

BRISTOL MYERS SQUIBB CO
Form PRE 14A
March 26, 2003

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SCHEDULE 14A INFORMATION

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

Filed by the Registrant /X/

Filed by a Party other than the Registrant //

Check the appropriate box:

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

Bristol-Myers Squibb Company

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- /X/ No fee required
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(1) Title of each class of securities to which transaction applies:

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

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(3) Filing Party:

(4) Date Filed:

April 4, 2003

NOTICE OF
2003 ANNUAL
MEETING AND
PROXY STATEMENT

TUESDAY, MAY 6, 2003
AT 9:45 A.M.
HOTEL DU PONT
11TH AND MARKET
STREETS
WILMINGTON
DELAWARE

DEAR FELLOW STOCKHOLDER:

You are cordially invited to attend the Annual Meeting of Stockholders of Bristol-Myers Squibb Company at the Hotel duPont, 11th and Market Streets, Wilmington, Delaware, on Tuesday, May 6, 2003, at 9:45 a.m.

This booklet includes the Notice of Annual Meeting and the Proxy Statement. The Proxy Statement describes the business to be transacted at the meeting and provides other information about the company that you should know when you vote your shares.

The principal business of the Annual Meeting will be the election of directors, ratification of the election of independent auditors, approval of the Executive Performance Incentive Plan, consideration of a management proposal to amend the company's Certificate of Incorporation, and the consideration of four stockholder proposals. We will also review the status of the company's business at the meeting.

Last year, over 85% of the outstanding shares were represented at the Annual Meeting. It is important that your shares be represented whether or not you attend the meeting. Registered stockholders can vote their shares via the Internet or by using a toll-free telephone number. Instructions for using these convenient services appear on the proxy card. You can also vote your shares by marking your votes on the proxy card, signing and dating it and mailing it promptly using the envelope provided. Proxy votes are tabulated by an independent agent and reported at the Annual Meeting. The tabulating agent maintains the confidentiality of the proxies throughout the voting process.

Admission to the Annual Meeting will be by ticket only. **Please bring photo identification.** If you are a registered stockholder planning to attend the meeting, please check the appropriate box on the proxy card and retain the bottom portion of the card as your admission ticket. If your shares are held through an intermediary such as a bank or broker, follow the instructions in the Proxy Statement to obtain a ticket.

We have provided space on the proxy card for comments from our registered stockholders. We urge you to use it to let us know your feelings about the company or to bring a particular matter to our attention. If you hold your shares through an intermediary, please feel free to write directly to us.

PETER R. DOLAN
Chairman and Chief Executive Officer

345 Park Avenue
New York, New York 10154-0037

**NOTICE OF ANNUAL MEETING
OF STOCKHOLDERS**

Notice is hereby given that the Annual Meeting of Stockholders will be held at the Hotel duPont, 11th and Market Streets, Wilmington, Delaware, on Tuesday, May 6, 2003 at 9:45 a.m. for the following purposes as set forth in the accompanying Proxy Statement:

- to elect four directors;
- to ratify the appointment of PricewaterhouseCoopers LLP as independent auditors for 2003;
- to approve the company's Executive Performance Incentive Plan;
- to approve the proposed amendment to the company's Certificate of Incorporation;
- to consider and vote upon four stockholder proposals; and
- to transact such other business as may properly come before the meeting or any adjournments thereof.

Holders of record of the company's Common and Preferred Stock at the close of business on March 10, 2003, will be entitled to vote at the meeting.

By Order of the Board of Directors

SANDRA LEUNG
Secretary

Dated: April 4, 2003

YOUR VOTE IS IMPORTANT

Regardless of the number of shares you own, your vote is important.

If you do not attend the Annual Meeting to vote in person, your vote will not be counted unless a proxy representing your shares is presented at the meeting.

To ensure that your shares will be voted at the meeting, please vote in one of these ways:

(1) GO TO THE WEB SITE shown on your proxy card and vote via the Internet;

OR

(2) USE THE TOLL-FREE TELEPHONE NUMBER shown on your proxy card (this call is toll-free in the United States);

OR

(3) MARK, SIGN, DATE AND PROMPTLY RETURN the enclosed proxy card in the postage-paid envelope.

If you do attend the Annual Meeting, you may revoke your proxy and vote by ballot.

ELECTRONIC DELIVERY OF PROXY STATEMENT AND ANNUAL REPORT

This proxy statement and the 2002 annual report are available on Bristol-Myers Squibb's Internet site at www.bms.com. Most stockholders can elect to view future proxy statements and annual reports over the Internet instead of receiving paper copies in the mail.

If you are a stockholder of record, you can choose this option and save Bristol-Myers Squibb the cost of production and mailing these documents by following the instructions provided when you vote over the Internet. If you hold your Bristol-Myers Squibb stock through a bank, broker or other holder of record, please refer to the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports over the Internet.

If you choose to view future proxy statements and annual reports over the Internet, you will receive an e-mail message next year containing the Internet address to access Bristol-Myers Squibb's proxy statement and annual report. Your choice will remain in effect until you tell us otherwise. You do not have to elect Internet access each year. To view, cancel or change your enrollment profile, please go to www.InvestorDelivery.com.

