BRISTOL MYERS SQUIBB CO
Form DEF 14A
April 05, 2002

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:
/ / Preliminary Proxy Statement
/ / Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
/x/ Definitive Proxy Statement
/ / Definitive Additional Materials
/ / Soliciting Material Pursuant to §240.14a-11(c) or §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):

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

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(1) Amount Previously Paid:

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

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(3) Filing Party:

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(4) Date Filed:

March 22, 2002

NOTICE OF 2002 ANNUAL MEETING AND PROXY STATEMENT

TUESDAY, MAY 7, 2002
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 7, 2002, 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 appointment of the independent accountants, approval of the 2002 Stock Incentive Plan, and consideration of three stockholder proposals. We will also review the status of the company's business at the meeting.

Last year, over 84% 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

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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 7, 2002 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 accountants for 2002;

to consider a management proposal to approve the 2002 company Stock Incentive Plan;

to consider and vote upon three 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 4, 2002, will be entitled to vote at the meeting.

By Order of the Board of Directors

SANDRA LEUNG
Secretary

Dated: March 22, 2002

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.

CONSENT TO ELECTRONIC ACCESS

You may consent to view future copies of our annual reports and proxy statements online instead of receiving copies in the mail. With your consent, we will provide you with the Internet address to access these documents each year on your proxy card. To give your consent, please follow the prompts when you vote by Internet or by telephone. If you are casting your vote by proxy card, just check the appropriate box on the card. Once you give your consent, it will be in effect every year until you inform the company otherwise.

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 4, 2002 for delivery beginning March 22, 2002 in connection with the solicitation of proxies on behalf of the Board of Directors for use at the Annual Meeting of Stockholders on May 7, 2002. 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 4, 2002, 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?

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 4, 2002 will be entitled to vote at the 2002 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.

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 four directors;

(ii) the ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 2002;

(iii) the management proposal to approve the 2002 company Stock Incentive Plan; and

(iv) the three 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 is 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 accountants for 2002, FOR the approval of the 2002 company Stock Incentive Plan and AGAINST each of the three 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 ratification of the appointment of PricewaterhouseCoopers LLP as independent accountants for 2002, for the adoption of the management proposal and for the adoption of each of the three stockholder proposals.

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.

VOTING SECURITIES AND PRINCIPAL HOLDERS

At the close of business on March 4, 2002, there were 1,937,146,199 shares of $0.10 par value Common Stock and 8,840 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, 2002, 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	101,209	30,369	60,972
L. B. Campbell	10,502	1,971	6,421
V. D. Coffman	15,079(d)	5,126	9,881
P. R. Dolan	629,411(e)	396,602	0
E. V. Futter	41,987	30,368	7,843
L. V. Gerstner, Jr.	62,667	27,213	18,054(f)
L. H. Glimcher, M.D.	12,854	5,127	7,727
D. J. Hayden	531,728	384,114	0
C. A. Heimbold, Jr.	6,100,485(g)	4,993,808	0
L. Johansson	8,227	1,972	4,255

Name	Total Shares Owned(a)	Common Shares Underlying Options(b)	Deferred Common Share Units(c)
R. J. Lane	466,674	368,075	0
J. L. McGoldrick	951,907	837,113	0
P. S. Ringrose	630,462	448,001	0
J. D. Robinson III	59,585	30,369	9,016
L. W. Sullivan, M.D.	36,143(h)	26,161	9,521
All Directors and Executive Officers as a Group	12,046,245	9,248,121	133,690

(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)
Amounts credited to directors' accounts in 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.

(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 10,185 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 6,042 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 5,000 shares held by Mr. Heimbold's wife over which he exercises shared voting and investment power and also includes 77,758 shares owned by a family charitable foundation over which Mr. Heimbold and his wife exercise shared voting and investment power. Mr. Heimbold disclaims beneficial ownership of the shares owned by the family charitable foundation.

(h)
Includes 461 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 the company's common stock.

Name	Number of Shares Beneficially Owned	Percent of Class
FMR Corp. and Related Parties 82 Devonshire Street Boston, Massachusetts 02109	122,008,686(a)	6.31%(a)

(a) This information is based on the Amendment 1 to the Schedule 13G dated February 13, 2002 filed by FMR Corp. and certain other persons with the Securities and Exchange Commission reporting beneficial ownership as of December 31, 2001. In addition to FMR Corp., related parties on the filing are Edward C. Johnson, 3rd (Chairman of FMR Corp.), Abigail P. Johnson (Director of FMR Corp.), Fidelity Management & Research Company (a wholly-owned subsidiary of FMR Corp. and a registered investment advisor), Fidelity Management Trust Company (a wholly-owned subsidiary of FMR Corp. and a bank), and Strategic Advisers, Inc. (a wholly-owned subsidiary of FMR Corp. and a registered investment advisor). The reporting persons have sole voting power with respect to 9,333,925 shares, shared voting power with respect to no shares and sole investment power with respect to all 122,008,686 shares.

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 Exchange Commission. Based on our records and other information, the company believes that during 2001 all applicable Section 16(a) filing requirements were met.

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 2001, 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 97%. No director attended fewer than 89% 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.

In 2001, the committees of the Board held a total of ten meetings: the Audit Committee met three times, the Compensation and Management Development Committee met five times and the Committee on Directors and Corporate Governance met twice. There were no meetings of the Executive Committee in 2001. From time to time the Board of Directors establishes special committees to address certain issues. Composition of such committees depends upon the nature of the issue being addressed.

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

Name	Audit	Directors and Corporate Governance	Compensation & Management Development	Executive
L.B. Campbell		X	X	
V.D. Coffman	X*		X	
P.R. Dolan				X
E.V. Futter	X	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 duties of the Audit Committee are (a) to recommend to the Board of Directors a firm of independent accountants to perform the examination of the annual financial statements of the company; (b) to review with the independent accountants and with the Controller the proposed scope of the annual audit, past audit experience, the company's internal audit program, recently completed internal audits and other matters bearing upon the scope of the annual audit; (c) to review with the independent accountants and with the Controller significant matters revealed in the course of the audit of the annual financial statements of the company; (d) to review on a regular basis whether the company's Standards of Business Conduct and Corporate Policies relating thereto has been communicated by the company to all key employees of the company and its subsidiaries throughout the world with a direction that all such key employees certify that they have read, understand and are not aware of any violation of the Standards of Business Conduct; (e) to review with the Controller any suggestions and recommendations of the independent accountants concerning the internal control standards and accounting procedures of the company; (f) to meet on a regular basis with a representative or representatives of the Internal Audit Department of the company and to review the Internal Audit Department's Reports of Operations; and (g) to report its activities and actions to the Board at least once each fiscal year.

Audit Committee Report

Management is responsible for the company's financial reporting process including its system of internal control, and for the preparation of consolidated financial statements in accordance with generally accepted accounting principles. The company's independent accountants are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing and monitoring the company's accounting and auditing processes.

In this context, the Committee has met and held discussions with management and the independent auditors. Management has represented to the Committee that the company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. 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).

The Audit Committee has adopted a policy and procedures with respect to the retention of the independent auditors for work not related to their audit of the company's financial statements. Under the policy, any proposed engagements above a certain level of fees to be established by the Audit Committee must be competitively bid in compliance with the company's purchasing guidelines and internal control procedures, including company approval levels, and then forwarded to the Corporate Controller for review and approval. Information provided to the Corporate Controller with respect to each proposed engagement include: (1) the specific nature of the work the independent auditors would perform, (2) the competitive bid process including names of bidders and selection criteria, and (3) benefits and justification for selecting the independent auditors. Any engagement above a certain level of fees requires the prior approval of the Audit Committee.

The types of engagements exempt from the policy and procedures are: (1) tax services including planning, expatriate assistance and preparation of tax returns, (2) audits of benefits plans and other audit-related work, and (3) work the independent auditors perform as a result of applicable securities laws. At each Audit Committee meeting, the independent auditors are required to provide to the Committee a report

concerning their audit fees and fees for all other services rendered, as well as a description of the work performed. The Audit Committee pre-approves the independent auditors' expected aggregate fees for all work not related to their audit of the company's financial statements, including tax services.

The independent auditors are prohibited from performing: (1) financial information systems design and implementation work, (2) any work under a contingency fee arrangement, except as otherwise permitted by existing American Institute of Certified Public Accountants rules, (3) outsourced internal audit work, (4) any services that may impair their independence under rules promulgated by the Securities and Exchange Commission, and (5) any new management consulting projects. The independent auditors are currently working on one management consulting project that began in 2000. That project will be completed in mid-2002.

The Audit Committee has received written disclosures and a letter from the independent auditors required by Independence Standards Board Standard No. 1, as amended to date, and has discussed with the independent auditors their independence from management. The Committee has also considered whether the independent auditors' provision of information technology and other non-audit services is compatible with the auditors' independence.

