

BRISTOL MYERS SQUIBB CO
Form DEF 14A
March 22, 2006
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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

Filed by a Party other than the Registrant

Check the appropriate box:

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

- No fee required
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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

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(4) Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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March 22, 2006

NOTICE OF	DEAR FELLOW STOCKHOLDER:
2006 ANNUAL	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 2, 2006, at 10:00 a.m.
MEETING AND	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.
PROXY STATEMENT	
TUESDAY, MAY 2, 2006	The principal business of the Annual Meeting will be the election of directors, the ratification of the appointment of an independent registered public accounting firm and the consideration of five stockholder proposals. We will also review the status of the company's business at the meeting.
AT 10:00 A.M.	Both Louis V. Gerstner, Jr. and Louis W. Sullivan, M.D. will retire from the Board of Directors at this Annual Meeting and Ellen Futter retired from the Board at the end of 2005. We thank them for their dedicated service to Bristol-Myers Squibb and our stockholders and wish them well. We also welcome Louis J. Frech to the Board.
HOTEL DU PONT	
11TH AND MARKET	Last year, over 88% 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.
STREETS	
WILMINGTON	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 top 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.

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DELAWARE

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.

JAMES D. ROBINSON III

Chairman of the Board

PETER R. DOLAN

Chief Executive Officer

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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 2, 2006 at 10:00 a.m. for the following purposes as set forth in the accompanying Proxy Statement:

to elect nine directors of the Board of Directors, each for a term of one-year;

to ratify the appointment of Deloitte & Touche LLP as the company's independent registered public accounting firm for 2006;

to consider five stockholder proposals, if presented at the meeting; and

to transact such other business as may properly come before the meeting or any adjournments thereof.

Holders of record of our company's common and preferred stock at the close of business on March 6, 2006, will be entitled to vote at the meeting.

By Order of the Board of Directors

SANDRA LEUNG

Secretary

Dated: March 22, 2006

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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 WEBSITE 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 2005 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.

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PROXY STATEMENT

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ANNEX A Corporate Governance Guidelines
DIRECTIONS TO THE HOTEL DUPONT

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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 6, 2006 for delivery beginning March 22, 2006 in connection with the solicitation of proxies on behalf of the Board of Directors for use at the Annual Meeting of Stockholders on May 2, 2006. 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 Bristol-Myers Squibb as of the record date, March 6, 2006, their authorized representatives and guests of Bristol-Myers Squibb may 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?

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 top 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 our company's \$0.10 par value common stock and \$2.00 convertible preferred stock at the close of business on March 6, 2006 will be entitled to vote at the 2006 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.

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Choosing to vote via the Internet or calling the toll-free number listed on the proxy card will save the company expense. In order to vote online or via telephone, have the voting form in hand and either call the number or go to the website indicated on the enclosed form and follow the instructions. If you vote via the Internet or by telephone, please do not return a signed proxy card.

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?

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 nine directors to the Board, each for a term of one-year;
- (ii) ratification of the appointment of the company's independent registered public accounting firm; and
- (iii) the five stockholder proposals, if presented at the meeting.

Our Board of Directors 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, our Board of Directors recommends a vote FOR the election of directors, FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2006 and AGAINST each of the five stockholder proposals.

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How many votes are needed to have the proposals pass?

A plurality of the votes cast at the meeting is required to elect directors. Our Board of Directors adopted a corporate governance policy regarding director elections that is contained in our Corporate Governance Guidelines, which are attached to this Proxy Statement as Annex A. The policy provides that in any uncontested election, any nominee for director who receives a greater number of votes withheld for his or her election than votes for such election (a majority withheld vote) will tender his or her resignation as a director within 10 business days after the certification of the stockholder vote. The Committee on Directors and Corporate Governance, without participation by any director so tendering his or her resignation, will consider the resignation offer and recommend to the Board whether to accept it. The Board, without participation by any director so tendering his or her resignation, will act on the Committee's recommendation at its next regularly scheduled meeting to be held within 60 days after the certification of the stockholder vote. We will promptly disclose the Board's decision and the reasons for the decision in a broadly disseminated press release that will also be furnished to the Securities and Exchange Commission on Form 8-K.

The affirmative vote of a majority of the shares present in person or by proxy is required for ratification of the appointment of an independent registered public accounting firm and for the adoption of each of the five stockholder proposals.

