BOSTON SCIENTIFIC CORP
Form SC TO-C
March 27, 2007

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

SCHEDULE TO
(Rule 13e-4)
TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)
OF THE SECURITIES EXCHANGE ACT OF 1934
BOSTON SCIENTIFIC CORPORATION
(Name Of Subject Company (Issuer) Name of Filing Person (Offeror))

Common Stock, Par Value $0.01 Per Share
(Title of Class of Securities)

10113707
(CUSIP Number of Class of Securities)

Lawrence J. Knopf, Esq.
Boston Scientific Corporation
One Boston Scientific Place
Natick, MA 01760-1537
(Name, address, and telephone number of person authorized to receive notices and communications on behalf of filing persons)

CALCULATION OF FILING FEE

Transaction Valuation*	**Amount of Filing fee***
Not applicable	Not applicable

* No filing fee is required because this filing contains only preliminary communications made before the commencement of a tender offer.

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

Amount Previously Paid: Not applicable	Filing Party: Not applicable
Form or Registration No.: Not applicable	Date Filed: Not applicable

þ Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

Check the appropriate boxes below to designate any transactions to which the statement relates:

o third-party tender offer subject to Rule 14d-1.

o issuer tender offer subject to Rule 13e-4.

o going-private transaction subject to Rule 13e-3.

o amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer: o

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Natick, Massachusetts
March 27, 2007

Dear Boston Scientific Stockholder:

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

This year you are being asked to:

re-elect four existing directors;

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

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

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

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

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

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

These matters are more fully described in the accompanying Notice of Annual Meeting and Proxy Statement.

Our Board of Directors urges you to read the accompanying Proxy Statement and recommends that you vote FOR all of the director nominees, the amendments to our Certificate of Incorporation and Bylaws declassifying the Board of Directors, the amendments to our Certificate of Incorporation and Bylaws increasing the maximum size of the Board from 15 to 20 directors, the stock option exchange program for Boston Scientific employees and the ratification of the appointment of Ernst & Young LLP as our independent auditors and AGAINST the stockholder proposal regarding executive stock retention guidelines.

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

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

Thank you for your cooperation.

Very truly yours,

Pete M. Nicholas
Chairman of the Board

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Natick, Massachusetts
March 27, 2007

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

(1) To re-elect four existing Class III directors to serve until our 2010 Annual Meeting of Stockholders; provided, however, that if the amendments to our Certificate of Incorporation and Bylaws declassifying the Board of Directors as described below are approved, their term will expire at the 2008 Annual Meeting of Stockholders;

(2) To approve amendments to our Certificate of Incorporation and Bylaws that would declassify the Board of Directors;

(3) To approve amendments to our Certificate of Incorporation and Bylaws that would increase the maximum size of our Board of Directors from 15 to 20 directors;

(4) To approve a stock option exchange program for employees (excluding our executive officers and directors) providing for the exchange of stock options previously granted under our stock plans with an exercise price of $25.00 or more per share for a deferred stock unit (DSU) award (of a smaller number of DSUs than the number of exchanged stock options);

(5) To vote upon a stockholder proposal requiring executive stock retention guidelines;

(6) To ratify the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2007; and

(7) To transact such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

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

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

By Order of the Board of Directors

Paul W. Sandman
Secretary

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One Boston Scientific Place
Natick, Massachusetts 01760

March 27, 2007

PROXY STATEMENT

INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

The Annual Meeting

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

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

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

What do I need to bring to the Annual Meeting?

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

What constitutes a quorum at the meeting?

The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of our common stock outstanding on March 9, 2007, the record date, will constitute a quorum for purposes of the Annual Meeting. As of March 9, 2007, 1,482,247,955 shares of Boston Scientific common stock were outstanding, with each share

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

How do I vote by proxy?

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

(1) ***FOR*** the re-election of each of the four existing director nominees;

(2) ***FOR*** the amendments to our Certificate of Incorporation and Bylaws to declassify the Board of Directors;

(3) ***FOR*** the amendments to our Certificate of Incorporation and Bylaws to increase the maximum size of the Board from 15 to 20 directors;

(4) ***FOR*** the stock option exchange program for Boston Scientific employees (excluding our executive officers and directors);

(5) ***AGAINST*** the stockholder proposal requiring executive stock retention guidelines; and

(6) ***FOR*** the ratification of the appointment of Ernst & Young LLP as our independent auditors for the fiscal year ending December 31, 2007.

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

Can I vote by telephone or electronically?

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

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

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

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

At this time, New York Stock Exchange rules allow your broker to vote your shares with respect to the election of directors and the ratification of our independent auditors, even if it does not receive instructions from you, so long as it holds your shares in its name. There are, however, certain matters with respect to which brokers do not have discretionary authority. These include the proposals to declassify the Board of Directors, increase the size of the Board of Directors, approve the stock option exchange program for Boston Scientific employees and adopt executive stock retention guidelines. If you do not instruct your broker how to vote with respect to these items, your broker may not vote FOR or AGAINST those proposals, but rather those votes will be considered broker non-votes. Shares represented by broker non-votes will, however, be counted in determining whether there is a quorum.

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

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

mail a written notice revoking your earlier vote to our transfer agent, Mellon Investor Services LLC, Proxy Processing, P.O. Box 3510, South Hackensack, NJ 07606-9210;

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

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

vote in person at the Annual Meeting.

The last dated proxy or vote cast will be counted.

How do I vote in person?

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

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

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

Who is our transfer agent?

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

What vote is required to approve each proposal?

(1) For the Election of Directors. With respect to Proposal 1, the four nominees for director receiving the most votes from those shares present or represented at the Annual Meeting will be elected. If you do not vote for a particular nominee, or you withhold authority for one or all nominees, your vote will be counted for purposes of determining whether there is a quorum, but will not count either for or against the nominee.

(2) For the Declassification of the Board of Directors and the Increase in the Size of the Board. With respect to Proposals 2 and 3, the affirmative vote of eighty percent (80%) of our outstanding shares is required to approve the amendments to our Certificate of Incorporation and Bylaws which would provide for the declassification of our Board of Directors and an increase in the maximum size of our Board of Directors.

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

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

Is voting confidential?

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

How is the Company soliciting proxies?

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

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PROPOSALS TO BE VOTED UPON

Proposal 1: Re-Election of Existing Directors.

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

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

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

Name	
Ursula M. Burns Age 48 Director since 2002	Ursula M. Burns is President of Business Group Operations and Corporate Senior Vice President of Xerox Corporation. Ms. Burns joined Xerox in 1980, subsequently advancing through several engineering and management positions. Ms. Burns served as Vice President and General Manager, Departmental Business Unit from 1997 to 1999, Senior Vice President, Worldwide Manufacturing and Supply Chain Services from 1999 to 2000, Senior Vice President, Corporate Strategic Services from 2000 to October 2001 and President of Document Systems and Solutions Group until her most recent appointment in January 2003. She serves on the boards of directors of American Express Corporation, the National Association of Manufacturers, the FIRST (For Inspiration and Recognition of Science and Technology) Foundation and the Rochester Business Alliance and is a Trustee of the University of Rochester. Ms. Burns earned a B.S. degree from Polytechnic Institute of New York and an M.S. degree in mechanical engineering from Columbia University.
Marye Anne Fox Age 59 Director since 2001	Marye Anne Fox has been Chancellor of the University of California, San Diego and Distinguished Professor of Chemistry since August 2004. Prior to that, she served as Chancellor of North Carolina State University and Distinguished University Professor of Chemistry from 1998 to 2004. From 1976 to 1998, she was a member of the faculty at the University of Texas, where she taught chemistry and held the Waggoner Regents Chair in Chemistry from 1991 to 1998. She served as the University s Vice President for Research from 1994 to 1998. Dr. Fox is the Co-Chair of the National Academy of Sciences Government-University-Industry Research Roundtable and serves on President Bush s Council of Advisors on Science and Technology. She has served as the Vice

Chair of the National Science Board. She also serves on the boards of a number of other scientific, technological and civic organizations, and is a member of the boards of directors of Red Hat Corp., Pharmaceutical Product Development, Inc., Burroughs-Wellcome Fund, W.R. Grace Co. and the Camille and Henry Dreyfus Foundation. She has been honored by a wide range of educational and professional organizations, and she has authored more than 350 publications, including five books. Dr. Fox holds a B.S. in Chemistry from Notre Dame College, an M.S. in Organic Chemistry from Cleveland State University, and a Ph.D. in Organic Chemistry from Dartmouth College.

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

N.J. Nicholas, Jr Age 67 Director since 1994	N.J. Nicholas, Jr. is a private investor. Previously, he served as President of Time, Inc. from September 1986 to May 1990 and Co-Chief Executive Officer of Time Warner, Inc. from May 1990 until February 1992. Mr. Nicholas is a director of Xerox Corporation and Time Warner Cable, Inc. He has served as a director of Turner Broadcasting and a member of the President s Advisory Committee for Trade Policy and Negotiations and the President s Commission on Environmental Quality. Mr. Nicholas is Chairman of the Board of Trustees of Environmental Defense and a member of the Council on Foreign Relations. Mr. Nicholas received an A.B. degree from Princeton University and an M.B.A. degree from Harvard Business School. He is also the brother of Pete Nicholas, Chairman of the Board.
John E. Pepper Age 68 Director since 2003	John E. Pepper has been a Director of Boston Scientific since 2003 and he previously served as a director of Boston Scientific from November 1999 to May 2001. Mr. Pepper is the Chief Executive Officer and director of the National Underground Railroad Freedom Center. Previously he served as Vice President for Finance and Administration of Yale University from January 2004 to December 2005. Prior to that, he served as Chairman of the executive committee of the board of directors of The Procter & Gamble Company until December 2003. Since 1963, he served in various positions at Procter & Gamble, including Chairman of the Board from 2000 to 2002, Chief Executive Officer and Chairman from 1995 to 1999, President from 1986 to 1995 and director since 1984. Mr. Pepper is Chairman of the board of directors of The Walt Disney Company, and is a member of the executive committee of the Cincinnati Youth Collaborative. Mr. Pepper graduated from Yale University in 1960 and holds honorary doctoral degrees from Yale University, The Ohio State University, Xavier University, Mount St. Joseph College and St. Petersburg University (Russia).