Based on the review and discussion described above, the Audit Committee recommended to the Board of Directors, and the Board has approved that the audited financial statements be included in the company's Annual Report on Form 10-K for the year ended December 31, 2001, 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 Committee has also confirmed there have been no new circumstances or developments since their respective appointments to the Audit Committee that would impair any member's ability to act independently.

The Audit Committee

Vance D. Coffman, Chair
Robert E. Allen
Ellen V. Futter
Laurie H. Glimcher, M.D.
Leif Johansson
Louis W. Sullivan, M.D.

Committee on Directors and Corporate Governance

The duties of the Committee on Directors and Corporate Governance include (a) screening and recommending candidates for the Board of Directors of the company; (b) recommending the term of office for directors; (c) recommending retirement policies for non-employee directors and remuneration for non-employee directors; (d) recommending the desirable ratio of employee directors to non-employee directors; (e) reviewing the format of Board meetings and making recommendations for the improvement of such meetings; (f) recommending the nature and duties of committees of the Board; and (g) considering matters of corporate social responsibility and matters of significance in areas related to corporate public affairs, the company's employees, stockholders and its customers. 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 desirous of being 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 duties of the Compensation and Management Development Committee include (a) administration of the company's annual incentives, stock option and long-term incentive plans; (b) adoption and review of major compensation plans; (c) responsibility for the company's management development programs and procedures; and (d) approval of compensation for executive officers and certain senior management. The report of the Committee appears on page 19.

Compensation of Directors

In 2001, 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 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 2001 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 2001, options for a total of 31,500 shares were granted, consisting of options for 3,500 shares granted to each of nine non-employee directors.

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.

PROPOSAL 1 ELECTION OF DIRECTORS

The Board of Directors is divided into three classes. Due to the retirement of Mr. Heimbold, there are presently two classes containing four directors and one class containing two directors. To make the number of directors in each class as even as possible, the Board of Directors has nominated Peter R. Dolan, a current director, to serve as a director of the company for a two-year term expiring at the 2004 Annual Meeting. The Board of Directors has also nominated three current directors, Vance D. Coffman, Ellen V. Futter and Louis W. Sullivan, to serve as directors of the company for three-year terms expiring at the 2005 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, with two classes containing three directors and one class containing four directors. 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 2005

VANCE D. COFFMAN

Chairman and Chief Executive Officer since 1998 of Lockheed Martin Corporation, a high technology aerospace and defense company. His present term expires at this Annual Meeting. Board Committees: Audit Committee (Chair) and Compensation and Management Development Committee. Age 57.

Director since 1998

ELLEN V. FUTTER

President of the American Museum of Natural History since 1993. President of Barnard College from 1981 to 1993. Her present term expires at this Annual Meeting. 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 the New York City Partnership, Inc. Ms. Futter is also a member of the Advisory Board of Yale School of Management. Board Committees: Audit Committee and Committee on Directors and Corporate Governance. Age 52.

Director since 1990

LOUIS W. SULLIVAN, M.D.

President of Morehouse School of Medicine from 1981 to 1989 and since 1993. From 1989 to 1993, Dr. Sullivan was Secretary of the United States Department of Health and Human Services. His present term expires at this Annual Meeting. Dr. Sullivan is a director of 3-M Corporation, Georgia-Pacific Corporation, CIGNA Corporation, Household International, Inc. and Equifax Inc. 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, Africare and the International Foundation for Education and Self-Help. Board Committees: Audit Committee and Compensation and Management Development Committee. Age 68.

Director since 1993

Nominee for Director for a Term Expiring 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. President of the Pharmaceutical Group for Europe and the Worldwide Consumer Medicines Group from 1997 to 1998, President of the Nutritionals and Medical Devices Group from 1996 to 1997, President of Mead Johnson Nutritional Group from 1995 to 1996 and President of Bristol-Myers Products from 1993 to 1995. His present term expires at this Annual Meeting. He is a director of the American Express Company, a member of the Board of Trustees of Tufts University and a Steering Committee member of the National Dialogue on Cancer. Age 46.

Director since 2000

Directors whose terms expire in 2003

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 at the 2003 Annual Meeting. Mr. Allen is a director of Pepsico, Inc., and Whisperwire.com. He is 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 67.

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 the 2003 Annual Meeting. Mr. Campbell is a director of Allegheny Energy, Inc. Board Committees: Committee on Directors and Corporate Governance and Compensation and Management Development Committee. Age 55.

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 the 2003 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 Institutes of Medicine, National Academy of Science. Board Committees: Audit Committee and Committee on Directors and Corporate Governance. Age 50.

Director since 1997

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, and Chairman of Violy, Byorum & Partners Holdings, LLC, a private firm specializing in financial advisory and investment banking activities in Latin America. He previously served as Chairman and Chief Executive Officer of American Express Company from 1977 to 1993. His present term expires at the 2003 Annual Meeting. Mr. Robinson is a director of the Coca-Cola Company, Novell, Inc., First Data Corporation, ScreamingMedia Inc., Sunbeam Corporation and Claxson Interactive Group 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 66.

Director since 1976

Directors whose terms expire in 2004

LOUIS V. GERSTNER, JR.

Chairman of the Board of IBM Corporation since 1993. He served as Chief Executive Officer of IBM from 1993 until March 2002. Chairman and Chief Executive Officer of RJR Nabisco Holdings Corporation from 1989 to 1993. Mr. Gerstner co-chairs Achieve, an organization created by United States governors and business leaders to establish high academic standards in our nation's schools. He is Vice Chairman of the Board of Memorial Sloan-Kettering Cancer Center, a director of the Council on Foreign Relations, and the board of Lincoln Center for the Performing Arts. Board Committees: Committee on Directors and Corporate Governance and Executive Committee. Age 60.

Director since 1989
Director of Squibb Corporation from 1986 to 1989

LEIF JOHANSSON

President and Chief Executive Officer since 1997 of AB Volvo, an automotive company. He is also a member of The Confederation of Swedish Enterprise., The Association of Swedish Engineering Industries and The Royal Swedish Academy of Engineering Sciences. Board Committees: Audit Committee and Committee on Directors and Corporate Governance. Age 50.

Director since 1998

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 in some cases those covered by 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 participate in similar 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. In 1996, the company took steps to expand the Plan to include those employees hired after the announcement in 1995, extending TeamShare to a broader group of employees. 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. Also, in 1998, the company implemented another global stock option grant known as the TeamShare II Stock Option Awards. Additional awards were initiated for all eligible employees. These awards further enhanced the linkage between employees and stockholders. As of December 31, 2001, 8,322,500 shares remain available for option grants under this plan. The plan does not permit the grant of full share awards.

The company also has a stock option plan for non-employee directors, known as the 2000 Non-Employee Directors Stock Option Plan. This plan provides for the grant of options to outside directors to further align the interests of the Board of Directors with the interests of the shareholders. As of December 31, 2001, 696,000 shares remain available for option grants under this plan. This plan also does not permit the grant of full share awards.

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 leadership 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. Equity awards for executives and managers are granted from the 1997 Stock Incentive Plan. As of December 31, 2001, 22,120,000 shares remain available for option grants under this plan.

In addition to performance against financial objectives and relative 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 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 what is expected of every employee in the company, and the performance of the company's executives is appraised in this regard.

Executive Officer Compensation

The following tables and notes present the compensation provided by the company to Mr. Charles A. Heimbold, Jr., and Mr. Peter R. Dolan, each of whom served as Chief Executive Officer for part of 2001, as well as the company's four other most highly compensated executive officers, for services rendered to the company in 1999, 2000 and 2001.