How are the votes counted?

In accordance with the laws of the state of Delaware and our 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;
- (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.

Can I change my vote after I return the proxy card, or after voting by telephone or electronically?

If you are a shareholder of record, you can 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 Bristol-Myers Squibb;
- (ii) casting a new vote by telephone or by the Internet; or
- (iii) by voting in person at the Annual Meeting.

If you are a beneficial owner of shares, you may submit new voting instructions by contacting your bank, broker or other holder of record. You may also vote in person at the Annual Meeting if you obtain a legal proxy.

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All shares that have been properly voted and not revoked will be voted at the Annual 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?

Bristol-Myers Squibb 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. Our employees may solicit proxies on behalf of our Board of Directors through the mail, in person, and by telecommunications. We will, upon request, reimburse brokerage firms and others for their reasonable expenses incurred for forwarding solicitation material to beneficial owners of stock.

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At the close of business on March 6, 2006, there were 1,963,662,514 shares of \$0.10 par value common stock and 6,419 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 15, 2006, beneficial ownership of shares of our common stock by each director, each of the named executive officers and all directors and officers as a group. None of our 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	153,606	26,560	100,350
L. Andreotti	408,384	341,068	
A. R. J. Bonfield	517,413	347,499	11,371
L. B. Campbell	42,045	13,939	25,996
V. D. Coffman	58,393(d)	18,146	40,175
J. M. Cornelius	24,096		4,096
P. R. Dolan	2,405,017(e)	1,900,285	
L. J. Freeh	2,000		2,000
L. V. Gerstner, Jr.	100,324	26,560	42,992(f)
L. H. Glimcher, M.D.	39,809	18,146	21,663
D. J. Hayden, Jr.	1,432,467	1,219,328	
L. Johansson	28,500	13,939	12,561
J. L. McGoldrick	1,252,888	1,043,815	
J. D. Robinson III	126,816(g)	26,560	24,833
E. Sigal, M.D., Ph.D.	463,073	277,948	17,738
L. W. Sullivan, M.D.	57,697(h)	26,560	22,722
All Directors and Executive Officers as a Group	10,577,550	7,622,224	326,497

(a) Consists of direct and indirect ownership of shares, including unvested 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 shareholder return on equivalent shares of common stock. For named executive officers, represents amounts credited to their accounts under the 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.

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- (d) Includes 72 shares held by a family living trust over which neither Dr. Coffman nor his wife exercise voting nor investment power.
- (e) Includes 12,271 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 7,423 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.
- (g) Includes 40,984 restricted stock units which are valued according to the market value and shareholder return on equivalent shares of common stock.
- (h) Includes 543 shares owned jointly by Dr. Sullivan and his wife over which he exercises shared voting and investment power.

Principal Holders of Common Stock

The following table sets forth information regarding beneficial owners of more than 5 percent of the outstanding shares of our common stock.

Name	Number of Shares	Percent of
	Beneficially Owned	Class
Capital Research and Management Company 333 South Hope Street Los Angeles, California 90071	173,076,200(a)	8.8%(a)

- (a) This information is based on the Schedule 13G/A dated February 10, 2006 filed by Capital Research and Management Company with the Securities and Exchange Commission reporting beneficial ownership as of December 30, 2005. The reporting person has sole voting power with respect to 47,548,200 shares, shared voting power with respect to no shares and sole investment power with respect to all 173,076,200 shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Under Section 16(a) of the Securities Exchange Act of 1934, our directors, executive officers and the beneficial holders of more than 10% of our common stock are required to file reports of ownership and changes in ownership with the U.S. Securities and Exchange Commission. To the best of our knowledge, during 2005 all applicable Section 16(a) filing requirements were met.

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CORPORATE GOVERNANCE AND BOARD MATTERS

Our business is managed under the direction of our Board of Directors pursuant to the Delaware General Corporation Law and our Bylaws. Our Board has responsibility for establishing broad corporate policies and for the overall performance of our company. It is not, however, involved in operating details on a day-to-day basis. Our 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 Bristol-Myers Squibb, by reviewing materials provided to them and by participating in Board and Board Committee meetings.

Corporate Governance

We maintain a corporate governance webpage at http://www.bms.com/aboutbms/corporate_governance/data/.