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

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The following directors hold the Company s remaining Board seats:

Class I Directors (Term Expires 2008)

Nancy-Ann DeParle Age 50 Director since 2006	Nancy-Ann DeParle has been a Director of Boston Scientific since our acquisition of Guidant in April 2006. Since August 2006, Ms. DeParle has been a Managing Director of CCMP Capital Advisors, LLC. Previously, she had been a Senior Advisor for JP Morgan Partners and an Adjunct Professor at The Wharton School of the University of Pennsylvania from 2000 to 2006, and prior to that she served as the Administrator of the Health Care Financing Administration (HCFA) (now the Centers for Medicare and Medicaid Services) from 1997 to 2000. Prior to her role at HCFA, Ms. DeParle was the Associate Director for Health and Personnel at the White House Office of Management and Budget and served as commissioner of the Tennessee Department of Human Services. She also has worked as a lawyer in private practice in Nashville, Tennessee and Washington, DC. Ms. DeParle is a director of Cerner Corporation, DaVita Inc. and Triad Hospitals, Inc. Ms. DeParle is a trustee of the Robert Wood Johnson Foundation and serves on the Medicare Payment Advisory Commission. Ms. DeParle received a B.A. degree from the University of Tennessee, a J.D. from Harvard Law School, and B.A. and M.A. degrees in Politics and Economics from Balliol College of Oxford University, where she was a Rhodes Scholar.
Ray J. Groves Age 71 Director since 1999	From 2001 to 2005, Ray J. Groves served in various roles at Marsh Inc., including President, Chairman and Senior Advisor, and is a former member of the board of directors of its parent company, Marsh & McLennan Companies, Inc. He served as Chairman of Legg Mason Merchant Banking, Inc. from 1995 to 2001. Mr. Groves served as Chairman and Chief Executive Officer of Ernst & Young for 17 years until his retirement in 1994. Mr. Groves currently serves as a member of the boards of directors of Electronic Data Systems Corporation, Overstock.com and the Colorado Physicians Insurance Company. Mr. Groves is a member of the Council on Foreign Relations. He is a former member of the Board of Governors of the American Stock Exchange and the National Association of Securities Dealers. Mr. Groves is former Chairman of the board of directors of the American Institute of Certified Public Accountants. He is a member and former Chair of the board of directors of The Ohio State University Foundation and a member of the Dean s Advisory Council of the Fisher College of Business. He is a former member of the Board of Overseers of The Wharton School of the University of Pennsylvania and served as the Chairman of its Center for the Study of the Service Sector. Mr. Groves is a managing director of the Metropolitan Opera Association and a director of the Collegiate Chorale. Mr. Groves received a B.S. degree from The Ohio State University.
Pete M. Nicholas Age 65 Director since 1979	Pete M. Nicholas, a co-founder of Boston Scientific, has been Chairman of the Board since 1995. He served as our Chief Executive Officer from 1979 to March 1999 and Co-Chairman of the Board from 1979 to 1995. Prior to joining Boston Scientific, he was corporate director of marketing and general manager of the Medical Products Division at Millipore Corporation, a medical device company, and served in various sales, marketing and general management positions at Eli

Lilly and Company. He is currently Chairman Emeritus of the Board of Trustees of Duke University. Mr. Nicholas is also a Fellow of the National Academy of Arts and Sciences and a member of the Trust for that organization. He has also served on several for profit and not-for-profit boards. Mr. Nicholas is a member of the Massachusetts Business Roundtable, Massachusetts Business High Technology Council, CEOs for Fundamental Change in Education and the Boys and Girls Club of Boston. After college, Mr. Nicholas served as an officer in the U.S. Navy, resigning his commission as lieutenant in 1966. Mr. Nicholas received a B.A. degree from Duke University, and an M.B.A. degree from The Wharton School of the University of Pennsylvania. He is also the brother of N.J. Nicholas, Jr., one of our directors.

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Class I Directors (Term Expires 2008) (continued)

Warren B. Rudman Age 76 Director since 1999	Senator Warren B. Rudman has been Of Counsel to the international law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP since January 2003. Previously, he was a partner of that firm since 1992. Prior to joining the firm, he served two terms as a U.S. Senator from New Hampshire from 1980 to 1992. He serves on the boards of directors of Collins & Aikman Corporation and several funds managed by the Dreyfus Corporation. He is the founding co-chairman of the Concord Coalition. Senator Rudman received a B.S. from Syracuse University and an LL.B. from Boston College Law School and served in the U.S. Army during the Korean War.
James R. Tobin Age 62 Director since 1999	James R. Tobin is our President and Chief Executive Officer. Prior to joining Boston Scientific in March 1999, Mr. Tobin served as President and Chief Executive Officer of Biogen, Inc. from 1997 to 1998 and Chief Operating Officer of Biogen from 1994 to 1997. From 1972 to 1994, Mr. Tobin served in a variety of executive positions with Baxter International, including President and Chief Operating Officer from 1992 to 1994. Previously, he served at Baxter as Managing Director in Japan, Managing Director in Spain, President of Baxter s I.V. Systems Group and Executive Vice President. Mr. Tobin currently serves on the boards of directors of Curis, Inc. and Applera Corporation. Mr. Tobin holds an A.B. from Harvard College and an M.B.A. from Harvard Business School. Mr. Tobin also served in the U.S. Navy from 1968 to 1972 where he achieved the rank of lieutenant.

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Class II Directors (Term Expires 2009)

John E. Abele
Age 70
Director since 1979

John E. Abele, our co-founder, was our Treasurer from 1979 to 1992, our Co-Chairman from 1979 to 1995 and our Vice Chairman and Founder, Office of the Chairman from February 1995 to March 1996. Mr. Abele is also the owner of The Kingbridge Centre and Institute, a 120-room conference center in Ontario that provides special services and research to businesses, academia and government. He was President of Medi-tech, Inc. from 1970 to 1983, and prior to that served in sales, technical and general management positions for Advanced Instruments, Inc. Mr. Abele serves on the board of directors of Color Kinetics, is the Chairman of the Board of the FIRST (For Inspiration and Recognition of Science and Technology) Foundation and is also a member of numerous not-for-profit boards. Mr. Abele received a B.A. degree from Amherst College.

Joel L. Fleishman
Age 72
Director since 1992

Joel L. Fleishman is a Professor of Law and Public Policy at Duke University where he has served in various administrative positions, including First Senior Vice President, since 1971. Mr. Fleishman is a founding member of the governing board of the Duke Center for Health Policy Research and Education and was the founding director from 1971 to 1983 of Duke University s Terry Sanford Institute of Public Policy. He is the director of the Samuel and Ronnie Heyman Center for Ethics, Public Policy and the Professions and the director of the Duke University Philanthropic Research Program. From 1993 to 2001, Mr. Fleishman took a part-time leave from Duke University to serve as President of the Atlantic Philanthropic Service Company, the U.S. program staff of Atlantic Philanthropies. Mr. Fleishman also serves as a member of the Board of Trustees of The John and Mary Markle Foundation, Chairman of the Board of Trustees of the Urban Institute, Chairman of The Visiting Committee of the Kennedy School of Government, Harvard University, and as a director of Polo Ralph Lauren Corporation and the James River Insurance Group. Mr. Fleishman received A.B., M.A. and J.D. degrees from the University of North Carolina at Chapel Hill, and an LL.M. degree from Yale University.

Ernest Mario
Age 68
Director since 2001

Ernest Mario is currently the Chairman of Reliant Pharmaceuticals. From 2003 to 2006, he was also the chief executive officer of Reliant Pharmaceuticals. Prior to joining Reliant Pharmaceuticals in April 2003, he was the Chairman of IntraBiotics Pharmaceuticals, Inc. from April 2002 to April 2003. Dr. Mario also served as Chairman and Chief Executive Officer of Apothogen, Inc., a pharmaceutical company, from January 2002 to April 2002 when Apothogen was acquired by IntraBiotics. Dr. Mario served as the Chief Executive of Glaxo Holdings plc from 1989 until March 1993 and as Deputy Chairman and Chief Executive from January 1992 until March 1993. From 1993 to 1997, Dr. Mario served as Co-Chairman and Chief Executive Officer of ALZA Corporation, a research-based pharmaceutical company with leading drug-delivery technologies, and Chairman and Chief Executive Officer from 1997 to 2001. Dr. Mario presently serves on the boards of directors of Maxygen, Inc., Alexza Pharmaceuticals, Inc. and Pharmaceutical Product Development, Inc. He is also a Trustee of Duke University and Chairman of the Board of the Duke University Health System. He is a past Chairman of the American Foundation for Pharmaceutical Education and serves as an advisor to the pharmacy schools at the University of Maryland, the University of Rhode Island and The Ernest Mario School of Pharmacy at Rutgers University. Dr. Mario holds a B.S. in Pharmacy from Rutgers, and an M.S. and a Ph.D. in Physical Sciences from the University of Rhode Island.

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Class II Directors (Term Expires 2009) (continued)

Uwe E. Reinhardt Age 69 Director since 2002	Uwe E. Reinhardt is the James Madison Professor of Political Economy and Professor of Economics and Public Affairs at Princeton University, where he has taught since 1968. Dr. Reinhardt is a senior associate of the University of Cambridge, England and serves as a Trustee of Duke University and the Duke University Health System, H&Q Healthcare Investors, H&Q Life Sciences Investors and Hambrecht & Quist Capital Management LLC. He is also the Commissioner of the Kaiser Family Foundation Commission on Medicaid and the Uninsured and a member of the boards of directors of Amerigroup Corporation and Triad Hospitals, Inc. Dr. Reinhardt is a member of the Institute of Medicine of the National Academy of Sciences. Dr. Reinhardt received a Bachelor of Commerce degree from the University of Saskatchewan, Canada and a Ph.D. in economics from Yale University.
Kristina M. Johnson Age 49 Director since 2006	Kristina M. Johnson has been a Director of Boston Scientific since our acquisition of Guidant in April 2006. Dr. Johnson is the Dean of the Pratt School of Engineering at Duke University, a position she has held since July 1999. Previously, she served as a professor in the Electrical and Computer Engineering Department, University of Colorado, from 1994 to 1999 and as associate and assistant professor from 1985. She served as deputy director and later as director of the National Science Foundation Engineering Research Center for Optoelectronics Computing Systems at the University of Colorado, Boulder, from 1992 to 1997. Dr. Johnson is a co-founder of the Colorado Advanced Technology Institute Center of Excellence in Optoelectronics and serves as a director of Minerals Technologies, Inc., AES Corporation and Nortel Corporation. Dr. Johnson also serves on the board of directors of the Society of Photo-Instrumentation Engineers and Duke Children s Classic to benefit Duke Children s Hospital. Dr. Johnson was a Fulbright Faculty Scholar in the Department of Electrical Engineering at the University of Edinburgh, Scotland, from 1991 to 1992 and a NATO Post-Doctoral Fellow at Trinity College, Dublin, Ireland, from 1983 to 1985. Dr. Johnson received B.S., M.S. and Ph.D. degrees in electrical engineering from Stanford University.

