can be paid before which an excise tax under section 4999 of the Internal Revenue Code would apply. Mr. Wilson's change-in-control severance benefits were reduced by \$1,040,254 in accordance with the terms of the change-in-control agreement.
- (3) Stock option values are based on a December 31, 2009, market close price of \$30.04 per share of Allstate stock.

- (4) For purposes of this table, unvested stock options and restricted stock units, which would have been immediately payable upon a change-in-control regardless of termination of employment, were assumed to have been paid immediately prior to termination and are reflected in the "Immediately Payable Upon Change-in-Control" row.
- (5) The December 31, 2009, market close price of \$30.04 per share of Allstate stock was used to value the unvested and nonforfeitable restricted stock unit and restricted stock awards.
- (6) Within five business days after the effective date of a change-in-control, the named executives will receive a lump sum payment equal to the present value of the named executive's SRIP benefit, pension benefit enhancement, if applicable, and deferred compensation account balance. The present value of SRIP benefits earned through December 31, 2009, is based on the lump sum methodology (i.e., interest rate and mortality table) used by the Allstate pension plans in 2010, as required under the Pension Protection Act. Specifically, the interest rate for 2010 is based on 40% of the average August 30-year Treasury Bond rate from the prior year, and 60% of the average corporate bond segmented yield curve from August of the prior year. The mortality table for 2010 is the 2010 combined static Pension Protection Act funding mortality table with a blend of 50% males and 50% females, as published by the IRS. Refer to the Retirement Benefits section beginning on page 50 for a discussion of the SRIP benefit and pension benefit enhancement. See the Potential Payments Upon Termination table and the corresponding footnotes on pages 54-56 for a breakdown of the present value of the SRIP and pension benefit enhancements for Ms. Mayes. See the Non-Qualified Deferred Compensation at Fiscal Year-End 2009 table on page 53 for additional information on the Deferred Compensation Plan and information regarding the named executive's account balances as of December 31, 2009.

Footnotes continue

Table of Contents

- (7) For purposes of this table, the present value of non-qualified pension benefits earned through December 31, 2009, and the named executive's Deferred Compensation Plan account balance, if any, which would have been immediately payable upon a change-in-control regardless of termination of employment were assumed to have been paid immediately prior to termination upon the effective date of a change of control and are reflected in the "Immediately Payable Upon Change-in-Control" row.
- (8) The Welfare Benefits and Outplacement Services amount includes the cost to provide certain welfare benefits to the named executive and family during the period which the named executive is eligible for continuation coverage under applicable law. The amount shown reflects Allstate's costs for these benefits or programs assuming an 18-month continuation period. The value of outplacement services for Mr. Wilson is \$40,000 and \$20,000 for each other named executive officer.
- (9) Certain payments made as a result of a change in control are subject to a 20% excise tax imposed on the named executive by Section 4999 of the Code. The Excise Tax Reimbursement and Tax Gross-up is the amount Allstate would pay to the named executive as reimbursement for the 20% excise tax plus a tax gross-up for any taxes incurred by the named executive resulting from the reimbursement of such excise tax. The estimated amounts of reimbursement of any resulting excise taxes were determined without regard to the effect that restrictive covenants and any other facts and circumstances may have on the amount of excise taxes, if any, that ultimately might be payable in the event these payments were made to a named executive which is not subject to reliable advance prediction or a reasonable estimate.

Compensation Policies and Practices Risk Discussion

We have reviewed our compensation policies and practices, and believe that they are appropriately structured, that they are consistent with our key operating priority of keeping the company financially strong, and that they avoid providing incentives for employees to engage in unnecessary and excessive risk taking. As described in the Board Role in Risk Oversight section of the Corporate Governance Practices and Code of Ethics portion of this proxy statement, the Board and Audit Committee both play an important role in risk management oversight, including reviewing how management measures, evaluates, and manages the corporation's exposure to risks posed by a wide variety of events and conditions. In addition, the Compensation and Succession Committee employs an independent executive compensation consultant each year to assess Allstate's executive pay levels, practices, and overall program design.