Summary Compensation Table

	Annual Compensation			Long Term Compensation			
				Awards		Payouts	
Name/Title Year	Salary $	Bonus $	Other Annual Compen-sation(1) $	Restricted Stock Awards (2) $	Securities Underlying Options/SARs(3) #	Long Term Incentive Payouts $	All Other Compen-sation(4) $
P.R. Dolan(5) Chairman & CEO							
2001	$ 1,033,333	$ 1,314,922		$ 1,550,000	446,951(7)	$ 226,750(8)	$ 46,220
2000	$ 736,431	$ 609,948(6)		$ 5,165,625	191,400(7)	$ 200,000(9)	$ 33,139
1999	$ 540,000	$ 424,192		$ 0	126,198(7)	$ 450,000(10)	$ 24,300
J.L. McGoldrick Executive Vice President and General Counsel							
2001	$ 712,000	$ 521,626		$ 2,145,000	105,165(7)	$ 226,750(8)	$ 32,016
2000	$ 677,996	$ 288,020(6)		$ 0	127,250(7)	$ 200,000(9)	$ 30,510
1999	$ 575,000	$ 409,544		$ 0	126,198(7)	$ 450,000(10)	$ 25,875
R.J. Lane EVP and President Worldwide Medicines Group							
2001	$ 671,000	$ 582,975		$ 2,145,000	126,198(7)	$ 140,585(8)	$ 30,173
2000	$ 631,481	$ 333,870(6)		$ 1,927,500	130,405(7)	$ 124,000(9)	$ 28,417
1999	$ 433,000	$ 277,934		$ 0	94,649(7)	$ 180,000(10)	$ 19,485
P.S. Ringrose, Ph.D. President, Pharmaceutical Research Institute & CSO							
2001	$ 670,000	$ 452,749		$ 0	105,165(7)	$ 226,750(8)	$ 30,127
2000	$ 642,246	$ 246,205(6)		$ 3,212,500	127,250(7)	$ 200,000(9)	$ 28,901
1999	$ 600,000	$ 434,616		$ 0	126,198(7)	$ 450,000(10)	$ 27,000
D.J. Hayden, Jr. Executive Vice President Health Care Group							
2001	$ 653,535	$ 622,414		$ 0	105,165(7)	$ 294,775(8)	$ 29,387
2000	$ 628,019	$ 310,896(6)		$ 0	159,851(7)	$ 124,000(9)	$ 28,261
1999	$ 610,000	$ 568,105		$ 0	168,264(7)	$ 225,000(10)	$ 27,450
C.A. Heimbold, Jr.(11) Chairman and CEO							
2001	$ 1,111,367	$ 2,593,683	$ 89,300	$ 0	736,154(7)	$ 907,000(8)	$ 50,012
2000	$ 1,376,983	$ 1,287,587(6)		$ 0	862,353(7)	$ 800,000(9)	$ 61,964
1999	$ 1,337,500	$ 2,551,602		$ 0	630,990(7)	$ 1,800,000(10)	$ 60,142

(footnotes on next page)

(footnotes from previous page)

(1) Other Annual Compensation for each of the named officers except for Mr. Heimbold was in the form of perquisites and was less than the level required for reporting. Of Mr. Heimbold's total, $52,869 represents personal use of the company aircraft. Prior to his retirement, Mr. Heimbold was required to travel on the company aircraft for security reasons. Additionally, $34,649 represents payments for financial counseling.

(2) Regular dividends are paid on these shares. On March 6, 2001, Mr. Dolan received a grant of 26,291 shares with a closing value on the date of grant of $58.96. On January 2, 2001, Mr. McGoldrick received a grant of 30,000 shares with a closing value on the date of grant of $71.50 and Mr. Lane received a grant of 31,549 shares with a closing value on the date of grant of $67.99. Mr. Dolan's and Mr. Lane's grants were adjusted to reflect the Zimmer spin-off. Mr. McGoldrick sits on the Board of Zimmer Holdings, Inc. and therefore received Zimmer restricted stock in lieu of the adjustment. The number and market value of shares of restricted stock held by each of these executives as of December 31, 2001 (based upon the closing market value stock price of $51.00) were: Mr. Dolan (126,198 and $6,436,098); Mr. McGoldrick (30,000 and $1,530,000); Mr. Lane (63,098 and $3,217,998); Dr. Ringrose (101,660 and $5,184,660); and Mr. Hayden (78,873 and $4,022,523). The number of shares has been adjusted, where appropriate, to reflect the spin-off of Zimmer Holdings.

(3) The number of securities underlying options/SARs has been adjusted to reflect the company's stock split in February 1999 and the adjustment due to the spin-off of Zimmer Holdings.

(4) Consists of matching contributions to the Savings and Investment Program (SIP) and the Benefits Equalization Plan for the SIP as follows: Mr. Dolan ($7,650 and $38,570); Mr. McGoldrick ($7,650 and $24,366); Mr. Lane ($7,650 and $22,523); Dr. Ringrose ($7,650 and $22,477); Mr. Hayden ($7,650 and $21,737) and Mr. Heimbold ($7,650 and $42,362).

(5) Mr. Dolan was President until May 1, 2001 at which time he was elected Chief Executive Officer. He was elected Chairman on September 12, 2001.

(6) For 2000 annual incentive awards, 50% of the target award was paid in the form of stock options.

(7) Performance-based exercise price thresholds must be attained for portions of the 2001, 2000 and 1999 awards to become exercisable.

(8) 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 shareholder return ranking versus peer companies. This award was paid at 90.7% of target.

(9) 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 shareholder return ranking versus peer companies. This award was paid at 80% of target.

(10) Long-Term Performance award granted in 1997 and earned over the three-year performance period from 1997 through 1999. The payout was based on total shareholder return ranking versus peer companies. This award was paid at 180% of target.

(11) Mr. Heimbold resigned from his position as Chief Executive Officer on May 1, 2001. He resigned as Chairman and retired from the company on September 12, 2001.

Option/SAR Grants in the Last Fiscal Year

	Individual Grants				
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	184,039(4)	0.9%	$ 68.64	January 1, 2011	$ 3,916,813
	262,912(5)	1.2%	$ 53.07	April 30, 2011	$ 4,211,788
J.L. McGoldrick	105,165(4)	0.5%	$ 68.64	January 1, 2011	$ 2,238,176
R.J. Lane	126,198(4)	0.6%	$ 68.64	January 1, 2011	$ 2,685,811
P.S. Ringrose, Ph.D.	105,165(4)	0.5%	$ 68.64	January 1, 2011	$ 2,238,176
D.J. Hayden, Jr.	105,165(4)	0.5%	$ 68.64	January 1, 2011	$ 2,238,176
C.A. Heimbold, Jr.	736,154(4)	3.5%	$ 68.64	January 1, 2011	$ 15,667,208
All Stockholders(6)	1,953,535,109				$ 40,049,831,681
All Optionees(7)	21,200,624		$ 62.45	Various Dates, 2011	$ 478,907,669
All Optionees Grant Date Present Value as a Percent of All Stockholder Value					1.20%

(1) Individual grants under the 1997 Stock Incentive Plan become exercisable in installments of 25% per year on each of the first through the fourth anniversaries of the grant date. At age 60, all outstanding option grants fully vest. Under the TeamShare I Stock Option Plan, individual grants became fully vested three years after the date of grant. Under the TeamShare II Stock Option Plan, individual grants become fully vested in installments of 33.33% per year starting on the third anniversary of the date of grant. (All grants and exercise prices have been adjusted to reflect the Zimmer spin-off.)

(2) All options were made at 100% of Fair Market Value as of the date of the grant.

(3) In accordance with Securities and Exchange Commission rules, the Black-Scholes option pricing model was chosen to estimate the grant date present value of the options set forth in this table. The company does not believe that the Black-Scholes model, or any other model, can accurately determine the value of an option. Accordingly, there is no assurance that the value realized by an executive, if any, will be at or near the value estimated by the Black-Scholes model. Future compensation resulting from option grants is based solely on the performance of the company's stock price. The Black-Scholes ratio of .3346 was determined using the following assumptions: a volatility of 28.63%, an historic average dividend yield of 1.48%, a risk free interest rate of 5.75%, a 7 year option term and a 3% annual risk of forfeiture.

(4) In addition to the time vesting criteria stated above, these awards have price thresholds which must be attained for these awards to become exercisable. One-half of the award requires a 30% increase in the stock price to $89.2349. This price level must be met for 15 consecutive trading days. The awards become fully exercisable in the ninth and tenth years of the award term. The Black-Scholes ratio of .3101 reflects an adjustment to recognize this threshold.

(5) In addition to the time vesting criteria stated above, this award has price thresholds which must be attained for the award to become exercisable. One-third of the award requires a 30% increase in the stock price to $68.9897 and one-third requires a 50% increase in the stock price to $79.6035. These price levels must be met for 15 consecutive trading days. The awards become fully exercisable in the ninth and tenth years of the award term. The Black-Scholes ratio of .3019 reflects an adjustment to recognize these thresholds.

(6) The "Grant Date Present Value" shown is the incremental gain to all stockholders as a group which would result from the application of the same assumptions to all shares outstanding on January 2, 2001, as was used to estimate the "Grant Date Present Value" of options listed above.

(7)

Information based upon all stock option grants made to employees in 2001, including TeamShare grants. Exercise price shown is the weighted average of all grants. Actual exercise prices ranged from $49.82 to $68.64, reflecting the Fair Market Value of the stock on the date of the option grants. All options have been adjusted to reflect the Zimmer spin-off.