Our Board of Directors adopted Corporate Governance Guidelines in 2002. From time to time, our Board revises the Corporate Governance Guidelines in response to changing regulatory requirements, evolving best practices, and the concerns of our stockholders and other constituents. The Corporate Governance Guidelines are attached to this Proxy Statement as Annex A and may be viewed on the company's website at www.bms.com.

Consistent with these goals, the Committee on Directors and Corporate Governance and the Compensation and Management Development Committee have reviewed various corporate governance and executive compensation issues during the past year and made recommendations to our Board. Based on these recommendations, our Board of Directors adopted the following corporate governance initiatives.

Our Board adopted a policy providing that in an uncontested election for directors, any nominee for director who receives a greater number of votes withheld for his or her election than votes for such election will tender his or her resignation for consideration by the Committee on Directors and Corporate Governance and by the other members of the Board of Directors.

In addition to our Board-adopted policy that generally requires the Board to seek stockholder approval prior to the adoption of a stockholder rights plan, we amended our Bylaws to require that all stockholder rights plans be approved by a minimum of two-thirds of the Board and that such plans must expire one year after Board adoption unless approved by our stockholders.

We will update the political contributions disclosure on our website on a semi-annual basis.

Beginning with the 2007 long-term incentive grants, we will reduce the portion of long-term incentives provided in the form of restricted stock for named executive officers from approximately 30% to approximately 15%. The value from the decreased restricted stock grants will be allocated across the long-term performance award plan and stock options with exercise thresholds, thus tying approximately 85% of long-term incentives to specific performance criteria.

These changes supplement the corporate governance initiatives previously approved by our Board of Directors which include:

The recommendation that stockholders approve the amendment to the Restated Certificate of Incorporation to effect the elimination of all supermajority vote requirements, except the requirement of a supermajority vote to return to a classified Board structure which was approved by stockholders;

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The adoption of a policy requiring stockholder approval for any future agreements providing executives cash severance payments in excess of 2.99 times the executive's base salary and cash bonus;

The adoption of a policy wherein the Board will seek reimbursement of bonuses paid to an executive if such executive engaged in misconduct that caused or partially caused a restatement of financial statements; and

The disclosure on our website of all political contributions made by our company and by our company-sponsored employee political action committee, to political committees, parties or candidates on both state and federal levels. The report is also available to stockholders upon written request.

Director Independence

It is the policy of our Board that a substantial majority of its members be independent from management and the Board has adopted independence standards that meet, and in some areas exceed, the listing standards of the New York Stock Exchange. In accordance with our Corporate Governance Guidelines, our Board undertook its annual review of director independence. Our Board considered, any and all commercial and charitable relationships of directors, including transactions and relationships between each director or any member of his or her immediate family and Bristol-Myers Squibb and its subsidiaries. Following the review, our Board determined, by applying the independence standards contained in the Corporate Governance Guidelines which are attached to this Proxy Statement as Annex A, that each of our directors nominated for election at this Annual Meeting is independent of Bristol-Myers Squibb and its management in that none has a direct or indirect material relationship with our company, except for Peter R. Dolan. Mr. Dolan is not considered an independent director because of his employment as Chief Executive Officer of the company.

The independent directors are Robert E. Allen, Lewis B. Campbell, Vance D. Coffman, James M. Cornelius, Louis J. Freeh, Louis V. Gerstner, Jr., Laurie H. Glimcher, M.D., Leif Johansson, James D. Robinson III and Louis W. Sullivan, M.D. In addition, all members of the Audit Committee, the Compensation and Management Development Committee and the Committee on Directors and Corporate Governance satisfy the standards of independence applicable to members of such committees established under applicable law and the listing requirements of the New York Stock Exchange.

Meetings of our Board

Our Board meets on a regularly scheduled basis during the year to review significant developments affecting Bristol-Myers Squibb 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 2005, the Board of Directors met eight times. The average aggregate attendance of directors at Board and Committee meetings was over 96%. No director attended fewer than 88% of the aggregate number of Board and Committee meetings during the periods he or she served.

Annual Meeting of Stockholders

Directors are not required, but are strongly encouraged to attend the Annual Meeting of Stockholders. In 2005, all of the Directors attended the Annual Meeting of Stockholders.