PROXY STATEMENT

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GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

Why am I receiving these materials?

This Proxy Statement is being sent to all stockholders of record as of the close of business on March 10, 2003 for delivery beginning April 4, 2003 in connection with the solicitation of proxies on behalf of the Board of Directors for use at the Annual Meeting of Stockholders on May 6, 2003. Although the Annual Report and Proxy Statement are being mailed together, the Annual Report should not be deemed to be part of the Proxy Statement.

Who can attend the Annual Meeting?

Only stockholders of the company as of the record date, March 10, 2003, their authorized representatives and guests of the company will be able to attend the Annual Meeting. Admission will be by ticket only. In addition, please be sure to bring photo identification. The Hotel duPont is accessible to disabled persons and, upon request, wireless headsets for hearing amplification will be provided.

How do I receive an admission ticket?

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If you are a registered stockholder (your shares are held in your name) and plan to attend the meeting, your Annual Meeting admission ticket can be detached from the bottom portion of the proxy card.

If you are a beneficial owner (your shares are held in the name of a bank, broker or other holder of record) and plan to attend the meeting, you can obtain an admission ticket in advance by writing to Stockholder Services, Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154. Please be sure to enclose proof of ownership, such as a bank or brokerage account statement. Stockholders who do not obtain tickets in advance may obtain them upon verification of ownership at the Registration Desk on the day of the Annual Meeting.

Tickets may be issued to others at the discretion of the company.

Who is entitled to vote?

All holders of record of the company's \$0.10 par value Common Stock and \$2.00 Convertible Preferred Stock at the close of business on March 10, 2003 will be entitled to vote at the 2003 Annual Meeting. Each share is entitled to one vote on each matter properly brought before the meeting.

How do I vote if I am a registered stockholder?

Proxies are solicited to give all stockholders who are entitled to vote on the matters that come before the meeting the opportunity to do so whether or not they attend the meeting in person. If you are a registered holder, you can vote your proxy in one of the following manners:

- (i) Via Internet
- (ii) By Telephone
- (iii) By Mail or
- (iv) In Person at the Annual Meeting

Choosing to vote via the Internet or calling the toll-free number listed on the proxy card will save the company expense. Internet and telephone voting information is provided on the proxy card. A control number, located on the lower right of the proxy card, is designated to verify a stockholder's identity and allow the stockholder to vote the shares and confirm that the voting instructions have been recorded properly. If you vote via the Internet or by telephone, please do not return a signed proxy card.

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If you choose to vote by mail, mark your proxy card enclosed with the Proxy Statement, date and sign it, and mail it in the postage-paid envelope.

If you wish to vote in person, you can vote the proxy in person at the Annual Meeting.

How do I specify how I want my shares voted?

If you are a registered stockholder, you can specify how you want your shares voted on each proposal by marking the appropriate boxes on the proxy card. Please review the voting instructions on the proxy card and read the entire text of the proposals and the positions of the Board of Directors in the Proxy Statement prior to marking your vote.

If your proxy card is signed and returned without specifying a vote or an abstention on a proposal, it will be voted according to the recommendation of the Board of Directors on that proposal. That recommendation is shown for each proposal on the proxy card.

How do I vote if I am a beneficial stockholder?

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If you are a beneficial stockholder, you have the right to direct your broker or nominee on how to vote the shares. You should complete a voting instruction card which your broker or nominee is obligated to provide you. If you wish to vote in person at the meeting, you must first obtain from the record holder a proxy issued in your name.

What items will be voted upon at the Annual Meeting?

At the Annual Meeting, the following items will be voted upon:

- (i) the election of four directors;
- (ii) ratification of appointment of the company's independent auditors;
- (iii) approval of the company's Executive Performance Incentive Plan;
- (iv) approval to amend the company's Certificate of Incorporation to declassify the Board of Directors; and
- (v) the four stockholder proposals.

The Board of Directors of Bristol-Myers Squibb knows of no other matters that may be brought before the meeting. However, if any other matters are properly presented for action, it is the intention of the named proxies to vote on them according to their best judgment.

What are the Board of Directors' voting recommendations?

For the reasons set forth in more detail later in the Proxy Statement, the Board of Directors recommends a vote FOR the election of directors, FOR the ratification of the appointment of PricewaterhouseCoopers LLP as independent auditors for 2003, FOR the approval of the company's Executive Performance Incentive Plan, FOR the approval of the proposal to amend the company's Certificate of Incorporation and AGAINST each of the four stockholder proposals.

How many votes are needed to have the proposals pass?

A plurality of the votes cast at the meeting is required to elect directors. The affirmative vote of a majority of the shares present in person or by proxy is required for the adoption of the management proposal and for the adoption of each of the four stockholder proposals. The affirmative vote of at least 75% of the outstanding common stock of the company is required to approve the proposal to amend the Certificate of Incorporation to declassify the Board.

How are the votes counted?