Our compensation programs provide a balanced mix of cash and equity through annual and long-term incentives to align with short-term and long-term business goals. We utilize a full range of performance measures that we believe correlate to long-term shareholder value creation. Cash incentive awards are paid only after a review of executive and corporate performance. Our calculation of corporate income includes a quarterly re-estimation of property-liability reserves. As a result, to a significant extent, if we under-estimate or over-estimate losses in a given year, income and annual cash incentives will be impacted in the following year. Furthermore, to ensure our compensation programs do not motivate imprudent risk taking, awards made after May 19, 2009, under the 2009 Equity Incentive Plan and awards made beginning in 2010 under the Annual Executive Incentive Plan are subject to clawback in the event of certain financial restatements.

Performance Measures

Information regarding our performance measures is disclosed in the limited context of our annual and long-term cash incentive awards and should not be understood to be statements of management's expectations or estimates of results or other guidance. We specifically caution investors not to apply these statements to other contexts.

The following are descriptions of the performance measures used for our annual cash incentive awards for 2009 and our long-term cash incentive awards for the 2007-2009 cycle. These measures are not GAAP measures. They were developed uniquely for incentive compensation purposes and are not reported items in our financial statements. Some of these measures use non-GAAP measures and operating measures. The Committee has approved the use of non-GAAP and operating measures when appropriate to drive executive focus on particular strategic, operational, or financial factors or to exclude factors over which our executives have little influence or control, such as capital market

conditions.

Annual Cash Incentive Awards for 2009

Operating Income: This measure is used to assess financial performance. This measure is equal to net income adjusted to exclude the after tax effects of the items listed below:

Realized capital gains and losses (which includes the related effect on the amortization of deferred acquisition and deferred sales inducement costs) except for periodic settlements and accruals on certain non-hedge derivative instruments, which are reported with realized capital gains and losses but included in Operating Income.

Gains and losses on disposed operations.

Adjustments for other significant non-recurring, infrequent, or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years or (b) there has been no similar charge or gain within the prior two years.

Table of Contents

Corporate Measures

Adjusted Operating Income Per Diluted Share: This measure is used to assess financial performance. The measure is equal to net income adjusted to exclude the after-tax effects of the items listed below, divided by the weighted average shares outstanding on a diluted basis:

Realized capital gains and losses (which includes the related effect on the amortization of deferred acquisition and deferred sales inducement costs) except for periodic settlements and accruals on certain non-hedge derivative instruments, which are reported with realized capital gains and losses but included in Operating Income, and equity method of accounting income from limited partnership interests to be consistent with the incentive goals.

Gains and losses on disposed operations.

Adjustments for other significant non-recurring, infrequent, or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years or (b) there has been no similar charge or gain within the prior two years.

Restructuring and related charges.

Effects of acquiring businesses.

Negative operating results of sold businesses.

Underwriting results of the Discontinued Lines and Coverages segment.

Any settlement, awards, or claims paid as a result of lawsuits and other proceedings brought against Allstate subsidiaries regarding the scope and nature of coverage provided under insurance policies issued by such companies.

Identifiable effects of the adopted accounting standard for other-than-temporary impairments to be consistent with incentive goals.

Adjusted Net Income: This measure is used to assess financial performance. The measure is equal to net income adjusted to exclude the after-tax effects of the items listed below:

Gains and losses on disposed operations.

Adjustments for other significant non-recurring, infrequent, or unusual items, when (a) the nature of the charge or gain is such that it is reasonably unlikely to recur within two years or (b) there has been no similar charge or gain within the prior two years.

Restructuring and related charges.

Effects of acquiring businesses.

Negative operating results of sold businesses.

Underwriting results of Discontinued Lines and Coverages segment.

Any settlement, awards, or claims paid as a result of lawsuits and other proceedings brought against Allstate subsidiaries regarding the scope and nature of coverage provided under insurance policies issues by such companies.