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Our Bylaws specifically provide for an Audit Committee and an Executive Committee. Our Bylaws also authorize the establishment of additional committees of the Board and, under this authorization, our Board of Directors has established the Committee on Directors and Corporate Governance and the Compensation and Management Development Committee. Our Board has appointed individuals from among its members to serve on these four committees. With the exception of the Executive Committee, each Committee is composed entirely of independent directors and operates under a written charter adopted by the Board, as amended from time to time. These charters are published on the company's website at www.bms.com.

In 2005, the committees of the Board held a total of 19 meetings: the Audit Committee met ten times, the Compensation and Management Development Committee met five times, the Committee on Directors and Corporate Governance met three times and the Executive Committee met once.

As of the date of the Proxy Statement, the table below indicates the members of 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	
J. M. Cornelius	X		X	
P. R. Dolan				X*
L. J. Freeh	X	X		
L. V. Gerstner, Jr.		X		X
L. H. Glimcher, M.D.	X	X		
L. Johansson	X	X		
J. D. Robinson III				X
L. W. Sullivan, M.D.	X		X	

* Chair

In addition, James D. Robinson III serves as a member, *ex-officio*, of all Board committees, except the Executive Committee of which he is a member.

Audit Committee

The Audit Committee is appointed by and generally acts on behalf of our Board of Directors. The Audit Committee works closely with management as well as our independent registered public accounting firm. The Audit Committee is responsible primarily for overseeing and monitoring the quality of our accounting and auditing practices and is directly responsible for the appointment, compensation and oversight of our independent registered public accounting firm for the purpose of preparing or issuing audit reports and related work regarding our financial statements. The Audit Committee also assists our Board in fulfilling its responsibilities for general oversight of compliance with legal and regulatory requirements, the performance of our internal audit function and independent registered public accounting firm, and business risk assessment and business risk management. Other specific duties and responsibilities include: (i) meeting to review our disclosure controls and procedures, internal controls, periodic filings with the U.S. Securities and Exchange Commission (SEC), earnings releases and earnings guidance; (ii) producing the required audit committee annual report for inclusion in our proxy statement; and (iii) overseeing investigations into complaints concerning financial or accounting matters.

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The Audit Committee has the resources and authority appropriate to discharge its responsibilities, including the authority to retain independent legal counsel, accounting or other consultants or experts to advise the Committee. The Committee may also use the services of the company's legal counsel and other advisors to the company.

The Audit Committee Report is contained on page 35.

Our Board of Directors has determined that James M. Cornelius qualifies as an audit committee financial expert based on the Board's understanding of the applicable SEC rules. In addition, our Board of Directors has determined that each current and former chief executive officer presently serving on the Audit Committee may also qualify as audit committee financial experts. Our Board has also determined that each member of the Audit Committee is independent as defined by the applicable New York Stock Exchange rules and is financially literate.

Including service on our company's Audit Committee, Dr. Sullivan currently serves on the audit committees of four publicly traded companies. Our Board of Directors has determined that Dr. Sullivan's simultaneous service on these audit committees does not impair his ability to serve effectively on our company's Audit Committee. In making this determination, our Board of Directors has considered that Dr. Sullivan is retiring from the Board of Directors at this Annual Meeting in accord with mandatory retirement provisions in our Corporate Governance Guidelines.

Compensation and Management Development Committee

The Compensation and Management Development Committee is responsible primarily for reviewing, approving and reporting to our Board on major compensation and benefits plans, policies and programs of the company; reviewing and evaluating the performance and approving the compensation of executive officers and certain senior management; and overseeing our management development programs, performance assessment of senior executives and succession planning. Other specific duties and responsibilities include: annually reviewing and approving corporate goals and objectives relevant to CEO compensation; evaluating the CEO's performance in light of those goals and objectives, and recommending to our Board the CEO's compensation levels based on this evaluation; and producing the required annual report on executive compensation for inclusion in our proxy statement.

The Compensation and Management Development Committee has the resources and authority appropriate to discharge its responsibilities, including the authority to retain consultants or experts to advise the Committee.

The Compensation and Management Development Committee Report on Executive Compensation is contained on page 23.