Aggregated Option/SAR Exercises in Last Fiscal Year and Fiscal Year-End Option/SAR Values(1)

Name	Shares Acquired On Exercise #	Value Realized $	Annualized Value Realized(2) $	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year-End #		Value of Unexercised "In The Money"(3) Options/SARs At Fiscal Year-End $	
				Exercisable	Unexercisable	Exercisable	Unexercisable
P.R. Dolan	0	$ 0	$ 0	315,099	756,531(4)	$ 4,651,465	$ 180,078(4)
J.L. McGoldrick	0	$ 0	$ 0	763,498	289,203(4)	$ 17,033,354	$ 180,078(4)
R.J. Lane	0	$ 0	$ 0	309,842	348,489(4)	$ 5,761,347	$ 135,058(4)
P.S. Ringrose, Ph.D.	0	$ 0	$ 0	383,588	364,134(4)	$ 6,329,643	$ 180,078(4)
D.J. Hayden, Jr.	0	$ 0	$ 0	316,414	402,914(4)	$ 5,068,816	$ 135,061(4)
C.A. Heimbold, Jr.	1,540,667	$ 70,139,556	$ 12,364,196	3,717,580	1,288,269(4)	$ 59,828,145	$ 600,258(4)

(1)

All options were granted at 100% of Fair Market Value. Optionees may satisfy the exercise price by submitting currently owned shares and/or cash. Income tax withholding obligations may be satisfied by electing to have the company withhold shares otherwise issuable under the option with a Fair Market Value equal to such obligations subject to statutory requirements to preserve favorable accounting. (All options have been adjusted to reflect the Zimmer spin-off.)

(2)

Annualized column shows the total gain realized from option exercises spread ratably over the period between the grant date and the exercise date.

(3)

Calculated based upon the December 31, 2001 Fair Market Value share price of $51.3047.

(4)

For all listed executive officers, the value of "Unexercisable" stock options includes the year-end value of stock options which have price thresholds for exercisability above the exercise price. Executive officers may exercise these options and potentially realize the portion of the listed value relating to these stock options once the price thresholds are attained.

Long-Term Incentive Plan Awards in Last Fiscal Year

Name	Number of Shares Awarded(1)	Other Period Until Maturation or Payout	Estimated Future Payouts Under Long-Term Incentive Plan(2)		
			Threshold	Target	Maximum
P.R. Dolan	17,037	Three-Year Period Ending in 2003	6,247	17,037	37,481
J.L. McGoldrick	4,312	Three-Year Period Ending in 2003	1,581	4,312	9,486
R.J. Lane	5,574	Three-Year Period Ending in 2003	2,044	5,574	12,263
P.S. Ringrose, Ph.D.	4,312	Three-Year Period Ending in 2003	1,581	4,312	9,486
D.J. Hayden, Jr.	5,574	Three-Year Period Ending in 2003	2,044	5,574	12,263

			Estimated Future Payouts Under Long-Term Incentive Plan(2)		
C.A. Heimbold, Jr.(3)	17,037	Three-Year Period Ending in 2003	6,247	17,037	37,481

(1) The number of shares represents the targeted award amount payable in the beginning of 2004 if earned for the fiscal years 2001-2003. Awards have been adjusted for the Zimmer spin-off.

(2) Payouts under the Plan will be based on total shareholder return versus peer group companies, growth in sales and growth in earnings per share over the three-year period. Target awards will be paid if the targeted sales and earnings per share growth are achieved and total shareholder return is at the median of the peer group included in the performance graph on page 24. Performance below threshold level will result in no payout. Performance above the maximum level will result in the maximum payout.

(3) Mr. Heimbold's award will be prorated. Due to his retirement, he will receive 36% of the payout he would have received were he still employed with the company at the end of 2003.

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Compensation and Management Development Committee Report on Executive Compensation

As described in the section on Committees of the Board (page 6), the Compensation and Management Development Committee is responsible for administering the compensation program for corporate officers and certain senior management of the company. The Committee is composed exclusively of non-employee directors as defined by the Securities and Exchange Commission rules. The members of the Committee are neither employees nor former employees of the company nor are they eligible to participate in any of the company's executive compensation programs. Additionally, they meet the definition of an outside director for purposes of administering compensation programs to meet the tax deductibility criteria included in Section 162(m) of the Internal Revenue Code.

The company's executive compensation program is based upon a pay-for-performance philosophy. Under the company's program, an executive's compensation consists of three components: base salary, annual incentive (bonus) payment and long-term incentives (which may include cash-based awards, stock-based awards and/or stock options).

Compensation Philosophy and Practices

The company's executive compensation program is designed to provide overall compensation, when targeted levels of performance are achieved, which is above the median of pay practices of a peer group of twelve large and high-performing industry competitors. As was discussed in last year's proxy, due to the company's divestiture of Clairol, the two consumer products companies, Procter & Gamble and Gillette, that were formerly part of our proxy peer group, have been removed from the group. In addition, in recognition of the global nature of the pharmaceutical industry, four companies based outside the U.S., AstraZeneca, Aventis, Glaxo SmithKline and Novartis were added to the peer group. The other corporations, which comprise the remainder of the peer group, are Abbott Laboratories, American Home Products Corporation, Eli Lilly and Company, Johnson & Johnson, Merck & Company, Inc., Pharmacia Corporation, Pfizer, Inc., and Schering-Plough Corporation.

As the performance graph on page 23 reflects, the company has historically performed strongly versus competitors and the broader array of companies represented in the Fortune 500 and S&P 500 based on return on equity, net earnings as a percent of sales and earnings per share growth over the five-year period presented in the performance graph. The company is the third highest among the peer group in total dividends paid.

At the time the Committee makes executive compensation decisions, the Committee reviews individual performance and company performance versus that of the peer companies. When 2001 compensation decisions were made, the Committee reviewed detailed data concerning the levels of executive pay among the peer group of companies. This data included analyses provided by independent compensation consultants.

The executive compensation program is designed to provide value to the executive based on the extent to which individual performance, company performance versus budgeted financial targets, company longer-term financial performance and total return to stockholders (including share price appreciation and reinvested dividends) meet, exceed or fall short of expectations. Under this program design, incentive payments can exceed target levels only if expectations are exceeded.

Components of Executive Compensation

Base Salary An executive's base salary is determined by an assessment of her/his sustained performance against her/his individual job responsibilities including, where appropriate, the impact of such performance on the business results of the company, current salary in relation to the salary range designated for the job, experience and mastery, and potential for advancement.

Annual Incentives Payments under the company's annual incentive plan, the Performance Incentive Plan, are tied to the company's level of achievement of annual operating pretax earnings targets, annual sales growth and annual operating cash flow targets, thereby establishing a direct link between executive pay and company financial performance. Annual operating pretax earnings, annual sales and operating cash flow targets for the overall company and each operating group are based upon the budgets for the company as reviewed by the Board of Directors. An individual executive's annual incentive opportunity is a percentage of her/his salary determined by the executive's job level. Actual annual incentive payments are determined by applying a formula based on achievement of budgeted financial performance to each individual's annual incentive opportunity. Applying this formula results in payments at the targeted incentive opportunity level when budgeted earnings, sales and cash flow are achieved and payments below the targeted level when performance on these measures is below those set by the budget. The formula provides for payments above the targeted level only when financial performance exceeds budgeted levels.

For 2001 awards, operating pretax earnings, sales and cash flow budgets were established at levels that the Board felt reflected the aggressive expectations management had for the performance of the business. As a whole, the company nearly attained the pretax earnings and sales goals and significantly exceeded the cash flow goal, resulting in annual incentive payouts slightly above target levels**.**

Long-Term Incentives The company's long-term incentives are in the form of stock option awards and long-term performance awards. The objective of these awards is to advance the longer-term interests of the company and its stockholders and complement incentives tied to annual performance. These awards provide rewards to executives based upon the creation of incremental stockholder value and the attainment of long-term financial goals. Stock options produce value to executives only if the price of the company's stock appreciates, thereby directly linking the interests of executives with those of stockholders. The number of stock options granted is based on the grade level of an executive's position and the executive's performance in the prior year and the executive's potential for continued sustained contributions to the company's success. The size of previous option grants and the number of options currently held by an executive are not taken into account in determining the number of options granted. The executive's right to the stock options vests over a four-year period and each option is exercisable, but only to the extent it has vested, over a ten-year period following its grant. In order to preserve the linkage between the interests of executives and those of stockholders, executives are expected to use the shares obtained on the exercise of their stock options, after satisfying the cost of exercise and taxes, to establish a significant level of direct ownership. The company has established share ownership expectations for its executives to meet through the exercise of stock option awards.

As the company has done in recent years, stock option awards granted to executives in 2001 carried aggressive performance thresholds for exercisability. In addition to time vesting requirements, for one-half of the shares granted, the stock price must appreciate 30% before the options become exercisable; the remaining one-half have no price appreciation requirement. To maintain favorable accounting treatment, this criterion does not apply after the eighth year of the award term. This type of performance criterion is not prevalent among the peer group companies.