Identifiable effects of the adopted accounting standard for other-than-temporary impairments to be consistent with incentive goals.

Allstate Protection Measures

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Financial Product Sales ("Production Credits"): This measure of sales and related profitability of proprietary and non-proprietary financial products sold through the Allstate Exclusive Agency channel is used by management to assess the execution of our financial services strategy. This measure is calculated as the total amount of production credits for current year transactions. Production credits are an internal sales statistic calculated as a percent of premium or deposits to life insurance, annuities, or mutual funds which vary based on the expected profitability of the specific financial product.

Growth and Profit Matrix: A matrix used by management that combines financial measures in order to emphasize a balanced approach to premium growth and profit. The matrix utilizes (a) the percent increase in Allstate Protection premiums written, excluding the cost of catastrophe reinsurance and excluding premiums written for personal property insurance in catastrophe prone markets and (b) the Allstate Protection combined ratio adjusted to exclude the effect of restructuring and related charges. For disclosure of Allstate Protection premiums written and combined ratio, see the discussion of the Allstate Protection segment in Management's Discussion and Analysis of Financial Condition and Results of Operations in this booklet.

Table of Contents

Allstate Financial Measures

Adjusted Operating Income: This is a measure management uses to assess the profitability of the business. The Allstate Financial segment measure, operating income, is adjusted to include equity method of accounting income from limited partnership interests to be consistent with the incentive goals, and to exclude the after tax effects of restructuring and related charges, the potential amount by which 2009 guaranty fund assessments related to insured solvencies exceed \$6 million, and the identifiable effects of the adopted accounting standard for other-than-temporary impairments to be consistent with incentive goals. For disclosure of the Allstate Financial segment measure see footnote 18 to our audited financial statements.

Financial Product Sales ("Production Credits"): See definition under "Allstate Protection Measures," above.

Total Return: Total return is principally determined using industry standards and the same sources used in preparing the financial statements to determine fair value. (See footnotes to our audited financial statements for our methodologies for estimating the fair value of our investments.) In general, total return represents the increase or decrease, expressed as a percentage, in the value of the portfolio over a one-year period. Time weighted returns are used.

Allstate Financial Total Return: Total return for Allstate Financial investments, including those held in certain subsidiaries, such as Allstate Life Insurance Company of New York. Allstate Financial Total Return includes derivatives and excludes the identifiable effects of the adopted accounting standard for other-than-temporary impairments to be consistent with incentive goals.

Allstate Investments Measures

Investment Income Measures: Management uses the two following measures to assess the one year financial operating performance provided from investments relative to internal goals. Both measures exclude the identifiable effects of the adopted accounting standard for other-than-temporary impairments to be consistent with incentive goals.

Allstate Consolidated Net Interest and Dividends consists of the reported 2009 net investment income in the consolidated financial statements including amounts for the equity method of accounting income from limited partnership interests to be consistent with the incentive goals and adjusting investment expenses to exclude the difference between actual expenses and expenses used to determine incentive goals for certain employee benefit and incentive expenses.

Allstate Consolidated Net Investment Income, including Realized Capital Gains and Losses incorporates Net Interest and Dividends, as defined above, in addition to realized capital gains and losses. It does not include unrealized capital gains and losses.

Deployable Capital Measures

Portfolio Total Return: Management uses the three following measures to assess the value of active portfolio management relative to internal goals. Total return is principally determined using industry standards and the same sources used in preparing the financial statements to determine fair value. (See footnotes to our audited financial statements for our methodologies for estimating the fair value of our investments.) In general, total return represents the increase or decrease, expressed as a percentage, in the value of the portfolio over a one-year period. Time weighted returns are utilized. Property Liability Total Return and Allstate Financial Total Return exclude the identifiable effects of the adopted accounting standard for other-than-temporary impairments to be consistent with incentive goals. The specific measures and investments included are listed below:

Property Liability Total Return: Total return for Property-liability investments including investments held in certain subsidiaries, such as New Jersey and Florida subsidiaries.