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CORPORATE GOVERNANCE

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

Director Independence

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

> The director is, or has been within the last three years, an employee of the Company or if the director has an immediate family member who is, or has been within the last three years, an executive officer of the Company.
>
> The director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than $100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
>
> (A) The director or the director s immediate family member is a current partner of the Company s internal or external auditor; (B) the director is a current employee of such auditing firm; (C) the director has an immediate family member who is a current employee of such auditing firm and who participates in the firm s audit, assurance or tax compliance (but not tax planning) practice; or (D) the director or the director s immediate family member was within the last three years (but is no longer) a partner or employee of such auditing firm and personally worked on the Company s audit within that time.
>
> The director or the director s immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company s present executive officers serves or served at the same time on that other company s compensation committee.
>
> The director is a current employee, or the director s immediate family member is a current executive officer, of a company that has made payments to or received payments from the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of such other company s consolidated gross revenues.

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

> *Commercial Relationships.* The following commercial relationships are not considered material relationships that would impair a director s independence: (i) if a director of the Company is an executive officer or an employee of, or an immediate family member of a director is an executive officer of, another company that does business with the Company and the annual sales to, or purchases from, the Company are less than 1% of the annual revenues of such other company, and (ii) if a director of the Company is an executive officer of

another company which is indebted to the Company, or to which the Company is indebted, and the total amount of either company s indebtedness to the other is less than 2% of the total consolidated assets of the company for which he or she serves as an executive officer.

Charitable Relationships. The following charitable relationship will not be considered a material relationship that would impair a director s independence: if a director, or an immediate family member of the director, serves as an executive officer, director or trustee of a charitable organization, and the Company s discretionary charitable contributions to that charitable organization in any single fiscal year are less than 1% (or $500,000, whichever is less) of that charitable organization s annual consolidated gross revenues.

Personal Relationships. The following personal relationship will not be considered to be a material relationship that would impair a director s independence: if a director, or immediate family member of the director, receives from, or provides to, the Company products or services in the ordinary course and on substantially the same terms as those prevailing at the time for comparable products or services provided to unaffiliated third parties.

For relationships not qualifying within the foregoing guidelines, the determination of whether the relationship is material, and therefore whether the director is independent, shall be made by the directors who satisfy the foregoing independence guidelines. For purposes of these guidelines, immediate family member has the meaning defined in the NYSE rules. The Board monitors its compliance with the NYSE requirements for director independence on an ongoing basis.

In accordance with current NYSE rules and our own categorical standards of independence, the Board of Directors has determined that the following non-employee directors are deemed independent and have no direct or indirect material relationship with the Company, except as a director and stockholder: Ursula M. Burns, Nancy-Ann DeParle, Joel L. Fleishman, Marye Anne Fox, Ray J. Groves, Kristina M. Johnson, Ernest Mario, John E. Pepper, Uwe E. Reinhardt and Warren B. Rudman. Currently, ten out of the 14 members of our Board are independent. The Board has determined that James R. Tobin, our President and CEO, is not independent because he is an employee of Boston Scientific; Pete Nicholas and John Abele are not independent because they were employees of Boston Scientific within the last three years, retiring in 2005; and N.J. Nicholas, Jr. is not independent because he is the brother of Pete Nicholas, who received more that $100,000 in direct compensation from Boston Scientific within the last three years. The Board reviewed Boston Scientific s relationship with Xerox Corporation, of which Ursula Burns is an executive officer, and determined that that relationship falls below our categorical standards for commercial relationships, was established in the ordinary course of business on an arms-length basis and is not material to Boston Scientific, Xerox, or Ms. Burns.

Nominations for Directors

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

Generally, directors should be individuals who have succeeded in their particular field and who demonstrate integrity, reliability, knowledge of corporate affairs and an ability to work well with others. Directors should also satisfy at least one of the following criteria:

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

The qualifications of candidates recommended by stockholders will be reviewed and considered by the Nominating and Governance Committee with the same degree of care and consideration as candidates for nomination to the Board submitted by Board members and our Chief Executive Officer. Under our Bylaws and SEC regulations, any stockholder proposal or director nominations for the 2008 Annual Meeting of Stockholders must be received on or before December 12, 2007 in order to be considered for inclusion in our 2008 Proxy Statement. Please address your proposal, recommendation or nomination to our Secretary at Boston Scientific Corporation, One Boston Scientific Place, Natick, MA 01760-1537.

Communications with the Board

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

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Scientific Corporation, c/o General Counsel, One Boston Scientific Place, Natick, MA 01760-1537 or by contacting the non-management directors via email at non-managementdirectors@bsci.com. In addition, stockholders and other interested parties may contact the chairperson of each committee at the following email addresses: AuditCommittee@bsci.com, StrategicInvestmentCommittee@bsci.com, NominatingandGovernanceCommittee@bsci.com, QualityCommittee@bsci.com and CompensationCommittee@bsci.com. The Board has authorized the office of our General Counsel to review and organize, but not screen, communications from stockholders and/or interested parties and deliver them to the Board.

Board Service Limitation

Without the approval of the Nominating and Governance Committee, no director may sit on more than four public company boards (including our board) and the CEO may not sit on more than one public company board (in addition to our board).

Arrangements for the Election of Directors

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

Separation of Chairman and Chief Executive Officer

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

Related Party Transactions

Our Board of Directors has adopted a new written related party transaction policy to monitor transactions, arrangements or relationships in which Boston Scientific and any of the following have an interest: an executive officer or director, an immediate family member of an executive officer or director, a person or entity holding more than a 5% beneficial interest in our common stock, or any entity in which any of the foregoing persons is employed, is a principal, or has a 10% or greater beneficial ownership interest. The policy covers any related party transaction that meets the minimum threshold for disclosure under the relevant SEC rules (generally, transactions involving amounts exceeding $120,000 in which a related person has a direct or indirect material interest).

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

During 2006, we made payments of approximately $4.5 million to Arnold & Porter LLP, a law firm of which the brother of Paul W. Sandman, our General Counsel, is an equity partner. Mr. Sandman s brother did not perform any services for us. At the time these transactions occurred, they were not subject to our current related party transaction policy. We will continue to monitor and, if appropriate in 2007, approve this relationship under our newly implemented written related party transactions policy.

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

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

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

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

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MEETINGS AND BOARD COMMITTEES

Board Meetings

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

Executive Sessions

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

Director Attendance at Board, Board Committee and Annual Meetings

Directors are expected to prepare for and use reasonable efforts to participate in all Board meetings and meetings of the committees on which they serve. The Board and each committee will meet as frequently as necessary to properly discharge their responsibilities, provided that the full Board will meet at least four times per year. Generally, the Board meets in February, May, July, October and December. In addition, directors are expected to use reasonable efforts to attend Annual Meetings of Stockholders. Fourteen out of 14 of our directors attended last year s Annual Meeting. We also held a special meeting of stockholders on March 31, 2006, in connection with seeking approval for the Guidant transaction, which three out of 12 of our directors attended.

Committees of the Board

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

Committee Independence

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

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

BOARD COMMITTEE MEMBERSHIP
As of March 1, 2007

Name	Audit Committee	Executive Compensation and Human Resources Committee	Nominating and Governance Committee	Finance and Strategic Investment Committee	Compliance and Quality Committee
Ursula M. Burns		*		*	+
Nancy-Ann DeParle		*			*
Joel L. Fleishman	+		*		*
Marye Anne Fox	*			*	
Ray J. Groves		*	+		
Kristina M. Johnson		*		*	
Ernest Mario	*			+	*
N.J. Nicholas, Jr.				*	
John E. Pepper	*			*	
Uwe E. Reinhardt	*		*		*
Warren B. Rudman		+	*		
James R. Tobin				*	

* Committee Member

+ Committee Chair

Audit Committee

Our Audit Committee met nine times during fiscal year 2006. The Board has determined that our Audit Committee is comprised exclusively of non-employee directors, all of whom meet the independence requirements of the NYSE and the SEC. The Board has also determined that Ernest Mario, John E. Pepper and Uwe E. Reinhardt is each an audit committee financial expert as that term is defined in the rules and regulations of the SEC for purposes of Section 407 of the Sarbanes-Oxley Act of 2002. Mr. Reinhardt is an audit committee financial expert by virtue of having taught financial accounting for over 30 years at Princeton University.

The primary purpose of the Audit Committee is to provide oversight to our accounting and financial reporting processes and audits of our financial statements. The Audit Committee primarily provides assistance to our Board of Directors in the areas of corporate accounting, internal control, independent audit and reporting practices, and maintains, by way of regularly scheduled meetings, a direct line of communication among our directors, management, our internal auditors and our independent auditors. The Audit Committee appoints our independent auditors, evaluates their qualifications, independence and performance, and reviews their reports and other services. In addition, the Audit Committee pre-approves audit, audit-related and non-audit services performed for us by our independent auditors and has the right to terminate our independent auditors. It is also responsible for monitoring our adherence to established legal and regulatory requirements, corporate policies, including our related party transactions policy, and ethics and integrity programs and practices. The Audit Committee is governed by a written charter approved by our Board of Directors which is subject to review on an annual basis. In accordance with the rules and regulations of the SEC and the NYSE, the Audit Committee Report can be found on page 53 of this Proxy Statement.

Executive Compensation and Human Resources Committee

Our Executive Compensation and Human Resources Committee (the Compensation Committee) met seven times during fiscal year 2006. The Compensation Committee is comprised of non-employee directors, all of whom meet the independence requirements of the NYSE and the SEC. As outlined in its written charter, the Compensation Committee has the authority, among other things, to:

Determine and approve (and make recommendations to the Board regarding) our CEO s compensation, based on the performance evaluation by and recommendations of the Chairman of the Board and the Nominating and Governance Committee;

Review, oversee and determine the total compensation package for our other executive officers;

Review and make recommendations to the Board regarding employment, consulting, retirement, severance and change in control agreements, indemnification agreements and other arrangements proposed for our executive officers, including conducting a periodic review to evaluate these arrangements for continuing appropriateness;

Review and make recommendations to the Board regarding the compensation of our directors; and

Adopt and periodically review a comprehensive statement of executive compensation philosophy, strategy and principles.

The Compensation Committee may delegate its authority and duties to subcommittees or individual members of the Committee, as it deems appropriate in accordance with applicable laws and regulations. The Compensation Committee has delegated authority to our CEO to make equity grants to new hires who are not executive officers. These grants are reviewed and ratified by the Compensation Committee at its next regularly scheduled meeting. Our CEO makes recommendations to the Compensation Committee regarding the amount and form of compensation of our executives (other than himself), based upon their performance for the year and their achievement of the goals set at the beginning of the year. The Chairman of the Board and the Governance Committee make recommendations to the Compensation Committee regarding the amount and form of CEO compensation, based upon his performance for the year and his achievement of the goals set at the beginning of the year. The Compensation Committee then makes a recommendation to the Board, and the independent directors of the full Board approve the CEO compensation, in consideration of this recommendation. Our Executive Vice President of Human Resources, in consultation with our compensation consultants and the Chairman of the Board, makes recommendations to the Compensation Committee regarding director compensation. The Compensation Committee would then make a recommendation regarding director compensation for approval by the full Board of Directors.