For the Long-Term Plan payment shown in the Summary Compensation Table on page 15, the award paid at the end of 2001 covered the 1999 through 2001 performance period. The payout level was determined based on total stockholder return ranking versus the peer companies group (the peer group was the proxy peer group in 1999 when the measures were set) and earnings per share growth. Each measure was given equal weight. The company's performance on relative total shareholder return fell below its objective on this measure during this time period, resulting in a payout at 60% of target for this portion of the award. The company exceeded its earnings per share growth targets resulting in a payout of 121.4% of target for the portion of the award that was based on this measure. The overall payout under the 1999-2001 Long-Term Plan Award was 90.7% of target.

The Long-Term Plan Award granted in 2001 covers the 2001-2003 performance period. The payout will be determined based on the company's performance on the following three measures: total shareholder return ranking versus the 12 peer group companies included in the performance graph on page 23, earnings per share growth and sales growth. Each measure is weighted equally. For 2001, awards were granted in the form of performance shares rather than cash, further aligning the interests of executives with that of shareholders.

The Committee annually reviews the composition of the long-term compensation package to ensure that it provides an appropriate incentive package. Based upon reviews conducted in 2001, the Committee continues to believe that this program design is consistent with competitive practice and provides a direct link with the creation of stockholder value.

CEO Compensation

The compensation for Mr. Heimbold and Mr. Dolan, each of whom served as Chief Executive Officer for part of 2001, results from their participation in the same compensation programs as the other executives of the company. The Committee applied the principles outlined above in establishing Mr. Heimbold's and Mr. Dolan's compensation, in the same manner as they were applied to the other executives of the company.

Mr. Charles A. Heimbold, Jr Mr. Heimbold resigned from his position as Chief Executive Officer on May 1, 2001. He resigned his position as Chairman and retired from the company on September 12, 2001 in order to serve as the U.S. Ambassador to the Kingdom of Sweden.

As in past years, the majority of Mr. Heimbold's compensation was incentive-based. For 2001, 6% of his total compensation was in the form of base salary. His annual cash incentive was 13% of his total compensation. The largest portion, 81% of the total, was comprised of the value of his stock option award and long-term performance award, both awards that strongly aligned Mr. Heimbold's compensation package with the creation of stockholder value.

Mr. Heimbold's cash compensation reflects the level of responsibilities he held as Chairman of the Board and Chief Executive Officer, and his compensation versus the peer group of companies. The Committee determined that a moderate increase in 2001 would allow Mr. Heimbold's cash compensation to remain competitive with the compensation of Chief Executive Officers with similar experience at peer group companies. Mr. Heimbold's annual bonus, as was disclosed previously, was based upon the degree to which the company achieved its pretax earnings, sales and cash flow budgets. For 2001, the company's overall performance resulted in a bonus payout to Mr. Heimbold equal to 105.5% of his targeted award.

Mr. Heimbold participated in the company's long-term performance award plan. The payout he received under this Plan for the 1999 to 2001 performance period was made at 90.7% of target, the same payout received by other executives. As noted earlier, this payout was based upon the company's earnings per share growth and total shareholder return ranking versus the 1999 proxy peer group.

On January 2, 2001, Mr. Heimbold received a stock option award of 736,154 shares (as adjusted for the Zimmer spin-off). As detailed above and in the stock option grant table, one-half of this award carries a 30% price appreciation threshold target for exercisability in addition to time vesting requirements. The Committee felt that his award appropriately recognized Mr. Heimbold's leadership and record of accomplishment as Chairman and Chief Executive Officer while providing a significant incentive to create incremental stockholder value through the successful transition of his role and responsibilities to Mr. Dolan.

Mr. Peter R. Dolan On May 1, 2001, in connection with Mr. Dolan's election to the position of Chief Executive Officer, the Committee approved increases to his base salary and annual bonus targets to reflect his expanded role and responsibilities. Mr. Dolan's salary was increased from $900,000 to

$1,100,000 and his target bonus was increased from 110% to 125% of base salary. These increases were designed to bring Mr. Dolan's total annual cash compensation closer to the median compensation for all Chief Executive Officers in the peer group of companies represented in the performance graph on page 24 and to put a greater portion of Mr. Dolan's total annual compensation at risk.

In recognition of his new responsibilities, on May 1, 2001, the Committee granted Mr. Dolan a stock option grant of 262,912 shares with an exercise price of $53.069, the fair market value on the date of grant. In addition to time vesting requirements, one-third of this award carries an aggressive 50% price appreciation threshold for exercisability and one-third of this award carries a 30% price appreciation threshold for exercisability. In order to position his equity compensation closer to the median range of the peer group companies, as well as to provide a retention incentive, the Committee also granted Mr. Dolan a restricted stock award of 26,291 shares on March 6, 2001. The restricted stock award vests one-third per year in years five, six and seven. In addition, as part of the company's normal grant cycle. Mr. Dolan received an option award of 184,039 shares at $68.6422, the fair market value on the date of grant. One-half of this award also carries a 30% price-appreciation threshold on exercisability, in addition to time vesting requirements. (All equity awards have been adjusted to reflect the spin-off of Zimmer on August 6, 2001.)

Mr. Dolan participates in the company's long-term incentive plan. The payout he received under the plan for the 1999-2001 performance period was made at 90.7% of target, the same payout received by other executives. As noted earlier, this payout was based on the company's

earnings per share growth and total shareholder return ranking versus the 1999 proxy peer group.

The majority of Mr. Dolan's compensation is also incentive based. For 2001, 8% of his total compensation was in the form of base salary. His annual cash incentive was 10% of his total compensation. The largest portion of his compensation, 82% of the total, was comprised of long-term incentives that strongly align Mr. Dolan's compensation package with the creation of stockholder value. Mr. Dolan's annual bonus, as was disclosed previously, is based upon the degree to which the company achieved its pretax earnings, sales and cash flow budgets. For 2001, the company's overall performance resulted in a bonus payout to Mr. Dolan equal to 105.5% of his targeted award.

The Committee believes that the program it has adopted, with its emphasis on long-term compensation, serves to focus the efforts of the company's executives on the attainment of a sustained high rate of company growth and profitability for the benefit of the company and its stockholders.

Deductibility of Compensation over $1 Million

In 1993, the Omnibus Budget Reconciliation Act of 1993 (the "Act") was enacted. The Act includes potential limitations on the deductibility of compensation in excess of $1 million paid to the company's five highest paid officers beginning in 1995. Based on the regulations issued by the Internal Revenue Service to implement the Act, the company has taken the necessary actions to ensure the deductibility of payments under the annual incentive plan and long-term award plans. The company will continue to take the necessary actions to maintain the deductibility of payments under both plans.

Compensation and Management Development Committee

James D. Robinson III, Chair
Lewis B. Campbell
Vance D. Coffman
Louis W. Sullivan, M.D.

Performance Graph

The following graph compares the performance of the company for the periods indicated with the performance of the Standard & Poor's 500 Stock Index (S&P 500) and the average performance of a group consisting of the company's peer corporations on a line-of-business basis. As previously noted, the corporations making up the peer companies group are Abbott Laboratories, American Home Products Corporation, AstraZeneca, Aventis, Eli Lilly and Company, Glaxo SmithKline, Johnson & Johnson, Merck & Company, Inc., Novartis, Pharmacia Corporation, Pfizer, Inc., and Schering-Plough Corporation.

Total return indices reflect reinvested dividends and are weighted using beginning-period market capitalization for each of the reported time periods. The company measures its performance for compensation purposes against the performance of this peer companies group. The company measured its performance against this same group in the 2001 Proxy Statement.

COMPARISON OF 5-YEAR CUMULATIVE TOTAL RETURN

Assumes $100 invested on 12/31/96 in Bristol-Myers Squibb Common Stock, S&P 500 Index and Peer Companies Group Index. Values are as of December 31 of specified year assuming dividends are reinvested.

Ending of Year	1996	1997	1998	1999	2000	2001
Bristol-Myers Squibb	100	176.96	252.97	245.85	288.13	212.59
S&P 500	100	133.36	171.48	207.56	188.66	166.24
Peer Group	100	151.99	212.94	177.65	236.50	203.98

Pension Benefits

The following table sets forth the aggregate annual benefit payable upon retirement at normal retirement age for each level of remuneration specified at the listed years of service.