In accordance with the laws of the State of Delaware and the company's Restated Certificate of Incorporation and Bylaws,

- (i) for the election of directors, which requires a plurality of the votes cast in person or by proxy, only proxies and ballots indicating votes "FOR all nominees," "WITHHELD for all nominees" or specifying that votes be withheld for one or more designated nominees are counted to determine the total number of votes cast; abstentions and broker non-votes are not counted, and
- (ii) for the adoption of all management proposals and all stockholder proposals, which require the majority of the votes cast in person or by proxy, only proxies and ballots indicating votes "FOR," "AGAINST" or "ABSTAIN" on the proposals or providing the designated proxies with the right to vote in their judgment and discretion on the proposals are counted to determine the number of shares present and entitled to vote; broker non-votes are not counted.

How can I revoke my Proxy?

You may revoke your proxy at any time before it is voted at the meeting by taking one of the following three actions: (i) by giving timely written notice of the revocation to the Secretary of the company; (ii) by executing and delivering a proxy with a later date; or (iii) by voting in person at the meeting.

How do I designate my proxy?

If you wish to give your proxy to someone other than the Directors' Proxy Committee, you may do so by crossing out the names of all three Proxy Committee members appearing on the proxy card and inserting the name of another person. The signed card must be presented at the meeting by the person you have designated on the proxy card.

Who counts the votes?

Tabulation of proxies and the votes cast at the meeting is conducted by an independent agent and certified to by independent inspectors of election.

Is my vote confidential?

Yes, any information that identifies a stockholder or the particular vote of a stockholder is kept confidential.

Who will pay for the costs involved in the solicitation of proxies?

The company will pay all costs of preparing, assembling, printing and distributing the proxy materials. Management has retained Georgeson Shareholder Communications Inc. to assist in soliciting proxies for a fee of \$25,000, plus reasonable out-of-pocket expenses. Employees of the company may solicit proxies on behalf of the Board of Directors through the mail, in person, and by telecommunications. The company will, upon request, reimburse brokerage firms and others for their reasonable expenses incurred for forwarding solicitation material to beneficial owners of stock.

How do I contact a non-employee director?

Any stockholder wishing to contact a non-employee director may do so by writing to [Name of Director], c/o Secretary, Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154.

VOTING SECURITIES AND PRINCIPAL HOLDERS

At the close of business on March 10, 2003, there were 1,937,666,868 shares of \$0.10 par value Common Stock and 8,231 shares of \$2.00 Convertible Preferred Stock outstanding and entitled to vote.

Common Stock Ownership by Directors and Executive Officers

The following table sets forth, as of February 1, 2003, beneficial ownership of shares of Common Stock of the company by each director, each of the named executive officers and all directors and officers as a group. None of the directors and executive officers, individually or as a group, beneficially owns greater than 1% of the outstanding shares of common stock.

Unless otherwise noted, such shares are owned directly or indirectly with sole voting and investment power.

Name	Total Shares Owned(a)	Common Shares Underlying Options(b)	Deferred Common Share Units(c)
R. E. Allen	112,022	25,240	68,500

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Name	Total Shares Owned(a)	Common Shares Underlying Options(b)	Deferred Common Share Units(c)
A. R. J. Bonfield	107,748	0	7,748
L. B. Campbell	14,066	4,205	7,751
V. D. Coffman	23,600(d)	8,412	15,116
P. R. Dolan	829,180(e)	603,980	0
E. V. Futter	43,002	29,447	9,249
L. V. Gerstner, Jr.	70,523	26,291	22,625(f)
L. H. Glimcher, M.D.	16,687	8,412	8,275
D. J. Hayden, Jr.	604,019	467,288	0
L. Johansson	11,676	4,205	5,471
J. L. McGoldrick	1,042,134	927,112	0
P. S. Ringrose, Ph.D.	667,845	511,383	0
J. D. Robinson III	65,623	29,447	11,769
L. W. Sullivan, M.D.	41,619(h)	29,447	11,688
All Directors and Executive Officers as a Group	3,649,744	2,674,869	168,192

- (a) Consists of direct and indirect ownership of shares, including restricted stock grants, shares credited to the accounts of the executive officers under the Bristol-Myers Squibb Company Savings and Investment Program, stock options that are currently exercisable or exercisable within 60 days and deferred common share units.
- (b) Consists of stock options that are currently exercisable and stock options that will be exercisable within 60 days.
- (c) For non-employee directors, represents amounts credited to their accounts under the 1987 Deferred Compensation Plan for Non-Employee Directors as deferred common share units which are valued according to the market value and stockholder return on equivalent shares of Common Stock. For named executive officers, represents amounts credited to their accounts under the Executive Performance Incentive Plan as deferred common share units which are valued according to the market value and stockholder return on equivalent shares of Common Stock.
- (d) Includes 72 shares held by a family living trust over which neither Dr. Coffman nor his wife exercise voting nor investment power.

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- (e) Includes 10,713 shares owned by a family charitable foundation over which Mr. Dolan and his wife exercise shared voting and investment power. Mr. Dolan disclaims beneficial ownership of the shares owned by the family charitable foundation.
- (f) Includes 6,477 deferred common share units credited to Mr. Gerstner's account in the Squibb Corporation Deferred Plan for Fees of Outside Directors which are valued according to the market value and stockholder return on equivalent shares of Common Stock.
- (h) Includes 484 shares owned jointly by Dr. Sullivan and his wife over which he exercises shared voting and investment power.