Allstate Financial Total Return: See definition under "Allstate Financial Measures," above.

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Allstate Pension Plans Total Return: Total return for the Allstate Retirement Plan and Agent Pension Plan investments.

Long-Term Cash Incentive Awards

Average Adjusted Return on Equity Relative to Peers: This measure is used to assess Allstate's financial performance against its peers. It is calculated as Allstate's ranked position relative to the insurance company peer group based upon three-year average adjusted return on equity, calculated on the same basis for Allstate and

Table of Contents

each of the peer insurance companies. Three-year average adjusted return on equity is the sum of the annual adjusted return on equity for each of the three years in the cycle divided by three. The annual adjusted return on equity is calculated as the ratio of net income divided by the average of shareholders' equity at the beginning and at the end of the year after excluding the component of accumulated other comprehensive income for unrealized net capital gains and losses.

Allstate Financial Return on Total Capital: This is a measure management uses to measure the efficiency of capital utilized in the business. Three-year Allstate Financial return on total capital is the sum of the annual adjusted return on subsidiaries' shareholder's equity for each of the three years divided by three. The annual adjusted return on subsidiaries' shareholder's equity is the Allstate Financial measure, operating income, divided by the average subsidiaries' shareholder's equity at the beginning and at the end of the year. The subsidiaries' shareholder's equity is the sum of the subsidiaries' shareholder's equity for Allstate Life Insurance Company, Allstate Bank, American Heritage Life Investment Corporation, and certain other minor entities, adjusted to exclude the loan protection business and excluding the component of accumulated other comprehensive income for unrealized net capital gains. (See note 18 to our audited financial statements for Allstate Financial net income.)

Allstate Protection Growth in Policies in Force Over Three-Year Cycle: This is a measure used by management to assess growth in the number of policies in force, which is a driver of premiums written. The measure is calculated as the sum of the percent increase in each of the three years in the total number of policies in force at the end of the year over the beginning of the year. The measure excludes property insurance, Allstate Motor Club, and the loan protection business and includes Allstate Canada.

Table of Contents*Security Ownership of Directors and Executive Officers*

The following table shows the number of shares of Allstate common stock beneficially owned by each director and named executive officer individually, and by all executive officers and directors of Allstate as a group. Shares reported as beneficially owned include shares held indirectly through the Allstate 401(k) Savings Plan and other shares held indirectly, as well as shares subject to stock options exercisable on or prior to May 9, 2010, and restricted stock units for which restrictions expire on or prior to May 9, 2010. The percentage of Allstate shares of common stock beneficially owned by any Allstate director or nominee or by all directors and executive officers of Allstate as a group does not exceed 1%. The following share amounts are as of March 10, 2010. As of March 10, 2010, none of these shares were pledged as security.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership of Allstate Common Stock (a)	Common Stock Subject to Options Exercisable and Restricted Stock Units for which restrictions expire on or prior to May 9, 2010 Included in Column (a) (b)
F. Duane Ackerman	53,021	31,000
Robert D. Beyer	56,233	6,667
Don Civgin	67,054	66,625
W. James Farrell	39,308	29,329
Jack M. Greenberg	27,500	25,000
Judith P. Greffin	237,931	227,788
Ronald T. LeMay	36,500	31,000
Michele C. Mayes	132,391	127,186
Andrea Redmond	0	0
H. John Riley, Jr.	63,426	31,000
George Ruebenson	347,018	327,325
Joshua I. Smith	29,365	23,999
Judith A. Sprieser	32,244	31,000
Mary Alice Taylor	49,280	31,000
Thomas J. Wilson	1,631,143	1,451,656
All directors and executive officers as a group	4,203,608	3,702,996

Table of Contents*Security Ownership of Certain Beneficial Owners*

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Common	Northern Trust Corporation 50 S. LaSalle Street Chicago, IL 60675	31,832,678 ⁽¹⁾	5.93%

(1)

As of December 31, 2009. Held by Northern Trust Corporation together with certain subsidiaries (collectively "Northern"). Of such shares, Northern held 2,664,799 with sole voting power; 29,089,780 with shared voting power; 5,912,264 with sole investment power; and 2,560,818 with shared investment power. 23,700,047 of such shares were held by The Northern Trust Company as trustee on behalf of participants in Allstate's 401(k) Savings Plan. Information is provided for reporting purposes only and should not be construed as an admission of actual beneficial ownership.