PENSION PLAN TABLE

	Years of Service					
Remuneration	**15**	**20**	**25**	**30**	**35**	**40**
$ 500,000	$ 150,000	200,000	250,000	300,000	350,000	400,000
1,000,000	300,000	400,000	500,000	600,000	700,000	800,000

	Years of Service					
1,500,000	450,000	600,000	750,000	900,000	1,050,000	1,200,000
2,000,000	600,000	800,000	1,000,000	1,200,000	1,400,000	1,600,000
2,500,000	750,000	1,000,000	1,250,000	1,500,000	1,750,000	2,000,000
3,000,000	900,000	1,200,000	1,500,000	1,800,000	2,100,000	2,400,000
3,500,000	1,050,000	1,400,000	1,750,000	2,100,000	2,450,000	2,800,000
4,000,000	1,200,000	1,600,000	2,000,000	2,400,000	2,800,000	3,200,000
4,500,000	1,350,000	1,800,000	2,250,000	2,700,000	3,150,000	3,600,000
5,000,000	1,500,000	2,000,000	2,500,000	3,000,000	3,500,000	4,000,000

Pension benefits are determined by final average annual compensation where annual compensation is the sum of the amounts shown in the columns labeled Salary and Bonus in the Summary Compensation Table. Benefit amounts shown are straight-life annuities before the deduction for Social Security benefits. The executive officers named in the Summary Compensation Table have the following years of credited service for pension plan purposes: P.R. Dolan 14 years; J.L. McGoldrick 7 years; R.J. Lane 6 years; P.S. Ringrose 5 years; D. J. Hayden, Jr. 21 years; C.A. Heimbold, Jr. 38 years.

Employment Agreement

As discussed above, Mr. Heimbold resigned his position as Chief Executive Officer on May 1, 2001 and retired from the company as Chairman on September 12, 2001. Upon retirement, Mr. Heimbold was provided with secretarial support. Prior to his retirement, the company had an agreement with Mr. Heimbold that provided his base salary would not be less than his base salary in 1998, and his annual bonus target, which was determined by the Compensation and Management Development Committee of the Board, would not be less than 170% of his base salary. He was also granted an additional 10% of his final average pay (base salary and bonus) in the calculation of his pension benefits. Additionally, Mr. Heimbold received restricted stock that vested upon his retirement.

Change in Control Arrangements

The company has severance agreements with executive officers, including each of the executive officers named in the Summary Compensation Table in this Proxy Statement, except Mr. Heimbold. The agreements are intended to provide for continuity of management in the event of a change in control of the company. By their terms, the agreements are in effect through December 31, 2002, and will be automatically extended, beginning on January 1, 2003, in one-year increments, unless either the company or the executive gives prior notice of termination or a change in control shall have occurred prior to January 1 of such year. If a change in control occurs during the term of the agreement, the agreement shall continue in effect for a period of not less than 36 months beyond the month in which such change in control occurred.

The agreements provide that executive officers could be entitled to certain severance benefits following a change in control of the company and termination of employment. Under each agreement, a

change in control would include any of the following events: (i) any person, as defined in the Securities and Exchange Act of 1934, as amended, acquires 20% or more of the combined voting power of the company's then outstanding securities; (ii) a majority of the company's directors are replaced during a two-year period; or (iii) the stockholders approve a merger or consolidation of the company or approve a plan of complete liquidation of the company.

Upon the executive's termination following a change in control, unless such termination is: (1) by the company for cause (as defined in the agreement); (2) by reason of death; or (3) by the executive without good reason (as defined in the agreement), the covered executive would be entitled to a lump sum severance payment equal to three times the sum of the executive's base salary and target bonus under the Incentive Plan. In addition, the executive would receive a payout of any unpaid incentive compensation which has been allocated or awarded to the executive for the completed calendar year preceding the date of termination and a pro rata portion to the date of termination of the aggregate value of all contingent incentive compensation awards to the executive for the current calendar year.

Further, all outstanding stock options granted to the executive officer would become immediately vested and exercisable and all restrictions on restricted stock awards would lapse, unless otherwise provided for under a written stock award agreement. All unvested matching contributions in the company Savings Plan would also vest. The executive officer would receive a cash amount for the additional benefit to which the executive officer would have been entitled had he or she been fully vested and credited three additional years of service and age for the purpose of calculating his or her tax-qualified and nonqualified pension benefits. Additionally, if the executive officer is under 55 years of age and/or has fewer than 10 years of service at the time of termination, he or she would receive payment of pension benefits in such form of distribution available under the pension plan, and otherwise would be treated under such pension plan as if the executive were 55 with at least

ten years of service. For a three-year period after the date of termination, the executive officer would receive life and health insurance benefits and perquisites substantially similar to those that the executive is receiving immediately prior to the notice of termination. Thereafter, the executive officer will be eligible to participate in the company's retiree medical and dental plans.

In the event that any payments made to an executive officer in connection with a change in control and termination of employment would be subject to excise tax as excess parachute payments by the Internal Revenue Code, the company will gross up the executive officer's compensation to fully offset such excise taxes provided the payments exceed 110% of the maximum total payment which could be made without triggering the excise taxes. If the aggregate parachute payments exceed such maximum amount but do not exceed 110% of such maximum amount, then the parachute payments would be automatically reduced so that no portion of the parachute payments is subject to excise tax and no gross-up payment would be made.

In consideration for receiving one of these agreements, each executive officer signed an agreement not to work for any competitor of the company for a period of one year following termination.

PROPOSAL 2 APPOINTMENT OF INDEPENDENT ACCOUNTANTS

The Board of Directors of Bristol-Myers Squibb has appointed PricewaterhouseCoopers LLP ("PwC") as independent accountants for the year 2002, subject to ratification by the stockholders. The Audit Committee recommended PwC to the full Board of Directors because it has served the company well in the past and it is well qualified to perform this important function.

Aggregate fees billed by PwC to the company for the fiscal year ended 2001 are as follows:

Audit Fees: $2,700,000
Financial Information Systems Design and Implementation Fees: $0
All Other Fees: $38,600,000

The "all other fees" category is comprised of:		
Divestiture audits and acquisition related	$	6.4 million
Tax services, excluding divestiture and acquisition related	$	5.5 million
Other audit related including benefits plans	$	.9 million
Consulting services, primarily one management consulting project that will be completed in mid-2002	$	25.8 million

PwC will not be retained for any new management consulting projects.

A representative of PwC is expected to be present at the Annual Meeting and will have the opportunity to make a statement if desired, and such representative is expected to be available to respond to appropriate questions.

In the event the stockholders fail to ratify the appointment, it will be considered as a direction to the Board of Directors and the Audit Committee to select another independent accounting firm. It is understood that even if the selection is ratified, the Board of Directors and the Audit Committee at their discretion, may direct the appointment of a new independent accounting firm at any time during the year if the Board of Directors feels that such a change would be in the best interests of the company and its stockholders.

The Board of Directors recommends a vote "FOR" the ratification of the appointment of PwC.

PROPOSAL 3 APPROVAL OF 2002 STOCK INCENTIVE PLAN

There will be presented to the Annual Meeting a proposal to approve the 2002 Stock Incentive Plan (the "2002 Plan"). The Plan will replace the 1997 Stock Incentive Plan (the "1997 Plan") which, by its terms, will terminate on May 31, 2002. The 1997 Plan was approved by stockholders at the 1997 Annual Meeting. Similar to the 1997 Plan, the 2002 Plan provides for the granting of Incentive Stock Options, Nonqualified Stock Options, Restricted Stock, Stock Appreciation Rights and Long-Term Performance Awards and continues generally the provisions and practices of the 1997 Plan.

The 1997 Plan was adopted to support the achievement of the company's business objectives by providing incentives linking key employees' interests to stockholder interests through equity based awards. These awards are key aspects of the company's compensation programs, which are designed to attract, retain and motivate the best possible employees to accomplish the business objectives of the company. Company management continues to believe that it is in the company's best interests to use these types of awards as an integral part of its compensation programs. The Board of Directors considers the above outlined purposes for these programs to be key contributors to the on-going success of the company.

A copy of the 2002 Plan is included in this Proxy Statement as Exhibit A and the following description is qualified in its entirety by reference to the 2002 Plan.

The 2002 Plan Administration The 2002 Plan will be administered by the Compensation and Management Development Committee which is composed entirely of non-employee directors who meet the criteria of "outside director" under Section 162(m) of the Code and "non-employee director" under Section 16 of the Securities Exchange Act of 1934. The Committee shall select the officers and key employees of the company who shall receive options or awards, the form of those awards, the number of shares or dollar targets of the options or awards and all terms and conditions of the options or awards.

The Committee will certify the level of attainment of performance targets. Currently, approximately 7,400 officers and key employees are eligible to receive awards under the 2002 Plan. It is anticipated that approximately 4,500 officers and key employees will receive awards in any calendar year.

Term and Amendment of the 2002 Plan The 2002 Plan, if approved by stockholders, will be effective May 7, 2002. It will expire on May 31, 2007, unless suspended or discontinued by action of the Board of Directors. The Board may amend the Plan as appropriate but may not extend the 2002 Plan beyond its expiration, increase the number or shares available under the 2002 Plan or allow for the issuance of stock options below the Fair Market Value on the date of grant without the approval of stockholders.