The Compensation Committee may also retain compensation consultants to assist it in evaluating executive compensation and may retain counsel, accountants or other advisors, as it deems appropriate, at the Company s expense. We have engaged the compensation consulting services of Watson Wyatt and Towers Perrin in 2006. Watson Wyatt provides the Compensation Committee and management with market data on Board of Directors and executive compensation, and provides proxy statement consulting services. Towers Perrin provides the Compensation Committee and management with plan design consulting, executive compensation consulting, market surveys and compensation communications support. These consultants are regularly available at Compensation Committee meetings for presentation, discussion and questions. In accordance with the rules and regulations of the SEC and the NYSE, the Compensation Committee Report can be found on page 30 of this Proxy Statement.

Nominating and Governance Committee

The Nominating and Governance Committee met five times during fiscal year 2006. The Nominating and Governance Committee is comprised of non-employee directors, all of whom meet the independence requirements of the NYSE and the SEC. As outlined in its written charter, the Nominating and Governance Committee has responsibility for recommending nominees for election and re-election to the Board, ensuring that Board nominees are qualified and consistent with our needs, monitoring significant developments in the law and practice of corporate governance for directors of public companies, recommending Board committee assignments, reviewing and recommending Board policies and procedures, monitoring compliance with our stock ownership guidelines and board service policy, and overseeing the Board and each committee of the Board in their annual performance self-evaluations. In addition, the Nominating and Governance Committee is responsible for recommending to the Board candidates for Chief Executive Officer, overseeing the annual assessment of the performance of the Chief Executive Officer and developing an ongoing succession plan for the Chief Executive Officer.

The Nominating and Governance Committee is responsible for reviewing with the Board, on an annual basis, the current size, structure and composition of the Board as a whole, and whether the Company is being well served by the directors taking into account: the directors degree of independence; business background, including any areas of particular expertise, such as accounting or related financial management expertise, marketing or technology; record of service (for incumbent directors), including attendance record; meeting preparation; overall contribution to the Board; employment status; gender; ethnicity; age; availability for service to the Company; and anticipated needs of the Company.

Finance and Strategic Investment Committee

The Finance and Strategic Investment Committee met five times during fiscal year 2006. The primary role of this Committee is to provide a forum within the Board to review our overall financing plans and long-term strategic objectives, as well as our shorter-term acquisition and investment strategies and how these shorter-term activities fit within our overall business objectives. As outlined in its written charter, the Committee is charged with providing Board oversight of our strategic planning and activities, approving strategic transactions for which the Board has delegated authority, making recommendations to the Board regarding larger transactions, and evaluating our financial strategies and policies. The Committee has responsibility to review periodically with management our strategic business objectives and the manner in which transactional activity can contribute to the achievement of those objectives, and to review with management on a regular basis contemplated strategic opportunities. The Committee conducts periodic reviews of completed transactions for the purposes of assessing the degree of success achieved, testing the extent to which the projections and other assumptions relied upon in approving transactions have been borne out, identifying the factors differentiating more successful transactions from less successful ones and evaluating the strategic contributions resulting from these transactions. The Committee is further charged with conducting periodic reviews of our cash investments and cash management policies, debt ratings and global financing objectives and strategies, including the review and approval of certain borrowing arrangements, capital expenditures and dispositions, and activities that may impact our existing capital structure.

Compliance and Quality Committee

The Compliance and Quality Committee was formed in May and met five times during fiscal year 2006. The primary role of this Committee is to oversee and evaluate our compliance and quality control systems and initiatives, the systems in place to maintain, and identify deviations from, our compliance and control standards, and our efforts to meet or exceed our compliance and quality control standards. The Committee reviews and discusses with senior management the adequacy and effectiveness of our compliance and quality control systems and initiatives, and reviews periodic reports regarding any deviations from our standards. The Committee also reviews all correspondence from any external quality control inspectors, such as the FDA, and discusses with senior management our responses to those communications. In addition, the Committee monitors, with senior management, the progress of Project Horizon, our cross-functional effort to identify opportunities to reduce quality compliance risks, as well as the training and education programs for our employees. The Committee recommends to the Board of Directors any actions it deems necessary or appropriate to improve the effectiveness of our compliance and quality control systems and initiatives.

Compensation Committee Interlocks and Insider Participation

The members of our Executive Compensation and Human Resources Committee during 2006 were Warren B. Rudman, Ursula M. Burns, Nancy-Ann DeParle, Kristina M. Johnson and Ray J. Groves. None of these Committee members is or has ever been an officer or employee of the Company. To our knowledge, there were no other relationships involving members of the Compensation Committee or our other directors which require disclosure in this Proxy Statement as a Compensation Committee interlock.

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EXECUTIVE COMPENSATION

Compensation Discussion & Analysis

The following discussion and analysis contains statements regarding individual and company performance targets and goals. These targets and goals are disclosed in the limited context of our compensation programs and should not be understood to be statements of management s future expectations or estimates of future results or other guidance. We specifically caution investors not to apply these statements to other contexts.

Our Executive Compensation Philosophy and Objectives

Our executive compensation philosophy is to provide our executives with appropriate and competitive individual pay opportunities with actual pay outcomes heavily influenced by the attainment of corporate and individual performance objectives. The objectives of our compensation program are to attract, retain, engage, focus and reward the best available talent to achieve performance goals aligned with our mission, quality policy and business goals. Our mission is to improve the quality of patient care and the productivity of healthcare delivery through the development and advocacy of less invasive medical devices and procedures. Our quality policy, applicable to all employees, is: I improve the quality of patient care and all things Boston Scientific. Our business goals include the achievement of specified sales, net income and quality targets.

How We Determine Executive Compensation

Our Executive Compensation and Human Resources Committee, and in certain cases our Board of Directors, bear principal responsibility for assessing, determining and approving our executive compensation. Information about our Compensation Committee and its composition, processes and responsibilities can be found on page 16 of this proxy statement, under the heading Executive Compensation and Human Resources Committee. There are three key elements to our executive compensation setting process: performance considerations and business goals; market referencing; and CEO and Compensation Committee judgment.

Performance Considerations and Business Goals

We award our executives compensation and assign them additional responsibilities as recognition for how well they perform as a team in achieving our business goals, as well as their individual goal achievement. In order to determine whether our executives achieved individual and corporate goals, we conduct an annual Performance Achievement and Development Review (PADR). The PADR process is designed to guide performance discussions, clarify an executive s performance objectives and communicate annual achievements. At the end of each year, overall performance is rated unsatisfactory to outstanding. These achievement indicators heavily influence the executive s compensation. Our CEO conducts each Named Executive Officer s (NEO s) PADR and the Chairman of the Board and the Governance Committee conduct the CEO s PADR.

Market Referencing

In addition to performance considerations, we also base our compensation decisions on market considerations. The principle of market referencing means that our compensation and benefit programs are benchmarked and administered against programs available to employees in comparable roles at peer companies. To help collect market information, we engaged the services of Towers Perrin and Watson Wyatt, third party compensation consultants, in 2006. Their assistance included helping to define a peer group of companies and then collecting relevant market data from these companies for base salary, incentive bonus and equity award referencing purposes. In late 2005, Watson Wyatt worked with management to define a 2006 peer group which is comprised of leading companies in the medical device and pharmaceutical industries. As a result of our acquisition of Guidant in early 2006, we revised our peer comparison group during the course of the year to reflect the larger revenue size of the combined Boston Scientific and Guidant entity. The initial 2006 peer group and the revised 2006 peer group are shown below. For 2007 and beyond, our Compensation Committee, with input from Watson Wyatt and management, has assumed principal responsibility for determining our peer group and plans to work with Watson Wyatt to define a new peer group for 2007 during the first half of the year.

Initial 2006 Peer Group	Revised 2006 Peer Group
Baxter Healthcare Corporation	Abbott Laboratories
Becton, Dickinson and Company	Baxter Healthcare Corporation
C.R. Bard, Inc.	Becton, Dickinson and Company
Bristol-Myers Squibb Company	Bristol-Myers Squibb Company
Guidant Corporation	Eli Lilly and Company
Eli Lilly and Company	Johnson & Johnson
Medtronic, Inc.	Medtronic, Inc.
St. Jude Medical, Inc.	Schering-Plough Corporation
Stryker Corporation	St. Jude Medical, Inc.
Wyeth Pharmaceuticals Inc.	Stryker Corporation
Zimmer Holdings, Inc.	Wyeth Pharmaceuticals, Inc.

In addition, as it related to the Compensation Committee s determination of CEO compensation for 2006, Watson Wyatt conducted the following detailed analyses relative to the Initial 2006 Peer Group:

Pay for performance: A comparison of the relationship between (1) our CEO s 2005 realizable pay (defined as cash compensation paid to our CEO plus his in-the-money stock option value over the past six years) and (2) 2005 Company performance (defined as total shareholder return, revenue growth and net income growth over the past five years) revealed a close correlation between our CEO s historical pay and the Company s performance. Relative to the Initial 2006 Peer Group, our CEO s realizable pay and Company performance were both positioned in the 75th percentile of the peer group. However, our CEO s pay exhibited significantly more risk than CEO pay at our peers in that his total cash compensation was positioned in the 25th percentile and his in-the-money stock option value was positioned in the 75th percentile.

Capital accumulation and value realized: A comparison of our CEO s 2005 total capital accumulation (comprised of shares owned outright, outstanding stock options, and accrued retirement benefit value) relative to the Initial 2006 Peer Group revealed that our CEO was positioned in the 25th percentile of peers in terms of capital accumulation. In terms of 2005 value realized (value of in-the-money gains realized from stock option exercises), our CEO was positioned in the 75th percentile of the peer group.

Total remuneration: A comparison of our CEO s 2005 total remuneration (comprised of base salary, annual bonus, long-term incentives and benefits) relative to the Initial 2006 Peer Group demonstrated that our CEO s total remuneration fell within the 25th percentile of our peer group.

Towers Perrin also assisted us with market referencing by providing information from its data bank on competitive levels of executive compensation. Based in part on this information, we targeted base salaries and executive benefits at the median, Performance Incentive Plan awards at the 75th percentile and the grant value of equity awards at the 60th percentile of the Revised 2006 Peer Group. These are overall guidelines, but individual compensation pay levels may vary based on individual performance and other factors. For example, in the case of a new hire, we also consider compensation provided by the previous employer in setting initial pay levels and in making an attractive offer of employment.