Audit Committee Report

Deloitte & Touche LLP ("Deloitte") was Allstate's independent registered public accountant for the year ended December 31, 2009.

The Audit Committee has reviewed and discussed with management the audited financial statements for the fiscal year ended December 31, 2009.

The committee has discussed with Deloitte the matters required to be discussed by the statement of Auditing Standards No. 114 (The Auditor's Communication with Those Charged with Governance) (formerly, Auditing Standards No. 61, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380) as adopted by the Public Company Accounting Oversight Board in Rule 3200T).

The committee has received the written disclosures and the letter from Deloitte required by applicable requirements of the Public Company Accounting Oversight Board regarding Deloitte's communications with the committee concerning independence and has discussed with Deloitte its independence.

Based on these reviews and discussions and other information considered by the committee in its judgment, the committee recommended to the Board of Directors that the audited financial statements be included in Allstate's annual report on Form 10-K for the fiscal year ended December 31, 2009, for filing with the Securities and Exchange Commission and furnished to stockholders with this Notice of Annual Meeting and Proxy Statement.

Judith A. Sprieser (Chair)

F. Duane Ackerman	Joshua I. Smith
Jack M. Greenberg	Mary Alice Taylor
Ronald T. LeMay	

Table of Contents

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires Allstate's executive officers, directors, and persons who beneficially own more than ten percent of Allstate's common stock to file reports of securities ownership and changes in such ownership with the SEC.

Based solely upon a review of copies of such reports or written representations that all such reports were timely filed, Allstate believes that each of its executive officers, directors, and greater than ten-percent beneficial owners complied with all Section 16(a) filing requirements applicable to them during 2009.

Related Person Transactions

The Nominating and Governance Committee of Allstate's Board has adopted a written policy regarding the review, approval, or ratification of transactions with related persons. It is available on the Corporate Governance portion of allstate.com. In accordance with the policy, the committee or the committee chair reviews transactions with the corporation in which the amount involved exceeds \$120,000 and in which any "related person" had, has, or will have a direct or indirect material interest. In general, "related persons" are directors, executive officers, their immediate family members, and stockholders beneficially owning five percent or more of our outstanding stock. The committee or chair approves or ratifies only those transactions that are in, or not inconsistent with, the best interests of the corporation and its stockholders. Transactions are reviewed and approved or ratified by the chair when it is not practicable or desirable to delay review of a transaction until a committee meeting. The chair reports to the committee any transactions so approved. Annually, the committee will review any previously approved or ratified related person transactions that remain ongoing. There were no related person transactions identified for 2009.

Stockholder Proposals for Year 2011 Annual Meeting

Proposals which stockholders intend to be included in Allstate's proxy material for presentation at the 2011 annual meeting of stockholders must be received by the Office of the Secretary, The Allstate Corporation, 2775 Sanders Road, Suite A3, Northbrook, Illinois 60062-6127 by December 2, 2010, and must otherwise comply with rules promulgated by the Securities and Exchange Commission in order to be eligible for inclusion in the proxy material for the 2011 annual meeting.