Principal Holders of Common Stock

To the best knowledge of the company, there are no beneficial owners of more than 5 percent of the outstanding shares of the company's Common Stock.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, the company's directors, executive officers and the beneficial holders of more than 10% of the company's Common Stock are required to file reports of ownership and changes in ownership with the Securities and Exchanges Commission. To the company's best knowledge, during 2002 all applicable Section 16(a) filings requirements were met except that, due to an administrative error, a late Form 4 was filed for Elliott Sigal, an executive officer of the company, disclosing that on November 1, 2002, he (i) received a restricted stock grant and (ii) disposed of shares of Common Stock to pay for taxes upon the vesting of restricted stock.

BOARD OF DIRECTORS

The business of the company is managed under the direction of the Board of Directors. It has responsibility for establishing broad corporate policies and for the overall performance of the company. It is not, however, involved in operating details on a day-to-day basis. The Board is kept advised of the company's business through regular written reports and analyses and discussions with the Chief Executive Officer and other officers of the company.

Meetings of the Board

The Board meets on a regularly scheduled basis during the year to review significant developments affecting the company and to act on matters requiring Board approval. It also holds special meetings when an important matter requires Board action between scheduled meetings. Members of senior management regularly attend Board meetings to report on and discuss their areas of responsibility. In 2002, there were eight regular meetings and four special meetings of the Board. The average aggregate attendance of Directors at Board and Committee meetings was over 96%. No director attended fewer than 87% of the aggregate number of Board and Committee meetings during the periods he or she served.

Committees of the Board

The company's Bylaws specifically provide for an Audit Committee and an Executive Committee. The company's Bylaws also authorize the establishment of additional committees of the Board and, under this authorization, the Board of Directors has established the Committee on Directors and Corporate Governance and the Compensation and Management Development Committee. The Board has appointed individuals from among its members to serve on these four committees. The membership of these four committees, with the exception of the Executive Committee, is composed entirely of non-employee directors.

The committees of the Board held a total of 14 meetings: the Audit Committee met six times, the Compensation and Management Development Committee met six times and the Committee on Directors and Corporate Governance met twice. There were no meetings of the Executive Committee in 2002. The non-employee directors of the company meet in executive session on at least a quarterly basis. These sessions are led by the chair of the Committee on Directors and Corporate Governance.

The table below provides membership information for each Board committee.

Name	Audit	Directors and Corporate Governance	Compensation & Management Development	Executive
R.E. Allen	X	X*		X
L.B. Campbell	X	X	X	
V.D. Coffman	X*		X	
P.R. Dolan				X
E.V. Futter		X		
L.V. Gerstner, Jr.		X		X
L.H. Glimcher, M.D.	X	X		
L. Johansson	X	X		
J.D. Robinson III		X	X*	X
L.W. Sullivan, M.D.	X		X	

*

Chair

Audit Committee

The Audit Committee ("Committee") is appointed by and generally acts on behalf of the Board of Directors. The Committee is responsible primarily for overseeing and monitoring the quality of the company's accounting and auditing practices and is directly responsible for the appointment, compensation and oversight of the company's independent auditors for the purpose of preparing or issuing audit reports and related work regarding the company's financial statements. The Committee operates pursuant to a charter adopted by the Board of Directors as amended from time to time. The amended charter adopted on March 10, 2003, appears on the company's web site at www.bms.com.

Audit Committee Report

Management has primary responsibility for the company's financial reporting process, principles and internal controls as well as preparation of its consolidated financial statements. The company's independent auditors are responsible for performing an audit of the company's financial statements and expressing an opinion as to the conformity of such financial statements with accounting principles generally accepted in the United States. The Committee is responsible for overseeing and monitoring the company's accounting and auditing process on behalf of the Board of Directors.

The Committee has worked actively with management and the independent auditors to oversee the company's restatement of sales and earnings relating to the buildup of wholesaler inventories in the company's U.S. pharmaceuticals unit primarily in 2000 and 2001 and other restatement adjustments identified as a result of a comprehensive review of accounting practices and principles. In connection with the restatement and review, the Committee met with management and the independent auditors on a regular basis to receive and assess reports on the restatement and the review. The Committee continues to work with management, the independent auditors and outside advisors to review and oversee the steps taken in the last year to strengthen control processes and procedures, to identify and rectify past accounting errors and to prevent a recurrence of the circumstances that resulted in the need to restate prior period financial statements.

Management has represented to the Committee that the company's audited consolidated financial statements for the year ended December 31, 2002 were prepared in accordance with accounting principles generally accepted in the United States, and the Committee has reviewed and discussed the audited consolidated financial statements for the year ended December 31, 2002 and the restated financial statements for the three years ended December 31, 2001 with management and the independent auditors. In addition, the Committee has discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees), as currently in effect.

The Committee has received written disclosures and a letter from the independent auditors required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), as currently in effect, and has discussed with the independent auditors their independence. The Committee has also determined that the independent auditors' provision of non-audit services in 2002 is compatible with and did not impair the auditors' independence.