CEO and Compensation Committee Judgment

Our total compensation program operates not only based on the application of Company and individual performance considerations and market referencing but also through the application of CEO and Compensation Committee judgment. We do not employ a purely formulaic approach to any of our compensation plans. There are guidelines and funding formulas in place for our incentive plan which are tied to specific financial and quality results, but there is also an individual performance factor and executive retention considerations that permit discretion to increase or decrease formula-driven awards based on those considerations. As part of our Performance

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Incentive Plan, the Compensation Committee may adjust a maximum funded or formula incentive award downward based on the executive s individual contribution and performance.

In making its compensation determinations, our Compensation Committee has begun reviewing tally sheets, which provide a total of all elements of compensation for each of our executive officers. In addition, the Compensation Committee considers the economic value as well as the retentive value of prior equity grants received by our executives in determining current or future compensation, and considers each executive s compensation compared to the compensation of other executives and other employees generally. In determining the reasonableness of our executives total compensation, the Compensation Committee reviews not only individual and Company performance compared to plan, but also the nature of each element of executive compensation provided, including salary, bonus, long-term incentive compensation, accumulated realized and unrealized stock option gains, and other personal benefits, as well as the terms of executive severance and change of control arrangements.

In addition, while the Compensation Committee is solely responsible for setting the targets and approving the awards, the Compensation Committee relies on the judgment of the CEO regarding setting executive performance objectives, evaluating the actual performance of each executive (other than the CEO) against those objectives through the PADR process and recommending appropriate salary and incentive awards. The CEO participates in Compensation Committee meetings, at the request of the Committee, in order to provide background information and explanations supporting his recommendations.

Our Elements of Total Executive Compensation

Overview of compensation. Our total compensation program consists of fixed compensation elements, such as base salary and benefits, and variable performance-based elements, such as annual and long-term incentives. Our fixed compensation elements are designed to provide a stable source of income and financial security to our executives. Our variable performance-based compensation elements are designed to reward performance at three levels: individual performance, actual Company performance compared to annual business goals, and Company performance in terms of long-term shareholder value creation. Through these performance incentive awards, we reward the achievement of short-term goals, such as successful marketing, manufacturing and sales of products, integrations of acquired businesses, and the promotion of a culture of quality, and long-term goals, such as business growth, innovation and stock price appreciation.

Three primary elements of direct compensation. We compensate our executives principally through base salary, performance-based annual incentives and annual equity awards. This three-part compensation approach enables us to remain competitive with our industry peers while ensuring that executive officers are appropriately incentivized to deliver short-term results while creating sustainable long-term stockholder value. Our Compensation Committee has chosen to put a significant portion of each executive s pay at risk, contingent upon the achievement of certain goals within our strategic plan and within targeted market positions typically established by reference to our peer group. Each element in the program has a primary role, one or more objectives and a target market position as shown in the table below:

Element	Role	Objective	Targeted Market Position
Base Salary	Provide stable source of income	Attract and retain talent	Median
Performance Incentive Plan (PIP)	Reward for quarterly and annual goal achievement	Focus talent on annual goals, reward talent	75th percentile

Annual Equity Incentives	Reward for long-term business building	Focus talent on long-term shareholder value creation; retain and engage talent	60th percentile

Of these three elements, our total executive compensation package is heavily weighted towards the variable, performance-based elements of our Performance Incentive Plan and Annual Equity Incentives. For 2006, 83% of the value of the total direct compensation for our NEOs as a group consisted of variable (versus fixed)

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compensation. Of that 83%, 67% took the form of stock options or DSUs which are designed to reward long-term performance and 16% took the form of performance incentive awards and cash bonuses, which are designed to reward short-term performance. The remaining 17% took the form of base salary. We feel that this mix reinforces our desire to pay for actual performance.

Base Salary

Overview. In general, the Compensation Committee targets base salaries at levels consistent with the median rate paid for equivalent positions by our peers. In addition, the Compensation Committee considers our annual merit budget, each executive s current and prior year salary and the executive s actual performance compared to the goals and objectives established for the executive at the beginning of the year. NEO salaries for 2006 are reported in the Summary Compensation Table on page 31 under the Salary column.

NEOs (other than CEO). We establish base salaries for our executive officers (other than the CEO) based upon the PADR performance reviews conducted by and the recommendations of the CEO presented to the Compensation Committee for approval or modification. To remain competitive in the industry and to acknowledge individual officers contributions and objectives in light of our Project Horizon quality system improvement initiative and business integration efforts, the Committee approved competitive base salary increases for our NEOs for 2006, as recommended by the CEO. Mr. LaViolette s increase was, in part, attributable to a base salary adjustment based on a market comparison of his salary compared to the salaries of other chief operating officers within our peer group. In addition, Mr. Colen received a mid-year increase in recognition of his promotion in May 2006 to assume additional operations and technology responsibilities within our new cardiac rhythm management division. The range of salary increases for our NEOs (other than the CEO) for 2006 from 2005 was 5.6% to 14.4% (in the case of Mr. Colen).

Name	2005 Base Salary	2006 Base Salary	% Increase	Effective Date
Paul A. LaViolette	$ 600,000	$ 660,000	10.0%	12/27/05
Lawrence C. Best	$ 625,000	$ 660,000	5.6%	12/27/05
Fredericus A. Colen	$ 435,000	$ 465,000	6.9%(1)	12/27/05
Fredericus A. Colen	$ 465,000	$ 500,000	7.5%(2)	5/8/06
Paul W. Sandman	$ 435,000	$ 460,000	5.7%	12/27/05

(1) Mr. Colen received a 6.9% year-end raise.

(2) Mr. Colen received an additional 7.5% mid-year raise in connection with his assumption of additional responsibilities within our new cardiac rhythm management division after our Guidant acquisition.

CEO. The base salary for our CEO is established by the Compensation Committee upon the recommendation of the Chairman of the Board and the Governance Committee of the Board of Directors after consideration of the CEO s performance for the prior year. As part of its determination, the Committee reviews an assessment of the CEO s actual performance versus objectives set for the CEO at the beginning of the year, the Company s actual performance during the year, as well as market data provided by our compensation consultants. Our CEO s actual base salary increase for 2006 from 2005 was 3% and became effective in late February 2006. In determining the level of the increase, the Compensation Committee considered whether the Company had met or exceeded quarterly sales and earnings targets, the performance of our TAXUS® stent system, our product development initiatives and business integrations, as well as other matters.

Name	2005 Base Salary	2006 Base Salary	% Increase	Effective Date
James R. Tobin	$ 900,000	$ 927,000	3%	2/28/06

Performance Incentives

Overview. Through our Performance Incentive Plan for all salaried personnel, we seek to provide pay for performance by linking incentive awards to both Company and individual performance through a range of award opportunities which depend upon the level of achievement of quarterly Company and individual objectives. The

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Compensation Committee measures corporate achievement on a quarterly basis against sales, net income and quality objectives established prior to the beginning of the quarter to determine the size of a bonus pool. These goals excluded legacy Guidant results in 2006 because the acquisition closed during the second quarter of the year. The Compensation Committee measures individual achievement for an executive officer by comparing the actual performance of the executive to the goals and objectives established for the executive at the beginning of or during the year.

For the first half of the year, the relative weightings of our corporate objectives were 50% of the award based on sales and 50% based on net income (excluding certain charges). In the second half of 2006, we revised the weightings to 35% of the award based on sales, 35% based on net income (excluding certain charges), and 30% based on quality, to further emphasize our commitment to improving quality throughout the organization and the introduction of our new quality policy. Each executive s incentive award opportunity for the year (the target) is expressed as a percentage of base salary. The CEO s target is 100% of his base salary; the Chief Operating Officer s target is 85% of his base salary; and the target for all of our other executive officers is 75% of his or her base salary.

We set our quarterly net income, sales and quality goals on a quarter by quarter basis. We determine the funding percentage of our Performance Incentive Plan on a quarterly basis based on actual results and the total annual funding is the sum of each quarter s funding amount. We begin to fund for annual incentives on a quarterly basis when Company performance meets a threshold level of sales, net income or quality goals for that quarter. Funding then increases on a sliding scale (up to a maximum of 120% of target) as higher levels of sales, net income and quality goals are met, as depicted in the table below. At the end of the year, individual performance is considered pursuant to the PADR process described above and an individual performance component from 0% to 200% is applied as a multiplier at the end of the year to each executive s funded award to obtain the executive s final award.

For 2006, the performance and funding scale for our Performance Incentive Plan awards were as follows:

Performance Level	**Sales and Net Income Performance (% of Plan)**	**Quality Performance* (% of Goals Achieved)**	**Funded Award (% of Target Award)**
Maximum	Greater than or equal to 105%	Greater than or equal to 100%	120%
Target	98.5-101.5%	66-85%	100%
Threshold	90%	50-66%	50%
Zero	Less than 90%	Less than 50%	0%

* Effective for Q3 and Q4 only because of our mid-year decision to emphasize our commitment to quality by making it an integral part of our performance incentive program.

For 2006, our quarterly Performance Incentive Plan goals, excluding Guidant, were as follows**:**

Quarter	**Sales ($ in millions)**	**Net Income* ($ in millions)**	**Quality**
First Quarter	$ 1,587	$ 317	N/A
Second Quarter	$ 1,622	$ 370	N/A
Third Quarter	$ 1,582	$ 285	

					Run rate metrics plus training completions
Fourth Quarter	$	1,608	$	243	Run rate metrics plus training completions

* For purposes of our Performance Incentive Plan, net income is defined as GAAP net income excluding amounts related to the effect of purchase price allocation on assets, merger-related costs, costs associated with Guidant s ongoing litigation, stock compensation expense and other special non-operating costs.

For 2006, before the application of the individual performance component of the plan, our Performance Incentive Plan funded corporate goals (excluding Guidant results) at 99.88% of target. Amounts actually awarded under our Performance Incentive Plan for 2006 are reflected in the Summary Compensation Table on page 31 in the column Non-Equity Incentive Plan Compensation.

NEOs (other than CEO). In 2006 performance incentive awards for our NEOs (other than our CEO) ranged from 99.9% of target to 125.2% of target based on the overall performance of the Company against quarterly goals and the individual performance of each NEO during the year. Actual awards in excess of the corporate funding level of 99.88% are in recognition of significant efforts being devoted to Project Horizon, Guidant integration and business optimization, which are long-term initiatives whose expected benefits are not reflected in our current stock price, in addition to the retention challenges we face in light of recent Company stock price performance.