If a stockholder desires to bring a matter before the meeting which is not the subject of a proposal meeting the SEC proxy rule requirements for inclusion in the proxy statement, the stockholder must follow procedures outlined in Allstate's bylaws in order to personally present the proposal at the meeting. A copy of these procedures is available upon request from the Office of the Secretary or can be accessed on Allstate's website, allstate.com. One of the procedural requirements in the bylaws is timely notice in writing of the business the stockholder proposes to bring before the meeting. Notice of business proposed to be brought before the 2011 annual meeting must be received by the Office of the Secretary no earlier than January 18, 2011, and no later than February 17, 2011. Among other things described fully in the bylaws, the notice must describe the business proposed to be brought before the meeting, the reasons for conducting the business at the meeting, and any material interest of the stockholder in the business. It should be noted that these bylaw procedures govern proper submission of business to be put before a stockholder vote at the annual meeting.

Table of Contents

Proxy Solicitation

Officers and other employees of Allstate and its subsidiaries may solicit proxies by mail, personal interview, telephone, facsimile, electronic means, or via the Internet. None of these individuals will receive special compensation for these services, which will be performed in addition to their regular duties, and some of them may not necessarily solicit proxies. Allstate has also made arrangements with brokerage firms, banks, record holders, and other fiduciaries to forward proxy solicitation materials for shares held of record by them to the beneficial owners of such shares. Allstate will reimburse them for reasonable out-of-pocket expenses. Georgeson Inc., 17 State Street, New York, NY 10004 has been retained to assist in the solicitation of proxies for a fee not to exceed \$26,000 plus expenses. Allstate will pay the cost of all proxy solicitation.

By order of the Board,

Mary J. McGinn
Secretary

Dated: April 1, 2010

65

Table of Contents

Appendix A

POLICY REGARDING PRE-APPROVAL OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANT'S SERVICES

Purpose and Applicability

The Audit Committee recognizes the importance of maintaining the independent and objective stance of our Independent Registered Public Accountant. We believe that maintaining independence, both in fact and in appearance, is a shared responsibility involving management, the Audit Committee, and the Independent Registered Public Accountant.

The Committee recognizes that the Independent Registered Public Accountant possess a unique knowledge of the Corporation and its subsidiaries and can provide necessary and valuable services to the Corporation in addition to the annual audit. The provision of these services is subject to three basic principles of auditor independence: (i) auditors cannot function in the role of management, (ii) auditors cannot audit their own work; and (iii) auditors cannot serve in an advocacy role for their client. Consequently, this policy sets forth guidelines and procedures to be followed by this Committee when approving services to be provided by the Independent Registered Public Accountant.

Policy Statement

Audit Services, Audit-Related Services, Tax Services, Other Services, and Prohibited Services are described in the attached appendix. All services to be provided by the Independent Registered Public Accountant must be approved by the Audit Committee or the Chair of the Audit Committee. Neither the Audit Committee nor the Chair will approve the provision of any Prohibited Services by the Independent Registered Public Accountant.

Procedures

In connection with the approval by the Audit Committee of the engagement of the Independent Registered Public Accountant to provide Audit Services for the upcoming fiscal year, the Independent Registered Public Accountant will submit to the Committee for approval schedules detailing all of the specific proposed Audit, Audit-Related, Tax, and Other Services, together with estimated fees for such services that are known as of that date. Subsequent to the Audit Committee's approval of audit engagement, Corporation management may submit to the Committee or the Chair for approval schedules of additional specific proposed Audit, Audit-Related, Tax, and Other Services that management recommends be provided by the Independent Registered Public Accountant during the audit and professional engagement period. Regardless of when proposed to the Committee or the Chair, each specific service will require approval by the Committee or the Chair before commencement of the specified service. The Independent Registered Public Accountant will confirm to the Committee or the Chair that each specific proposed service is permissible under applicable regulatory requirements.

Prior to approval of any specific Tax Service, the Independent Registered Public Accountant shall also provide to the Committee or the Chair a written description of (i) the scope of the service and the related fee structure, (ii) any side letter or other agreement between the Independent Registered Public Accountant and the Corporation or any subsidiary regarding the service, and (iii) any compensation arrangement or other agreement between the Independent Accountant and any person with respect to promoting, marketing, or recommending a transaction covered by the service.