Committee on Directors and Corporate Governance

The Committee on Directors and Corporate Governance is responsible primarily for identifying individuals qualified to become Board members; recommending that our Board select the director nominees for the next annual meeting of stockholders; and overseeing our Board's annual evaluation of its performance. The Committee on Directors and Corporate Governance is also responsible for identifying best practices and developing and recommending to our Board a set of corporate governance guidelines applicable to the company and for periodically reviewing such guidelines. Other specific duties and responsibilities include: reviewing and recommending annually to our Board of Directors the compensation of non-employee directors; considering questions of potential conflicts of

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interest of directors and senior management; defining specific categorical standards for director independence, considering matters of corporate social responsibility and matters of significance in areas related to corporate public affairs and our employees and stockholders.

The Committee on Directors and Corporate Governance has the resources and authority appropriate to discharge its responsibilities, including the sole authority to retain, set compensation for, and terminate a search firm to be used to identify director candidates. In addition, the Committee has authority to seek advice and assistance from other experts or consultants.

Executive Committee

The Executive Committee is appointed by our Board of Directors and generally acts during the intervals between the meetings of the entire Board. The Executive Committee may exercise all of the powers of the entire Board in the management of the business and affairs of Bristol-Myers Squibb, except for specific powers that are reserved for the entire Board as set forth in our Bylaws.

Criteria for Board Membership

Our corporate governance guidelines contain Board membership criteria that apply to nominees for a position on our Board of Directors. Under these criteria, members of our Board should be persons of diverse backgrounds with broad experience in areas important to the operation of the company such as business, science, medicine, finance/accounting, law, education or government and should possess qualities reflecting integrity, independence, wisdom, an inquiring mind, vision, a proven record of accomplishment and ability to work with others. Each director must represent the interests of our stockholders.

Identification and Selection of Nominees for our Board

The Committee on Directors and Corporate Governance periodically assesses the appropriate size of our Board, and whether any vacancies on our Board are expected due to retirement or otherwise. In the event that vacancies are anticipated or otherwise arise, the Committee on Directors and Corporate Governance considers candidates for director. Candidates may come to the attention of the Committee on Directors and Corporate Governance through current Board members, professional search firms, management, stockholders or others. The Chair of the Committee on Directors and Corporate Governance, in consultation with the Chairman of the Board and Chief Executive Officer, conducts an initial evaluation of the prospective nominees against the established Board membership criteria discussed above. Additional information relevant to the qualifications of prospective nominees may be requested from third-party search firms, other directors, management or other sources. After this initial evaluation, prospective nominees may be interviewed by telephone or in person by the Chair of the Committee on Directors and Corporate Governance, the Chairman of the Board, Chief Executive Officer and other directors. After completing this evaluation and interview, the Committee on Directors and Corporate Governance makes a recommendation to the full Board as to the persons who should be nominated by our Board, and the full Board determines the nominees after considering the recommendation and any additional information it may deem appropriate.

In 2005, one of our outside counsel identified Mr. Louis J. Freeh as a potential candidate for election to our Board of Directors, among other potential candidates. Mr. Allen, Mr. Dolan and Mr. Robinson interviewed Mr. Freeh and reported back to the Committee on Directors and Corporate Governance. The Committee on Directors and Corporate Governance then recommended Mr. Freeh as a nominee for director to the full Board.

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Stockholder Nominations for Director

The Committee on Directors and Corporate Governance considers stockholder recommendations of nominees for election to our 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.

Executive Sessions

In 2005, our non-management directors met in Executive Session nine times to discuss such topics as our non-management directors determined, including the evaluation of the performance of the Chief Executive Officer. Mr. Allen, as Chair of the Committee on Directors and Corporate Governance and Mr. James D. Robinson, as Chairman of the Board, presided over these sessions.

Communications with our Board of Directors

The Committee on Directors and Corporate Governance has created a process by which an interested party may communicate directly with our non-management directors. Any interested party wishing to contact a non-management director may do so in writing by sending a letter to:

[Name of Director]

c/o Secretary

Bristol-Myers Squibb Company

345 Park Avenue

New York, NY 10154

Any matter relating to our financial statements, accounting practices or internal controls should be addressed to the Chair of the Audit Committee. All other matters should be addressed to the Chair of the Committee on Directors and Corporate Governance. Our Corporate Secretary reviews all correspondence and regularly forwards to our Board a summary of all such correspondence and copies of all correspondence that, in the opinion of our Corporate Secretary, deals with the functions of our Board or its committees, or that our Corporate Secretary otherwise determines requires Board attention. Directors may at any