Award Forms Under the 2002 Plan, the Committee may grant incentive stock options (which meet the criteria of Section 422 of the Code) and non-qualified stock options (options not intended to qualify as incentive stock options) settled in Common Stock. The Committee may also grant stock appreciation rights, either in tandem with stock options or on a stand alone basis. Long-term awards may be granted either as performance unit awards, which are denominated based upon dollar targets, or performance share awards, which are denominated as shares of Common Stock of the company. The Committee may also grant restricted stock under the 2002 Plan.

Maximum Stock Award Levels The maximum number of shares available for awards will not be changed from the limits utilized under the 1997 Plan. Total shares which may be awarded under the 2002 Plan include 0.9% of the number of common shares outstanding as of January 1 of each year, beginning on January 1, 2003 and continuing for each year the plan is in effect, plus the number of shares available for, and not made subject to, grants as of May 7, 2002 from the 1997 Plan. As of December 31, 2001, there were approximately 22,120,000 shares available for grant under the 1997 Plan.

Of the total available shares under the 2002 Plan, no individual may receive options or awards as a maximum amount, in any form allowed under the 2002 Plan, which in the aggregate exceeds 3,000,000 shares of Common Stock in a calendar year. Aggregate shares issued under performance share and performance unit awards and restricted stock awards may not exceed 20,000,000 shares over the life of the 2002 Plan. This limit on full share awards will also apply to any shares carried over from the 1997 Plan. These limits are the same limits on a split-adjusted basis as the limits contained in the 1997 Plan.

Stock Option Award As in the 1997 Plan, stock options awarded may be either incentive stock options granted consistent with Section 422 of the Code or nonqualified stock options which do not meet the criteria of Section 422. Options will expire no later than 10 years after the date of grant and generally may not be exercised prior to one year following the date of grant. The exercise price of stock options may not be less than the fair market value on the date of grant. The Committee may establish other vesting or performance requirements, which must be met prior to the exercise of the stock options. Stock options may be granted in tandem with either stock appreciation rights or Long-Term Performance Awards.

The 2002 Plan provides that options and awards are nontransferable other than by the laws of descent and distribution. However, the Committee may, in its discretion, allow for the transferability of stock options or restricted stock to members of the recipient's immediate family. Incentive stock options, stock appreciation rights and long-term performance awards may not be transferred.

Long-Term Performance Awards The Committee may award Long-Term Performance Awards in the form of performance units denominated in dollar amounts or in the form of performance shares, denominated in shares of Common Stock. The Committee will establish the performance measures to be used as well as the performance targets to be achieved. Awards will be paid ratably according to the attainment of the performance targets. The Committee will also establish the performance period which the awards will cover. The period cannot be less than three years but may be longer at the discretion of the Committee.

To receive payments or distributions from Long-Term Performance Awards, the participant must be employed by the company for the entire performance period except in the cases of termination due to retirement, death or disability or other special circumstances as determined by the Committee. In these cases, a pro-rated payment or distribution which reflects the attainment of performance goals over the award period will be made to the participant. A one-year employment period following the beginning of the performance period is required, unless the Committee determines otherwise.

No payment under a performance unit award to a participant may exceed the maximum amount of 0.15% of the pre-tax earnings of the company for the fiscal year which coincides with the final year of the performance unit period.

Section 162(m) requires that Performance Awards and performance based restricted stock be based upon objective performance measures to be deductible if they and other compensation are in excess of $1 million. The performance criteria applicable to performance awards may include one or more of the following:

a. Earnings
b. Revenue
c. Operating or net cash flows
d. Financial return ratios
e. Total Shareholder Return
f. Market share

Performance criteria may relate to the total company or any business unit. Performance targets may be set at a specific level or may be expressed as relative to the comparable measures at comparison companies or a defined index. The Compensation and Management Development Committee will establish specific targets for participants.

Restricted Stock Awards The Committee may also grant shares of Restricted Stock. These grants will be subject to the continued employment of the participant and may also be subject to performance criteria at the discretion of the Committee. The restriction period shall be established by the Committee but may not be less than one year. If the participant's employment terminates prior to the completion of the specified employment or the attainment of the specified performance goals, the awards will lapse and the shares returned to the company as determined by the Committee. The Committee may provide for a pro-rated attainment of the performance criteria or a pro-rated attainment of time-based restrictions. During the restriction period, the participant would be entitled to vote the shares and receive dividends. Restricted stock certificates would bear a legend giving notice of the restrictions relating to the grant.

Adjustments The number, class and price of stock option awards, Long-Term Performance Awards and Restricted Stock are subject to appropriate adjustment in the event of certain changes in the Common Stock of the company including stock dividends, recapitalization, mergers, consolidations, split-ups, combinations or exchanges of shares and the like.

Future Plan Awards

As outlined above, the proposed 2002 Plan is a continuation of existing plans intended to ensure the continued deductibility of awards under Section 162(m) of the Internal Revenue Code. If the 2002 Plan had been in place during 2001, the Compensation and Management Development Committee does not believe that the decisions made in 2001 would have been different than those specified in the Summary Compensation Table, Stock Option Award Table and Long-Term Award Table on pages 16 through 19. Those tables should be referenced in order to assess the type and level of awards which would have been made under the 2002 Plan.

Federal Income Tax Consequences

Stock Option Awards The granting of Incentive Stock Options or nonqualified Stock Options does not result in immediate taxable income to the optionee.

The exercise of a nonqualified Stock Option award will result in taxable income to the optionee. The amount by which the market price exceeds the exercise price would be taxable as ordinary income. Income tax obligations may be met either through cash payment at the time of exercise or through share withholding. At the discretion of the Committee, optionees may be allowed to elect to defer the receipt of the taxable shares resulting from the exercise. If such an election is made, the optionee will be liable for taxes on the full value of the shares plus any accumulated dividends at their value upon distribution. The company will receive a tax deduction for the compensation expense which corresponds to the compensation gain.

The exercise of an Incentive Stock Option will not result in taxable income to the optionee if the optionee does not dispose of the stock within two years of the date the option was granted and one year after the option is exercised. If these requirements are met, any gain realized by the optionee will be taxed as a long-term capital gain. The company will not receive a tax deduction for the resulting gain. If these holding periods are not met, the option will be treated generally as a nonqualified Stock Option for tax purposes.

Stock Appreciation Rights The granting of a Stock Appreciation Right does not result in taxable income to the recipient. When the Stock Appreciation Right is exercised, the gain will be considered as ordinary income to the recipient for tax purposes unless a deferral of the gain is elected. The company will receive a corresponding tax deduction.

Performance Awards The granting of a Performance Award does not result in taxable income to the recipient. When the Award is paid or distributed, the full value paid or distributed will be considered as ordinary income to the recipient unless a deferral of the payment or distribution is elected. The company will receive a corresponding tax deduction.

Restricted Stock Awards The granting of an award of Restricted Stock does not result in taxable income to the recipient unless the recipient elects to report the award as taxable income under Section 83(b) of the Internal Revenue Code. Absent such an election, the value of the award is considered taxable income once it is vested and distributed. Dividends are paid concurrent with, and in an amount equal to, ordinary dividends, and are taxable as paid. If a Section 83(b) election is made, the recipient recognizes ordinary income in the amount of the total value on the date of grant and the company receives a corresponding tax deduction. Any gain or loss subsequently experienced will be a capital gain or loss to the recipient and the company does not receive an additional tax deduction.

Deferral Provisions The 2002 Plan contains provisions which would allow the Committee to establish rules and regulations permitting the deferral of payments or the distribution of awards upon the election to do so by the award recipient. The establishment of such deferral provisions, if elected, would be done in compliance with applicable tax law.

Accordingly, the Board of Directors recommends a vote "FOR" the 2002 Plan.

PROPOSAL 4 STOCKHOLDER PROPOSAL RELATING TO ANNUAL ELECTION OF DIRECTORS

Mrs. Evelyn Y. Davis, Watergate Office Building, 2600 Virginia Avenue, N.W., Suite 215, Washington, D.C. 20037, who holds of record 480 shares of Common Stock, has informed the company that she intends to present to the meeting the following resolution:

> RESOLVED: "That the stockholders of Bristol-Myers Squibb recommend that the Board of Directors take the necessary steps to reinstate the election of directors ANNUALLY, instead of the stagger system which was recently adopted."
>
> REASONS: "Until recently, directors of Bristol-Myers Squibb were elected annually by all shareholders."
>
> "The great majority of New York Stock Exchange listed corporations elect their directors each year."
>
> "This insures that ALL directors will be more accountable to ALL shareholders each year and to a certain extent prevent the self-perpetuation of the Board."
>
> "Last year the owners of 755,243,432 shares, representing approximately 55.4% of shares voting, voted FOR this proposal."
>
> "If you AGREE, please mark your proxy FOR this resolution."