Name	2006 Target Award ($ in thousands)	2006 Actual Award ($ in thousands)	Actual as % of Target
Paul A. LaViolette	$ 561.0	$ 616.4	109.9%
Lawrence C. Best	$ 495.0	$ 494.4	99.9%
Fredericus A. Colen	$ 375.0	$ 469.5	125.2%
Paul W. Sandman	$ 345.0	$ 344.6	99.9%

CEO. In 2006, our CEO s performance incentive award fell below his targeted payout level of $927 thousand because performance versus objectives fell below expectations. In making this determination, the Compensation Committee considered whether the Company had met certain quality, financial, business integration and product development objectives, and the performance of our TAXUS® stent system, as well as other matters.

Name	2006 Target Award ($ in thousands)	2006 Actual Award ($ in thousands)	Actual as % of Target
James R. Tobin	$ 927.0	$ 324.1	35%

Recovery of incentive awards. In February 2007, our Compensation Committee adopted a policy regarding the recovery or adjustment of performance incentive plan awards in the event relevant Company performance measures are restated in a manner that would have reduced a previously granted award s size or payment. Effective for compensation awards made on or after February 20, 2007, to the extent permitted by governing law, the Board will seek reimbursement of incentive compensation paid to any executive officer in the event of a restatement of the Company s financial results that reduced a previously granted award s size or payment. In that event, we will seek to recover the amount of the performance incentive award paid to the executive officers which is in excess of the amounts that would have been paid based on the restated financial results.

Annual Equity Incentives

Overview. We intend our broad-based stock option and deferred stock unit award program to attract, retain, engage and focus key employees for the long-term. The Compensation Committee approves, upon management recommendation, non-qualified stock option and deferred stock unit awards (DSUs) to eligible employees within the organization and across business units in amounts appropriate for each individual s (i) level of responsibility, (ii) ability to affect the achievement of overall corporate objectives, (iii) individual performance, and (iv) individual potential.

Recent changes. Since 2004, we have gradually changed the mix of these equity incentives from 100% options to a mix of options and DSUs. Stock options are effective in promoting shareholder alignment and holding executives accountable for generating shareholder return while DSUs are a share-efficient means for retaining top talent and promoting a long-term share owner perspective. Together, stock options and DSUs enable us to meet our dual compensation objectives of rewarding long-term goals, such as strategic growth and business innovation, and retaining top talent even during periods of significant stock price fluctuation. We have been advised by Towers Perrin that an increasing migration from stock options to DSUs or a mix of options and DSUs is a market competitive practice within our peer group. In 2007, we expect to continue to increase the use of DSUs.

We grant options with an exercise price equal to the fair market value based on the closing stock price on the date of grant and they typically vest over a period of three to five years. They are exercisable until the tenth anniversary of the date of grant or until the expiration of various limited time periods following termination of employment. Executive officers are prohibited from paying the exercise price for their options with promissory notes or other payment forms prohibited by the Sarbanes-Oxley Act. DSUs represent our commitment to issue shares to recipients after a vesting period. These awards typically vest in four equal annual installments beginning with the second anniversary of the date of grant. The slightly longer vesting period for DSUs reflects the fact that DSUs have immediate value compared to options which only have value if our stock price increases. Upon each vesting date, the DSUs are no longer subject to risk of forfeiture and shares of our common stock are issued to the recipient.

NEOs (other than CEO). None of our NEOs (other than our CEO) received annual equity awards in 2006 because in 2005 we made substantial mid-year equity grants to our NEOs.

CEO. In an effort to encourage our CEO to extend his tenure with us, in February 2006 the Compensation Committee awarded Mr. Tobin 250,000 DSUs, 50% of which will vest on December 31, 2008 and 50% of which will vest on December 31, 2009, contingent on his continued employment with the Company as of each of those dates, and which will be issuable to Mr. Tobin in the seventh month following the cessation of his employment with the Company. In addition, the Compensation Committee provided Mr. Tobin with an opportunity to receive up to 2,000,000 performance-based DSUs, 50% of which would be issued on December 31, 2008 in the event that shares of our common stock reach specified prices per share as set forth below and 50% of which would be issued on December 31, 2009 in the event that shares of our common stock reach specified prices per share as set forth below (units that do not vest on December 31, 2008 may vest on December 31, 2009 if the specified prices per share have been reached):

Share Performance Price	% of Restrictions that Lapse	12/31/08 Measurement Date	12/31/09 Measurement Date	Total Shares Earned
$75 and above	100%	1,000,000	1,000,000	2,000,000
$60	80%	800,000	800,000	1,600,000
$50	60%	600,000	600,000	1,200,000
$40	40%	400,000	400,000	800,000
$35	20%	200,000	200,000	400,000
Below $35	0%	0	0	0

As noted in the Grant of Plan Based Awards Table on page 33, the value of the time-vested and performance-based DSUs was $21,524,512 as of the date of grant. The current realizable value of those DSUs as of December 31, 2006 was $0. The significant difference between grant date opportunity value and current realizable value reflects the fact that vesting requirements and share price performance goals have not been met.

Other/Special Recognition Awards

In addition to the three primary elements of direct compensation described above, we periodically make special recognition awards in cash and/or stock in recognition of extraordinary achievements. For example, in May 2006, we granted special recognition bonuses to several employees, including executives, who were instrumental to the completion of the Guidant transaction. Recipients included two NEOs, Larry Best and Paul Sandman. They were permitted to receive their awards in either: (i) cash, stock options and DSUs or (ii) stock options and DSUs. Mr. Best chose to receive his award in stock options and DSUs as follows: 79,800 stock options with an exercise price of $20.60 and 27,200 DSUs. Mr. Sandman chose to receive his award in stock options, DSUs and cash as follows: 25,500 stock options with an exercise price of $20.60 and 8,700 DSUs plus cash of $400,000. The stock options will vest in equal annual installments over four years beginning May 8, 2007 and the DSUs will be issued in four equal annual installments beginning on May 8, 2008. The cash component of these awards is reflected in the Summary Compensation Table on page 31 under the Bonus column. The equity components of these awards are reflected in the Grants of Plan Based Awards Table on page 33.

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In addition, in connection with the Guidant transaction, Fred Colen assumed an additional role overseeing operations and technology at our new cardiac rhythm management business. In connection with that expanded role, we increased his salary and made an award of stock options and DSUs as set forth below:

	Salary Increase		Performance Incentive Opportunity Percentage of Base Salary	Long-Term Incentive Award	
	New Salary	Amount of Increase		Options	Deferred Stock Units
Fredericus A. Colen	$ 500,000	$ 35,000	75%	130,000	45,500

Elements of Indirect Pay

In addition to the direct pay elements described above, we also provide our executives with indirect pay in the form of benefits.

General. Our benefit program, which is available to our NEOs, is intended to provide financial protection and security for our executives and to reward them for the total commitment we expect from them in service to the Company. Our executives benefits program consists of three key elements: health and welfare plans based principally on a preferred provider model with the executives sharing approximately 20% of the cost; Company-paid life insurance of three times base salary (up to a $1 million benefit payable upon death); and a qualified 401(k) retirement plan with a Company match of up to 6% of base pay. Other elements include Company-paid disability benefits and the ability to participate in our Global Employee Stock Ownership Plan, which entitles employees to purchase our stock at a 15% discount. Effective July 1, 2007, the discount will be reduced from 15% to 10%.

Relocation. We also have an Executive Relocation Policy for our executive officers who are requested by us to move in connection with their current job and for newly hired employees who will become executive officers of Boston Scientific and who are required to move in connection with accepting a job with us. The policy covers reasonable expenses associated with the move and certain relocation services to minimize the inconvenience of moving. None of our NEOs received any amounts under our Executive Relocation Policy during 2006.

Executive Allowance. Pursuant to our Executive Allowance Plan, we provide a cash allowance to eligible executives in lieu of perquisites typically provided by other companies, such as company cars, health care costs not otherwise covered or tax planning services, which we do not provide to our executives. Under this plan, our executive officers receive $25,000 per year. Amounts paid under our Executive Allowance Plan are reflected in the Summary Compensation Table on page 31 in the column All Other Compensation.

401(k) Excess Benefit Plan. In connection with a one-time special contribution we made to our 401(k) Retirement Savings Plan for the benefit of our employees announced in September 2004, we adopted in June of 2005 an Excess Benefit Plan. The Excess Benefit Plan is a non-qualified deferred compensation plan designed to provide specific supplemental benefits to those employees who would have exceeded the 2004 IRS contribution limits if the special contribution had been made to their 401(k) plan accounts. The Excess Benefit Plan was established to accept the overflow contributions on behalf of those employees, including our executive officers. NEO earnings during 2006 under the 401(k) Excess Benefit Plan are reflected in the Nonqualified Deferred Compensation Table on page 36.

Airplane usage. Our CEO is permitted personal use of our corporate aircraft. Other executive officers are permitted personal use of the corporate aircraft only with the prior permission of the CEO. In 2006, the only NEOs who used the corporate aircraft for personal use were Messrs. Tobin and Best. Under current IRS rules in connection with personal use of the aircraft, we impute income to the executive officer for an amount based on Standard Industry Fare Level (SIFL) rates set by the US Department of Transportation. This imputed income amount is included in an executive officer s earnings at the end of the year and reported as W-2 income to the IRS. The IRS has set limitations on the amount we can deduct when using the SIFL method to impute income to the employee for personal use of the corporate aircraft. In 2006, $386,280 of disallowed deductions was attributable to Mr. Tobin s personal use of the aircraft and $5,550 of disallowed deductions was attributable to Mr. Best s personal use of the aircraft. The incremental cost of their personal use of the aircraft is reflected in the Summary Compensation Table on page 31 in the column All Other Compensation.

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Tax and Accounting Considerations.

Tax Considerations. Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for compensation over $1 million paid to the company s chief executive officer, chief financial officer and the three other most highly compensated executive officers. Qualifying performance-based compensation is not subject to the deduction limit if certain requirements are met. Generally, we have structured performance-based components of the compensation paid to our executive officers in a manner intended to satisfy these requirements without negatively affecting our overall compensation strategy. Our 2000 and 2003 Long-Term Incentive Plans incorporate provisions intended to comply with Section 162(m) of the Code. Incentive awards under our Performance Incentive Plan are considered performance-based awards under our Long-Term Incentive Plans, which are shareholder approved plans. For this reason, annual performance incentive amounts paid to our NEOs are not subject to the 162(m) deduction limit. For 2006, the IRS Section 162(m) limit was exceeded with respect to our CEO. Mr. Tobin received total compensation in excess of the individual $1 million limit equal to $8,031, resulting in an estimated incremental cost of $2,971 attributable to the lost corporate tax deduction.

We have designed our compensation programs and awards to executive officers to comply with the provisions of Section 409A of the Internal Revenue Code. For example, payments made to our executive officers under our Executive Retirement Plan are payable 181 days following the date of the executive officer s retirement. In addition, Mr. Tobin was granted an award of 250,000 DSUs that vest on each of December 31, 2008 and December 31, 2009; however, we will not issue shares to Mr. Tobin until the seventh month following the cessation of his employment with the Company.