Based on the review and discussion described above, the Committee recommended to the Board of Directors, and the Board has approved that, the audited consolidated financial statements for the year ended December 31, 2002 be included in the company's Annual Report on Form 10-K for the year ended December 31, 2002 and that the restated financial statements for the three years ended December 31, 2001 be included in Amendment No. 1 to the company's Annual Report on Form 10-K/A for the year ended December 31, 2001 in each case for filing with the Securities and Exchange Commission. The Committee and the Board also have recommended, subject to stockholder ratification, the selection of the company's independent auditors.

The members of the Committee have also confirmed there have been no new circumstances or developments since their respective appointments to the Committee that would impair any member's ability to act independently.

The Audit Committee

Vance D. Coffman, Chair
Robert E. Allen
Lewis B. Campbell

Laurie H. Glimcher, M.D.
Leif Johansson
Louis W. Sullivan, M.D.

Committee on Directors and Corporate Governance

The Committee on Directors and Corporate Governance ("Committee") is responsible primarily for a) identifying individuals qualified to become Board members, b) recommending the Board select the director nominees for the next annual meeting of stockholders, and c) overseeing the Board's annual evaluation of its performance. The Committee operates pursuant to a charter adopted by the Board of Directors. The charter appears on the company's web site at www.bms.com.

The Committee on Directors and Corporate Governance considers stockholder recommendations of nominees for election to the Board of Directors if they are accompanied by a comprehensive written resume of the recommended nominee's business experience and background and a consent in writing signed by the recommended nominee that he or she is willing to be considered as a nominee and, if nominated and elected, he or she will serve as a director. Stockholders should send their written recommendations of nominees accompanied by the aforesaid documents to the principal executive offices of the company addressed to Bristol-Myers Squibb Company, 345 Park Avenue, New York, New York 10154, attention: Secretary.

Compensation and Management Development Committee

The Compensation and Management Development Committee ("Committee") is responsible primarily for a) reviewing, approving and reporting to the Board on major compensation plans, policies and programs of the company, b) reviewing and approving the compensation of executive officers and certain senior management, and c) overseeing the company's management development programs, performance assessment of senior executives and succession planning. The Committee operates pursuant to a charter adopted by the Board of Directors. The charter appears on the company's web site at www.bms.com.

Compensation of Directors

In 2002, the non-employee directors of the company received an annual retainer of \$45,000. The company requires that 25% of the retainer be deferred and credited to a deferred compensation account, the value of which is determined by the value of Bristol-Myers Squibb Company Common Stock, until certain ownership guidelines are attained. Non-employee directors received an additional fee of \$2,000 for attending each Board meeting, Board Committee meeting, and the Annual Meeting of Stockholders. In addition, the Chairs of the Audit Committee, the Compensation and Management Development Committee and the Committee on Directors and Corporate Governance received an annual fee of \$10,000.

A non-employee director may elect to defer payment of all or part of the compensation received as a director under the company's Deferred Compensation Plan for Non-Employee Directors. Deferred funds may be credited to a 6-month United States Treasury bill equivalent fund, a fund based on the return on

the company's invested cash or a fund based on the return on Bristol-Myers Squibb Company Common Stock or to two or three of the funds. Deferred portions are payable in a lump sum or in a maximum of ten annual installments. Payments under the Plan begin when a participant ceases to be a director or at a future date previously specified by the director.

All non-employee directors received an annual award of 1,000 deferred common share units, the value of which is determined by the value of Bristol-Myers Squibb Company Common Stock. The company's Retirement Plan for Non-Employee Directors was terminated in 1996. Benefits existing under the Plan were vested as of that time for all directors who had served on the Board as of that date. Under the company's 2000 Non-Employee Directors' Stock Option Plan, each non-employee director received on the date of the 2002 Annual Meeting, an option to purchase 3,500 shares of the company's Common Stock, provided the director was elected to the Board of Directors on the date of the Annual Meeting or had previously been elected to the Board of Directors for a term extending beyond such Annual Meeting. The price of the option was the fair market price of the company's Common Stock on the date the option was granted. Each option becomes exercisable in four equal installments commencing on the earlier of the first anniversary of the date of the grant or the date of the next Annual Meeting and continuing similarly for the three years thereafter. The options also become fully exercisable upon retirement from the Board after one year of service following the grant date. In 2002, options for a total of 31,500 shares were granted under the plan, consisting of options for 3,500 shares granted to each of nine non-employee directors.

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The Directors' Charitable Contribution Program is part of the company's overall program of charitable contributions in which all current directors participate. The Program is partially funded by life insurance policies purchased by the company on individual members and retired members of the Board of Directors. In 2001, the company paid a total of \$61,454 in premiums on policies covering five current directors and certain retired directors. The policies provide for a \$1 million death benefit for each director covered. Upon the death of a director, the company donates one-half of the \$1 million benefit to one or more qualifying charitable organizations designated by the director. The remaining one-half of the benefit is contributed to the Bristol-Myers Squibb Foundation, Inc. for distribution according to the Foundation's program for charitable contributions to medical research, health-related and community service organizations, educational institutions and education-related programs and cultural and civic activities. Individual directors derive no financial benefit from this program since all charitable deductions relating to the contributions accrue solely to the company.