Delegation to Chair

In addition to the Audit Committee, the Chair of the Audit Committee has the authority to grant approvals of services to be provided by the Independent Registered Public Accountant. The decisions of the Chair to approve services shall be reported to the Audit Committee at each of its regularly scheduled meetings.

Review of Services

At each regularly scheduled Audit Committee meeting, the Audit Committee shall review a report containing (i) a summary of any services approved by the Chair since the Committee's last regularly scheduled meeting and (ii) an updated projection for the current fiscal year, presented in a manner consistent with the proxy disclosure requirements, of the estimated annual fees to be paid to the Independent Registered Public Accountant.

Table of Contents

Appendix

Audit Services

1. Annual financial statement audit
2. Review of quarterly financial statements
3. Statutory audits
4. Attestation report on management's assessment of internal controls over financial reporting
5. Consents, comfort letters, and reviews of documents filed with the Securities and Exchange Commission

Audit-Related Services

1. Accounting consultations relating to accounting standards, financial reporting, and disclosure issues
2. Due diligence assistance pertaining to potential acquisitions, dispositions, mergers, and securities offerings
3. Financial statement audits and attest services for non-consolidated entities including employees benefit and compensation plans

Tax Services

1. Domestic and international tax compliance, planning, and advice
2. Expatriate tax assistance and compliance

Other Services

Any service that is not a Prohibited Service, Audit Service, Audit-Related Service, or Tax Service

Prohibited Services

The following services, as more fully described in Regulation S-X, Rule 2-01, of the Securities and Exchange Commission, are Prohibited Services; provided however, that the services described in items 1 through 5 are not Prohibited Services if it is reasonable to conclude that the results of such services will not be subject to audit procedures during an audit of the Corporation's financial statements:

1. Bookkeeping or other services related to the accounting records or financial statements
2. Financial information systems design and implementation
- 3.

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Appraisal or valuation services, fairness opinions, or contribution-in-kind reports

4. Actuarial services
5. Internal audit outsourcing services
6. Management functions or human resources
7. Broker or dealer, investment adviser, or investment banking services
8. Legal services and expert services unrelated to the audit
9. Any other services that the PCAOB determines, by regulation, to impair independence

A-2

Table of Contents*Appendix B***Executive Officers**

The following table sets forth the names of our executive officers and their positions. "AIC" refers to Allstate Insurance Company.

Name	Principal Positions and Offices Held
Thomas J. Wilson	Chairman of the Board, President, and Chief Executive Officer of The Allstate Corporation and of AIC. Mr. Wilson is also a director of The Allstate Corporation.
Catherine S. Brune	Senior Vice President of AIC (Chief Information Officer).
Don Civgin	Senior Vice President and Chief Financial Officer of The Allstate Corporation and of AIC.
Frederick F. Cripe	Senior Vice President of AIC.
James D. DeVries	Senior Vice President of AIC (Human Resources).
Judith P. Greffin	Senior Vice President and Chief Investment Officer of AIC.
Joseph P. Lacher	President Allstate Protection Senior Vice President of AIC.
Mark R. LaNeve	Senior Vice President and Chief Marketing Officer of AIC.
Michele C. Mayes	Senior Vice President and General Counsel of The Allstate Corporation and Senior Vice President, General Counsel, and Assistant Secretary of AIC (Chief Legal Officer).
Samuel H. Pilch	Controller of The Allstate Corporation and Group Vice President and Controller of AIC.
Joseph J. Richardson	Senior Vice President of AIC (Allstate Protection Distribution).
Michael J. Roche	Senior Vice President of AIC (Claims).
Steven P. Sorenson	Senior Vice President of AIC (Allstate Protection Product Operations).
Joan H. Walker	Senior Vice President of AIC (Corporate Relations).
Matthew E. Winter	President and Chief Executive Officer Allstate Financial Senior Vice President of AIC.

B-1