Under our Retention Agreements, we will compensate an executive for any excise tax liability he or she may incur by reason of payments made under the Retention Agreement. Our compensation consultant, Watson Wyatt, performed an analysis of the benefits that would become payable to an executive officer assuming a change in control under the Retention Agreement occurred on December 31, 2006. Based on this analysis, none of the NEOs would be assessed any excise tax liability under Section 280G of the Internal Revenue Code as a result of payments made and benefits received under the Retention Agreement.

Accounting Considerations. Beginning on January 1, 2006, we began accounting for stock-based payments, including stock options and DSUs, in accordance with the requirements of FASB Statement 123(R). Beginning in July 2007, we will decrease the employee discount under our Global Employee Stock Ownership Plan from 15% to 10% in part, because the decreased discount will result in a decreased compensation expense.

Our Change in Control and Post-Employment Compensation Arrangements

Executive retirement. In May 2005, we adopted an Executive Retirement Plan which covers executive officers and division presidents. The Executive Retirement Plan exists to provide a clear and consistent approach to managing executive departures with a standard mutually-understood separation and post-employment relationship. The plan provides retiring executive officers with a lump sum benefit of 2.5 months of salary for each completed year of service, up to a maximum of 36 months pay. Receipt of payment is conditioned upon the retiring employee s entering into a separation agreement with Boston Scientific, which would include a non-competition provision that protects the Company from the transfer of proprietary and business knowledge to competing companies. To be considered retired under the Executive Retirement Plan, an employee s age plus his or her years of service with Boston Scientific must be at least 65 years (provided that the employee is at least 55 years old and has been with Boston Scientific for at least 5 years). Amounts accrued under this Plan are reflected in the Summary Compensation Table on page 31 in the column Change in Pension Value and Nonqualified Deferred Compensation Earnings. We accrue amounts under this Plan as described in the Pension Benefits Table on page 36 and as reflected in the Potential Payments upon

Termination or Change in Control Tables beginning on page 37.

Consulting arrangements. In addition, the Executive Retirement Plan allows our CEO the discretion to cause Boston Scientific to enter into consulting arrangements with retiring executives. The purpose of these consulting arrangements is to ensure smooth executive transitions including prudent transfer of business knowledge as well as day to day project support, as needed. The consulting arrangement could provide for up to a $100,000 retainer for up to 50 days of specified consulting services and a $3,000 per diem fee thereafter for services actually rendered for the first year and, for future years, a $2,000 per diem fee for all services actually rendered. In 2006, we did not enter into any consulting arrangements with any of our NEOs under this Plan.

Executive life insurance. We make annual payments to certain executive vice presidents following their retirement or termination (other than for cause) equal to the premium for executive life insurance (plus a gross-up amount for tax purposes) for a period ending on the tenth anniversary of the policy initiation date or, in some circumstances, such other date as would allow the policy to become self-funding. These payments represent a buyout of a former split-dollar life insurance program, which has been closed to new participants since May 2004. Three of our NEOs received executive life insurance payments (in lieu of Company-paid life insurance) in 2006 as reflected in the Summary Compensation Table on page 31 under the column All Other Compensation. For more detail, please refer to the Potential Payments upon Termination or Change in Control Tables beginning on page 37.

Retention Agreements. Our key executives, including our NEOs, have Retention Agreements with Boston Scientific. Their purpose is to retain key executives during a potentially critical time in the event of a sale or merger of the Company. In addition, we have been advised by our compensation consultants that the terms of these agreements are market competitive within our peer group. In general, the Retention Agreements entitle key executives to a lump sum payment of three times the sum of (i) the executive s base salary, (ii) assumed on-plan incentive bonus (or prior year s bonus, if higher), and (iii) the annual executive allowance ($25,000), if either the executive s employment is terminated by the Company without cause or by the executive for good reason, in each event following a change in control (a double trigger feature). For purposes of these agreements, cause generally means willfully engaging in criminal or fraudulent acts or gross misconduct that is demonstrably and materially injurious to the Company. Good reason generally means a meaningful alteration in position or responsibilities from those in effect prior to the change in control, a reduction in annual base salary, a relocation of more than 50 miles, a failure by the Company to continue in effect any incentive plan, a failure by the Company to provide comparable benefits, or a failure by the Company to pay any amounts owed in salary, bonus or reimbursement. The executive would also be entitled to continuation of health and other welfare benefits for three years. In addition, we would compensate the executive for any excise tax liability he or she may incur by reason of payments made under the agreement. In exchange, the executive would have confidentiality restrictions and a three-year non-solicitation obligation. In February 2007, we amended the definition of change in control in these agreements to mean the actual closing of a change in control transaction, rather than stockholder approval of that transaction. For more details, please refer to the Potential Payments upon Termination or Change in Control Tables beginning on page 37.

Long-Term Incentive Plans. All equity awards granted to our executive officers, including our NEOs, under our 1992, 1995, 2000 and 2003 Long-Term Incentive Plans will become immediately exercisable in the event of a change in control or Covered Transaction as defined in those Plans. Additionally, under certain circumstances in the event of a change in control or Covered Transaction, equity awards granted under (i) our 1992 Long-Term Incentive Plan prior to October 31, 2001 will become immediately exercisable and the value of all outstanding stock options will be cashed out, (ii) our 1995 Long-Term Incentive Plan prior to October 31, 2001 will, unless otherwise determined by our Compensation Committee, become immediately exercisable and automatically converted into an option or other award of the surviving entity, and (iii) our 2000 Long-Term Incentive Plan prior to December 2000 will become immediately exercisable and/or converted into an option or other award of the surviving entity. We have been advised by our compensation consultants that the acceleration provision of these plans are market competitive within our peer group. For more details, please refer to the Potential Payments upon Termination or Change in Control Tables beginning on page 37.

Performance Incentive Plan. Under our Performance Incentive Plan, applicable to all employees including our executive officers, participants whose employment ceases before the end of the year but who have otherwise met all plan eligibility requirements and who, as of the date they ceased employment with the Company, had attained the age of 50, accrued at least five years of service and whose age plus years of service equals or exceeds 62, may receive their performance incentive awards for the year on a prorated basis based on the percentage of the year the participant was employed by the Company and eligible to participate. For more details, please refer to the Potential Payments upon Termination or Change in Control Tables beginning on page 37.

Employee Severance Pay Plan. All exempt employees at the director level and above, including our executive officers, are eligible for severance payments (salary and benefits continuation) equal to one month of severance pay per year of service to the Company, with a minimum benefit of 6 months pay up to a maximum of 12 months. Executives eligible for our Executive Retirement Plan are not also eligible to receive this severance benefit. For more details, please refer to the Potential Payments upon Termination or Change in Control Tables beginning on page 37.

Our Equity Award Grant Practices

During 2006, we conducted a comprehensive internal review of our stock option grant practices from the date of our initial public offering in 1992 to the present. This review confirmed that we have not engaged in the practice of backdating our stock option exercise prices.

Historical Practices. Generally, our equity award grant practices have been as follows: For non-executive employees, our Executive Vice President of Human Resources forwards recommendations regarding equity award grants to the Compensation Committee, based on input regarding individual performance she has received from divisional management. For executive officers (other than the CEO), our CEO makes those recommendations to the Compensation Committee based on his own assessment of each executive s performance. For the CEO, our Chairman of the Board and Governance Committee makes those recommendations. We have historically granted equity awards at various times during the year for a variety of reasons, as summarized below:

Type of Grant	Eligibility/Purpose	Usual Timing (Historically)
Annual	Select exempt employees (based on performance and potential)	Compensation Committee meeting held in December
Promotion	Directors/Above (receiving promotions)	Compensation Committee meeting following date of promotion
New Hires	Select Directors/Above (based on recruiting requirements)	Later of date of hire or approval by CEO (who has been delegated authority to make such grants by the Compensation Committee)
Special Recognition	Select exempt employees (based on extraordinary contributions)	Compensation Committee meeting following achievement (infrequent practice)
Retention	Select exempt employees (based on performance/potential and critical need to retain)	Compensation Committee meeting following identified need (infrequent practice)

Current Practices. With respect to awards made after January 1, 2007, the Company makes annual equity awards at its February Compensation Committee meeting, in order to give the Compensation Committee the benefit of a completed year of performance prior to making grants. The February meeting typically falls during the open trading window following the release of our earnings results. In the event that the February meeting did not fall within an open window period, the equity awards would be granted as of the first business day of the next open window period. In addition, promotion, special recognition and retention awards will be granted as of the first business day of the next open window period following approval by the Compensation Committee. New hire awards for non-executive officers will continue to be approved by the CEO (pursuant to applicable equity award guidelines for each job position) under the authority delegated to him by the Compensation Committee and are effective on the later of the date of hire or the CEO s approval. New hire awards for executive officers require approval of the Compensation Committee. All stock option awards are granted with an exercise price equal to the closing price of Company common stock on the date of grant.

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COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Board of Directors of Boston Scientific has reviewed and discussed the Compensation, Discussion and Analysis contained in this Proxy Statement with management and, based on such review and discussions, the Compensation Committee recommended that the Compensation Discussion and Analysis be included in this Proxy Statement and in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2006 for filing with the SEC.

THE COMPENSATION COMMITTEE
Warren B. Rudman, *Chairman*
Ursula M. Burns
Nancy-Ann DeParle
Ray J. Groves
Kristina M. Johnson

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SUMMARY COMPENSATION TABLE

The table below summarizes the total compensation paid or earned by each of our NEOs for the fiscal year ended December 31, 2006.

and Principal n	Year	Salary ($)(1)	Bonus ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)(5)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(6)	All Other Compensation ($)(7)	To ($
R. Tobin nt and Chief ve Officer	2006	$ 922,576	$0	$ 5,102,711	$ 1,398,787	$ 324,100	$ 300,570	$ 311,822	$ 8,36
ce C. Best ve Vice nt Finance & stration and inancial	2006	$ 660,050	$0	$ 784,098	$ 1,422,575	$ 494,400	$ 327,634	$ 51,026	$ 3,73
LaViolette perating	2006	$ 660,000	$0	$ 447,556	$ 1,431,543	$ 616,400	$ 263,334	$ 144,726	$ 3,56
cus A. Colen ve Vice nt, Operations hnology, nd Chief logy Officer	2006	$ 488,341	$0	$ 960,206	$ 1,547,955	$ 469,500	$ 198,530	$ 108,772	$ 3,77
. Sandman ve Vice nt and General l	2006	$ 460,027	$ 400,000	$ 358,242	$ 938,726	$ 344,600	$ 224,265	$ 133,797	$ 2,85

(1) The amount reflected in Mr. Tobin s salary column reflects the prorated annual salary Mr. Tobin received in 2006 as a result of an annual base salary increase in late February 2006. In addition, the amount reflected in Mr. Colen s salary column reflects a prorated annual salary due to an increase in Mr. Colen s base salary in May 2006 in connection with his mid-year assumption of additional responsibilities related to our CRM division. A description of Mr. Tobin s and Mr. Colen s base salary increases in 2006 can be found in the Compensation Discussion and Analysis beginning on page 22. The amounts reflected in this column for the remaining NEOs reflect their salary for the full year.