Each year the Committee on Directors and Corporate Governance of the Board reviews the company's directors' compensation practices and compares them against the practices of our peer group companies and the largest U.S. companies in market capitalization. The committee believes the company's total director compensation package continues to be competitive with the compensation offered by other companies and appropriately aligns the interests of directors to stockholders by ensuring directors have a proprietary stake in the company.

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PROPOSAL 1 ELECTION OF DIRECTORS

The Board of Directors is divided into three classes. The Board of Directors has also nominated four current directors, Robert E. Allen, Lewis B. Campbell, Laurie H. Glimcher, M.D. and James D. Robinson III to serve as directors of the company for three-year terms expiring at the 2006 Annual Meeting. After the election of four directors at the Annual Meeting, the Board of Directors will be composed of ten directors, including six continuing directors whose terms extend beyond the Annual Meeting. If any nominee is unable to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees, unless the Board of Directors provides for a lesser number of directors.

Listed below is certain biographical information of each of the nominees for election followed by information for directors whose terms extend beyond this Annual Meeting, including his or her principal occupation and other business affiliations.

Nominees for Directors for a Term Expiring in 2006

ROBERT E. ALLEN

Chairman and Chief Executive Officer from 1988 to 1997 of AT&T Corp., a communications and information services company. His present term expires this Annual Meeting. Mr. Allen is a director of Pepsico, Inc. He is a board member of Whisperwire, Inc., a member of The Business Council and a trustee of The Mayo Foundation and Wabash College. Board Committees: Audit Committee, Committee on Directors and Corporate Governance (Chair) and Executive Committee. Age 68.

Director since 1986

LEWIS B. CAMPBELL

Chairman, President and Chief Executive Officer since February 1999 of Textron Inc., a multi-industry company serving the aircraft, fastening systems, industrial products and components and financial industries. His present term expires at this Annual Meeting. Mr. Campbell is a director of Allegheny Energy, Inc. Board Committees: Audit Committee, Committee on Directors and Corporate Governance and Compensation and Management Development Committee. Age 56.

Director since 1998

LAURIE H. GLIMCHER, M.D.

Irene Heinz Given Professor of Immunology at the Harvard School of Public Health and Professor of Medicine at the Harvard Medical School since 1991. Her present term expires at this Annual Meeting. Dr. Glimcher is a director of Waters Corporation. She is a Fellow of the American Academy of Arts and Sciences and a Member of the National Academy of Sciences. Board Committees: Audit Committee and Committee on Directors and Corporate Governance. Age 51.

Director since 1997

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JAMES D. ROBINSON III

Chairman and Chief Executive Officer since 1994 of RRE Investors and General Partner of RRE Ventures GP II, LLC, private information technology venture investment firms. His present term expires at this Annual Meeting. He served as Chairman and Chief Executive Officer of American Express Company from 1977 to 1993. Mr. Robinson is a director of the Coca-Cola Company, Novell, Inc., First Data Corporation, and Pinnacor Inc. He is a member of The Business Council and the Council on Foreign Relations as well as honorary co-chairman of Memorial Sloan-Kettering Cancer Center and an Honorary Trustee of The Brookings Institution. Board Committees: Committee on Directors and Corporate Governance, Compensation and Management Development Committee (Chair) and Executive Committee. Age 67.

Director since 1976

Directors whose terms expire in 2005

VANCE D. COFFMAN

Chairman and Chief Executive Officer since 1998 of Lockheed Martin Corporation, a high technology aerospace and defense company. He is a director of the 3M Company. Board Committees: Audit Committee (Chair) and Compensation and Management Development Committee. Age 58.

Director since 1998

ELLEN V. FUTTER

President of the American Museum of Natural History since 1993. President of Barnard College from 1981 to 1993. Ms. Futter is a director of J.P. Morgan Chase & Co., American International Group, Inc., and Consolidated Edison, Inc., as well as a trustee of Consolidated Edison Company of New York, Inc., the American Museum of Natural History and an overseer at Memorial Sloan-Kettering Cancer Center. She is a member of the Council on Foreign Relations, a fellow of the American Academy of Arts and Sciences and a Director of NYC & Co. Ms. Futter is also a member of the Advisory Board of Yale School of Management. Board Committee: Committee on Directors and Corporate Governance. Age 53.

Director since 1990

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LOUIS W. SULLIVAN, M.D.

President of the Morehouse School of Medicine from 1981 to 1989 and from 1993 to 2002. From 1989 to 1993, Dr. Sullivan was Secretary of the United States Department of Health and Human Services. Dr. Sullivan is a director of 3-M Corporation, Georgia-Pacific Corporation, CIGNA Corporation, United Therapeutics, Corporation, Equifax Inc. and H.A. Schein Co. He is a founder and Chairman of Medical Education for South African Blacks, Inc., a member of the National Executive Council of the Boy Scouts of America and Africare. Board Committees: Audit Committee and Compensation and Management Development Committee. Age 69.

Director since 1993

Directors whose terms expire in 2004

PETER R. DOLAN

Chairman of the Board and Chief Executive Officer of the company. Mr. Dolan was elected Chairman of the Board in September 2001. Mr. Dolan was elected President of the company in 2000 and Chief Executive Officer in May 2001. He was Senior Vice President for Strategy and Organizational Effectiveness from 1998 to his election as President. He is a director of the American Express Company, a member of the Business Council and the Board of Trustees of Tufts University and a Steering Committee member of the National Dialogue on Cancer. Age 47.

Director since 2000

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LOUIS V. GERSTNER, JR.

Chairman of the Board of IBM Corporation from 1993 to 2002. He served as Chief Executive Officer of IBM from 1993 until March 2002. Mr. Gerstner has been Chairman of the Carlyle Group since January 2003. Chairman and Chief Executive Officer of RJR Nabisco Holdings Corporation from 1989 to 1993. He is Vice Chairman of the Board of Memorial Sloan-Kettering Cancer Center, a director of the Council on Foreign Relations and a member of the National Academy of Engineering. He is a member of the Advisory Board of Daimler-Chrysler and a member of the Advisory Board of Sony Corporation. Board Committees: Committee on Directors and Corporate Governance and Executive Committee. Age 61.

Director since 1989
Director of Squibb Corporation
from 1986 to 1989

LEIF JOHANSSON

President of AB Volvo, an automotive company and Chief Executive Officer of The Volvo Group since 1997. He is also a member of The Confederation of Swedish Enterprise and The Royal Swedish Academy of Engineering Sciences. Board Committees: Audit Committee and Committee on Directors and Corporate Governance. Age 51.

Director since 1998

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COMPENSATION AND BENEFITS

The company's compensation and benefits programs are designed to enable the company to attract, retain and motivate the best possible employees to operate and manage the company at all levels.

In general, all U.S.-based employees, except employees covered by certain collective bargaining agreements, receive a base salary, participate in an annual incentive plan, a company-supported savings plan and a company-funded pension plan and are provided with medical and other welfare benefits coverage. Employees outside of the United States are similarly covered by comprehensive compensation and benefits programs.

In 1995, the company implemented a global stock option grant known as the TeamShare Stock Option Plan. Under this Plan, employees who met certain service requirements and were not key executives were eligible for a stock option award giving them each the opportunity to purchase 200 shares of the company's Common Stock. This Plan does not permit the grant of stock awards. All TeamShare recipients possess a stronger link with company stockholders as they benefit from the stock price appreciation resulting from their efforts to grow and strengthen the business. In 1998, the initial awards granted under this Plan became vested and many employees exercised their awards. These employees realized gains related to these option awards and expanded their direct ownership of company stock. Additional grants of options for 200 shares were again provided to all eligible employees in 1998 and in 2002. These awards are known as the TeamShare II Stock Option Awards and the TeamShare III Stock Option Awards, respectively. These awards further enhanced the linkage between employees and stockholders.

In addition, the company maintains specific executive compensation programs designed to provide incentives to reward and retain outstanding executives who bear the responsibility for achieving the demanding business objectives necessary to assure the company's growth position in the highly complex and competitive pharmaceutical and healthcare industries in which it operates. The executive compensation programs are based upon a pay-for-performance philosophy to provide incentives to achieve both short-term and long-term objectives and to reward exceptional performance, gains in productivity and contributions to the company's growth and success.

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In addition to performance against financial objectives and total stockholder return, which are the determinants of formula-based incentive payments under the company's executive compensation program, the successful Bristol-Myers Squibb executive must also perform effectively in many areas that are not measured specifically by financial results. Performance is also assessed against standards of business conduct and ethics reflecting social values, environmental stewardship and the expectations of the company's key constituencies, including its employees and stockholders, the consumers of its products, suppliers and customers, the communities in which it operates and the countries where it does business. The Bristol-Myers Squibb Company Pledge clearly defines the values and behaviors that are expected of every employee in the company, and the performance of the company's executives is appraised in this regard.

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Executive Officer Compensation

The following tables and notes present the compensation provided by the company to Mr. Peter R. Dolan, Chairman and Chief Executive Officer, as well as the company's four other most highly compensated executive officers, for services rendered to the company in 2000, 2001 and 2002.

Summary Compensation Table

Name/Title Year	Annual Compensation			Long Term Compensation			All Other Compensation(5) \$
	Salary(1) \$	Bonus \$	Other Annual Compensation(2) \$	Awards		Payouts	
				Restricted Stock Awards (3) \$	Securities Underlying Options/SARs(4) #	Long Term Incentive Payouts \$	
P.R. Dolan (6) Chairman and CEO							
2002	\$ 1,100,000	\$ 0		\$ 0	500,000	\$ 0(10)	\$ 49,500
2001	\$ 1,033,333	\$ 1,314,922		\$ 1,550,000	446,951(9)	\$ 226,750(11)	\$ 46,220
2000	\$ 736,431	\$ 609,948(8)		\$ 5,165,625	191,400(9)	\$ 200,000(12)	\$ 33,139
J.L. McGoldrick EVP and General Counsel							
2002	\$ 712,000	\$ 0		\$ 0	90,000	\$ 0(10)	\$ 32,040
2001	\$ 712,000	\$ 521,626		\$ 2,145,000	105,165(9)	\$ 226,750(11)	\$ 32,016
2000	\$ 677,996	\$ 288,020(8)		\$ 0	127,250(9)	\$ 200,000(12)	\$ 30,510
A.R.J. Bonfield SVP and Chief Financial Officer							
2002	\$ 181,250	\$ 507,500		\$ 2,445,000	200,000	\$ 0	\$ 0
P.S. Ringrose, Ph.D.(7) President, Pharmaceutical Research Institute and CSO							
2002	\$ 670,000	\$ 0		\$ 0	80,000	\$ 0(10)	\$ 30,150
2001	\$ 670,000	\$ 452,749		\$ 0	105,165(9)	\$ 226,750(11)	\$ 30,127
2000	\$ 642,246	\$ 246,205(8)		\$ 3,212,500	127,250(9)	\$ 200,000(12)	\$ 28,901
D.J. Hayden, Jr. EVP and President, Americas							
2002	\$ 653,535	\$ 0		\$ 0	125,000	\$ 0(10)	\$ 29,409
2001	\$ 653,535	\$ 622,414		\$ 0	105,165(9)	\$ 294,775(11)	\$ 29,387
2000	\$ 628,019	\$ 310,896(8)		\$ 0	159,851(9)	\$ 124,000(12)	\$ 28,261