(2)

The amount reflected in this column represents the cash component of a special recognition bonus in connection with the consummation of the Guidant acquisition paid to Mr. Sandman in May 2006. A description of this special recognition bonus can be found under the title Other/Special Recognition Awards in the Compensation Discussion and Analysis beginning on page 25.

(3) The amounts included in the Stock Awards column represent the compensation cost we recognized in 2006 related to all outstanding non-option stock awards (deferred stock units awards), as described in Statement of Financial Accounting Standards No. 123(R). For a discussion of the valuation assumptions, see Note L to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2006. Please see the Grants of Plan Based Awards Table for more information regarding the stock awards we granted in 2006.

(4) The amounts included in the Option Awards column represent the compensation cost we recognized in 2006 related to all outstanding option stock awards, as described in Statement of Financial Accounting Standards No. 123(R). For a discussion of the valuation assumptions, see Note L to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2006. Please see the Grants of Plan Based Awards Table for more information regarding the option awards we granted in 2006.

(5) Amounts reflected in this column represent cash payments for our NEOs 2006 performance made in February 2007 under the Boston Scientific Performance Incentive Plan.

(6) The amount shown for each NEO in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column is attributable to the change in the actuarial present value of the accumulated benefit under our Executive Retirement Plan at December 31, 2006, as compared to December 31, 2005. Please see the Pension Benefits Table for more information regarding the accrued benefits for each NEO under this plan.

(7) The amounts reflected in the All Other Compensation column are comprised of the following components:

	Company Match (401(k) Plan)(a)	Executive Allowance(b)	Personal Use of Corporate Aircraft(c)	Term Life Insurance Premium(d)	Other Life Insurance Premium(e)	Total All Other Compensation(f)
James R. Tobin	$ 13,200	$ 25,000	$ 264,265	$ 7,920		$ 311,822
Lawrence C. Best	$ 13,200	$ 25,000	$ 6,229	$ 5,160		$ 51,026
Paul A. LaViolette	$ 13,200	$ 25,000			$ 105,872	$ 144,726
Fredericus A. Colen	$ 13,200	$ 25,000			$ 60,798	$ 108,772
Paul W. Sandman	$ 8,800	$ 25,000			$ 98,691	$ 133,797

(a) The amounts reflected in this column represent our matching contributions allocated to each of the NEOs under our 401(k) Retirement Savings Plan. All contributions to this 401(k) Retirement Savings Plan as well as any matching contributions are fully vested upon contribution.

(b) We provide executive officers an executive benefits package that includes, in addition to regular employee benefits, an allowance in the amount of $25,000 in lieu of other perquisites typically paid by other companies. For additional information about our Executive Allowance Plan, see the Compensation Discussion and Analysis section titled Executive Allowance on page 26.

(c) The amounts reflected in the Personal Use of Corporate Aircraft column represent the incremental costs to us for Mr. Tobin s and Mr. Best s personal use of the corporate aircraft. We calculate a portion of the incremental cost to us by dividing the number of miles the corporate aircraft has flown per month by the associated monthly variable operating costs for the corporate aircraft. This dollar per mile amount is then multiplied by the number of miles flown for personal use of the aircraft during the month. Since the corporate aircraft is used predominately for business travel, we do not include the monthly fixed costs to operate the corporate aircraft, such as pilot salary, general taxes and insurance, for purposes of this incremental cost calculation. Our incremental cost does not include amounts attributable to the NEO for increased income taxes we incurred in 2006 as a result of disallowed deductions related to that personal use under IRS rules. For 2006, the reflected amounts exclude $386,280 of disallowed deduction attributable to Mr. Tobin and $5,550 attributable to Mr. Best.

(d) Amounts in this column represent the imputed income attributable to Mr. Tobin and Mr. Best for term life insurance.

(e) Amounts in this column represent amounts paid to each of the NEOs to fund premiums for universal life insurance and imputed income related to our termination of a previously established split dollar life insurance program. The amounts reflected include a gross-up amount to cover related tax obligations: $46,910 for Mr. LaViolette, $30,395 for Mr. Colen and $44,877 for Mr. Sandman.

(f) This column also includes incidental amounts that fall below the required disclosure thresholds.

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GRANTS OF PLAN BASED AWARDS

The table below shows each grant of an award made to an NEO under any plan during the year ended December 31, 2006.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards			All Other Stock Awards: Number of shares of Stock or Units	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	G F of
	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)(2)	(#)(2)	($/Sh)	
bin		$ 0	$ 927,077	$ 2,224,985							
	2/28/06(3)				200,000		2,000,000				$
	2/28/06(4)							250,000			$
. Best		$ 0	$ 495,038	$ 1,188,091							
	5/17/06(5)							27,200			$
	5/17/06(5)								79,800	$ 20.60	$
		$ 0	$ 561,000	$ 1,346,400							
A.											
	5/8/06(6)	$ 0	$ 375,000	$ 900,000				45,500			$
	5/8/06(6)								130,000	$ 21.93	$
	5/17/06(5)	$ 0	$ 345,020	$ 828,048				8,700			$
	5/17/06(5)								25,500	$ 20.60	$

(1) These columns reflect threshold, target and maximum payout levels under our Performance Incentive Plan for 2006 performanc99e. The actual amount earned by each NEO is reported under the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. Additional information about our Performance Incentive Plan is included in the Compensation Discussion and Analysis section of this proxy statement beginning on page 22.

(2) These columns reflect the number of deferred stock units and stock options granted under our 2003 Long-Term Incentive Plan during 2006. These awards are also described in the Outstanding Equity Awards at Fiscal Year-End Table below.

(3) On February 28, 2006, Mr. Tobin was awarded an opportunity to receive up to 2,000,000 performance-based deferred stock units, 50% of which would be issued on December 31, 2008 in the event that shares of our common stock reach specified prices per share as set forth below and 50% of which would be issued on December 31, 2009 in the event that shares of our common stock reach specified prices per share as set forth

below (units that do not vest on December 31, 2008 may vest on December 31, 2009 if the specified prices per share have been reached):

Share Performance Price	% of Restrictions that Lapse	12/31/08 Measurement Date	12/31/09 Measurement Date	Total Shares Earned
$75 and above	100%	1,000,000	1,000,000	2,000,000
$60	80%	800,000	800,000	1,600,000
$50	60%	600,000	600,000	1,200,000
$40	40%	400,000	400,000	800,000
$35	20%	200,000	200,000	400,000
Below $35	0%	0	0	0

(4) On February 28, 2006, Mr. Tobin was also awarded 250,000 deferred stock units, 50% of which will vest on December 31, 2008 and 50% of which will vest on December 31, 2009, contingent on his continued employment as of each of those dates. The shares will be issued to Mr. Tobin during the seventh month following his cessation of employment with us.

(5) In May 2006, several employees, including Mr. Best and Mr. Sandman, received a special recognition bonus as a result of the completion of the Guidant acquisition. Mr. Best and Mr. Sandman were each awarded a specified number of stock options that vest in four equal annual installments beginning on May 17, 2007 (the first anniversary of the date of grant) and a specified number of deferred stock units that vest in four equal annual installments beginning on May 17, 2008 (the second anniversary of the date of grant). A description of this special recognition bonus can be found under the title Other/Special Recognition Awards in the Compensation Discussion and Analysis beginning on page 25.

(6) In connection with Mr. Colen s assumption of increased responsibilities related to our CRM division, in May 2006, he was awarded 45,500 deferred stock units that vest in four equal annual installments beginning on May 8, 2008 (the second anniversary of the date of grant) and 130,000 options to purchase our common stock that vest in four equal annual installments beginning on May 8, 2007 (the first anniversary of the date of grant).

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OUTSTANDING EQUITY AWARDS AT FISCAL YEAR END

This table shows unexercised options, stock that has not vested and equity incentive plan awards for each NEO outstanding as of December 31, 2006.

	Option Awards					Stock Awards			
me	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (#)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Hav Not Veste ($)(1)
mes R. bin	2,000,000			$ 17.00	3/17/09				
	180,000			$ 14.1563	5/9/10				
	130,000			$ 8.50	7/25/10				
	450,000			$ 6.125	12/6/10				
	90,000			$ 12.50	12/17/11				
	150,000	50,000(4)		$ 21.78	2/25/13				
	150,000	50,000(5)		$ 33.80	12/16/13				
	56,250	168,750(6)		$ 34.29	1/3/15				
						250,000(2)	$ 4,295,000		
								200,000(3)	$ 3,436,00
wrence Best	600,000			$ 12.4063	5/5/07				
	56,000			$ 10.3907	12/19/07				
	1,000,000			$ 18.7657	7/21/08				
	30,000			$ 12.4375	12/23/08				
	40,000			$ 17.875	4/19/09				

	120,000		$ 14.1563	5/9/10		
	120,000		$ 8.50	7/25/10		
	60,000		$ 12.50	12/17/11		
	120,000		$ 21.255	12/9/12		
	45,000	15,000(9)	$ 34.79	12/11/13		
	15,000	45,000(6)	$ 34.29	1/3/15		
		125,000(10)	$ 26.89	7/1/15		
		79,800(11)	$ 20.60	5/17/16		
					50,000(7)	$ 859,000
					27,200(8)	$ 467,296
ul A. Violette	340,000		$ 12.4063	5/5/07		
	56,000		$ 10.3907	12/19/07		
	30,000		$ 12.4375	12/23/08		
	80,000		$ 17.8750	4/19/09		
	120,000		$ 14.1563	5/9/10		
	120,000		$ 8.50	7/25/10		
	250,000		$ 6.125	12/6/10		
	60,000		$ 12.50	12/17/11		
	120,000		$ 21.255	12/9/12		
	56,250	18,750(9)	$ 34.79	12/11/13		
	25,000	75,000(6)	$ 34.29	1/3/15		
		250,000(10)	$ 26.89	7/1/15		
					100,000(7)	$ 1,718,000

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Option Awards	Stock Awards	
Equity Incentive Plan Awards:	Equity Incentive Plan Awards:	Equity Incentive Plan Awards: Market or Payout Value of