(1)

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None of the named executive officers received a merit increase in 2002. The last merit increase for these executives was effective December 31, 2000.

- (2) Other Annual Compensation for each of the named officers was in the form of perquisites and was less than the level required for reporting.
- (3) Regular cash dividends are paid to executives on these shares. On October 1, 2002, Mr. Bonfield received a grant of 100,000 shares with a closing value on the date of grant of \$24.45. The number and market value of shares of restricted stock held by each of these executives as of December 31, 2002 (based upon the closing market value stock price of \$23.15) were: Mr. Dolan 105,165 and \$2,434,570; Mr. McGoldrick 30,000 and \$694,500; Mr. Bonfield 100,000 and \$2,315,000; Dr. Ringrose 52,582 and \$1,217,273; Mr. Hayden 52,582 and \$1,217,273. The number of shares has been adjusted, where appropriate, to reflect the spin-off of Zimmer Holdings.
- (4) The number of securities underlying options/SARs has been adjusted, when appropriate, to reflect the adjustment due to the spin-off of Zimmer Holdings.

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- (5) Consists of matching contributions to the Savings and Investment Program (SIP) and the Benefits Equalization Plan for the SIP as follows: Mr. Dolan (\$8,780 and \$40,720); Mr. McGoldrick (\$8,780 and \$23,260); Dr. Ringrose (\$8,780 and \$21,369); Mr. Hayden (\$8,780 and \$20,629). Mr. Bonfield was not eligible for these plans in 2002.
- (6) Mr. Dolan was President until May 1, 2001, at which time he was promoted to CEO. He was promoted to Chairman on September 12, 2001. As reported in last year's proxy, Mr. Dolan received a promotional increase from \$900,000 to his current salary of \$1,100,000 on May 1, 2001 when he was promoted to the position of CEO. Thus, Mr. Dolan's base salary as reported here is slightly higher in 2002 than 2001 due to the fact he did not receive his current salary of \$1,100,000 for all of 2001.
- (7) Effective December 1, 2002 Dr. Ringrose resigned his position as President, Pharmaceutical Research Institute and Chief Scientific Officer and assumed a new role as Scientific Advisor to the company. Effective January 2, 2003, Dr. Ringrose is no longer an executive officer of the company.
- (8) For 2000 annual incentive awards, bonus amount excludes 50% of the target award amount which was paid in the form of stock options with an exercise price of \$61.09 and is included in the option awards column for 2000.
- (9) Performance-based exercise price thresholds must be attained for portions of the 2001 and 2000 awards to become exercisable.
- (10) In 2000, stock option awards with an exercise price of \$61.09 were granted in lieu of Long-Term Performance Awards and therefore, executives were not eligible to receive a Long-Term Performance Award payout for the 2000-2002 performance period.
- (11) Long-Term Performance award granted in 1999 and earned over the three-year performance period from 1999 through 2001. The payout was based on earnings per share growth and total stockholder return ranking versus peer companies. This award was paid at 90.7% of target.
- (12) Long-Term Performance award granted in 1998 and earned over the three-year performance period from 1998 through 2000. The payout was based on total stockholder return ranking versus peer companies. This award was paid at 80% of target.

Option/SAR Grants in the Last Fiscal Year

Individual Grants

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Name	Number of Securities Underlying Options/SARs Granted(1) #	% of Total Options/SARs Granted to Employees In Fiscal Year	Exercise Or Base Price(2) (\$/Sh)	Expiration Date	Grant Date Present Value(3) \$
P.R. Dolan	500,000	1.2%	\$ 48.0750	March 5, 2012	\$ 7,696,808
J.L. McGoldrick	90,000	0.2%	\$ 48.0750	March 5, 2012	\$ 1,385,425
A.R.J. Bonfield	200,000	0.5%	\$ 24.1850	October 1, 2012	\$ 1,548,807
P.S. Ringrose, Ph.D.	80,000	0.2%	\$ 48.0750	March 5, 2012	\$ 1,231,489
D.J. Hayden, Jr.	125,000	0.3%	\$ 48.0750	March 5, 2012	\$ 1,924,202
All Optionees(4)	40,112,732		\$ 37.5501	Various Dates	