Board of Directors' Position

The Board of Directors recommends a vote "AGAINST" the proposal for the following reasons:

The company currently has three classes of directors, with members of each class serving three-year terms. This system for electing directors was adopted by stockholders in 1984 by the affirmative vote of more than 75% of the then outstanding shares of the company. In order to allow for the annual election of directors, it would be necessary to amend the company's Certificate of Incorporation, which would require the affirmative vote of at least 75% of the outstanding shares.

The same stockholder has presented this proposal every year since 1985. Last year, the proposal received an affirmative vote of 38.7% of the outstanding shares significantly less than the 75% of the outstanding shares necessary to amend the company's Certificate of Incorporation. Each year the Board of Directors has considered carefully the merits of adopting the proposal. For the reasons stated below, the Board of Directors continues to believe the staggered election of directors provides important benefits to the company and should be maintained.

The staggered election of directors provides continuity and stability in the management of the business and affairs of the company since a majority of the directors will always have prior experience as directors of the company. This continuity of experience is important to the company and other research-based organizations where product development is complex and long-term.

Additionally, in the event of an unfriendly or unsolicited effort to take over or restructure the company, the staggered system would permit the company time to negotiate with the entity seeking to gain control and to consider alternative proposals. Therefore, the staggered system allows the company to be in a better position to seek the best possible outcome for stockholders.

Moreover, the Board believes the classified board structure has not affected the accountability of directors to stockholders during the 16 years it has been in effect. The directors, regardless of their term of office, will continue to fulfill their fiduciary responsibilities.

It is important to note that similar procedures for a classified board have been adopted by many major corporations and, in fact, more than half of the other Fortune 500 companies, including many of our competitors, provide for the staggered election of their directors.

The Board seriously considers the merits of all stockholder proposals and has given weight to the fact that this stockholder proposal has received a majority of the votes cast in prior years. However, after careful review, the Board has determined that the benefits of the classified board are still valid and that it is in the best interests of the company and its stockholders to keep the classified board.

Accordingly, the Board of Directors recommends a vote "AGAINST" this proposal.

PROPOSAL 5 STOCKHOLDER PROPOSAL RELATING TO DRUG PRICING

The Marianist Provincial House, 4301 Roland Avenue, Baltimore, Maryland 21210-2793, owner of 1,200 shares of Common Stock, and 13 proponents, whose names, addresses and stockholdings will be furnished by the company promptly upon receiving an oral or written request from a stockholder addressed to the Secretary of the company, have informed the company that they intend to present to the meeting the following resolution:

WHEREAS:

We believe that access to needed health care services and products is essential to human development and well-being;

Pharmaceutical products play a significant role in restoring, maintaining and enhancing human health;

Millions of Americans lack access to prescription medicines or pay dearly for them because they are un-insured and under-insured;

Because the industry prices pharmaceuticals very differently for retail and for group purchasers, people buying at local retail pharmacies pay the highest out-of-pocket prices for medicines they need;

A report for the President by the Department of Health and Human Services (Prescription Drug Coverage, Spending, Utilization, and Prices, April 2000) found that:

For the most commonly prescribed drugs, the price difference between cash customers and those with third-party coverage grew substantially larger between 1996 and 1999;

In 1999, for a quarter of the most common drugs, the price difference between cash and third parties (group purchasers) was over 20%.

Neither the wholesalers nor the retailers are creating the high prices. The wholesale markup, after purchase from the manufacturer, is "generally small, perhaps 2% 4%." (ch.3, p.101). The Report also suggested that local pharmacy profit margins have been falling in recent years; (p. 103).

A May 2001 report by the National Institute for Health Care Management Foundation found that while doctors are writing more prescriptions for higher-cost drugs, price increases accounted for 22% of the increase in retail spending on prescription drugs in the year 2000 (NY Times, May 22, 2001).

THEREFORE BE IT RESOLVED:

Shareholders request the Board of Directors to report to shareholders by September 2002 on the creation and implementation of a policy of price restraint on prescription drugs, utilizing a

combination of approaches to keep drug prices at reasonable levels (withholding any competitive information and at reasonable cost).

SUPPORTING STATEMENT:

We suggest that the policy include a restraint on each individual drug and that it not be based on averages which can mask tremendous disparities: a low price increase for one compound and a high price increase for another; one price for a "favored customer" (usually low) and another for the retail customer (usually high).

We appreciate the need for research and the role that our company has played in the development of new medicines. We are also aware that the cost of research is only one determinant for the final price of a drug. Advertising is another significant company expenditure, and now includes "direct to consumer" campaigns. Bristol-Myers Squibb spent $5.53 billion on Marketing/Advertising/Administration in the year 2000.

Thus, we believe that price restraint can be achieved without sacrificing necessary research effort.

We urge a vote **FOR** this resolution.

Board of Directors' Position

The Board of Directors recommends a vote "AGAINST" the proposal for the following reasons.

The company has always been and remains committed to providing medicines at fair and reasonable prices in furtherance of our mission to extend and enhance human life.

The company already maintains fair and reasonable pricing practices. Across the company's pharmaceutical product portfolio, price increases in aggregate have been modest. The average daily dose for each of the company's ten top-selling medicines is generally priced at mid-range compared with prices of competitive therapies and well below the highest priced brands.

The company firmly supports the view that prescription drugs are so important everyone should have access to them. We believe the best approach to improve access to affordable medicines for those Americans who are uninsured or underinsured is through expanded coverage that ensures market-based competition and physician/patient choice of prescription drugs. Expanded coverage would give all covered patients access

to whatever discounts on medicines their coverage plan negotiates from manufacturers and pharmacies. Government subsidies should be available to help keep private insurance affordable.

We will continue to work with our various constituencies including our stockholders, as well as the Administration, Congress and state governments to achieve expanded pharmaceutical coverage. Individuals in the United States who cannot afford our medicines and have no other means of coverage, public or private, may be eligible to be provided with our medicines, at no charge, through our Patient Assistance Program Foundation, Inc. In 2001, the company provided medicines at no cost to more than 380,000 patients under the Program.

The company should not be compelled to adopt any formal policy as to pricing. In this fast-paced and highly competitive industry, the company needs the flexibility to price its products appropriately so that it may invest aggressively in the research and development of promising new and innovative medicines. In 2001, the company increased its pharmaceutical research and development budget by 11%, bringing the company's compound annual growth rate for pharmaceutical research and development investment to 14% over the past five years. This is fundamental to the company's continued success and to the patients who rely on our medicines.

Accordingly, the Board of Directors recommends a vote "AGAINST" this proposal.

PROPOSAL 6 STOCKHOLDER PROPOSAL RELATING TO POISON PILLS

Mr. John Chevedden, as legal proxy for Chris Rossi, P.O. Box 249, Boonville, CA 95415, custodian for Victor Rossi, who holds 4,000 shares of Common Stock, has informed the company that he intends to present to the meeting the following resolution:

> Shareholders request that our Board of Directors seek shareholder approval prior to adopting any poison pill and also redeem or terminate any pill now in effect unless it has been approved by a shareholder vote at the next shareholder meeting.
>
> The poison pill is an important issue for shareholder vote even if our company does not now have a poison pill or plan to adopt a poison pill in the future. Currently our board can adopt a poison pill and/or redeem a current poison pill and adopt a new poison pill: 1) At any time 2) In a short period of time 3) Without shareholder approval
>
> NEGATIVE EFFECTS OF POISON PILLS ON SHAREHOLDER VALUE
>
> A study by the Securities and Exchange Commission found evidence that the negative effect of poison pills to deter profitable takeover bids outweigh benefits.
>
> > Source: Office of the Chief Economist, Securities and Exchange Commission, The Effect of Poison Pills on the Wealth of Target Shareholders, October 23, 1986.
>
> ADDITIONAL SUPPORT FOR THIS PROPOSED TOPIC
>
> > Pills adversely affect shareholder value.
> > *Power and Accountability*
> > Nell Minow and Robert Monks
> > Source: www.thecorporatelibrary.com/power from www.thecorporatelibrary.com
> >
> > The Council of Institutional Investors
> > (www.cii.org/corp-governance.htm) recommends shareholder approval of all poison pills
>
> INSTITUTIONAL INVESTOR SUPPORT FOR SHAREHOLDER VOTE
>
> Many institutional investors believe poison pills should be voted on by shareholders. A poison pill can insulate management at the expense of shareholders. A poison pill is such a powerful tool that shareholders should be able to vote on whether it is appropriate. We believe a shareholder vote on poison pills will avoid an unbalanced concentration of power in the directors who could focus on narrow interests at the expense of the vast majority of shareholders.

INSTITUTIONAL INVESTOR SUPPORT IS HIGH-CALIBER SUPPORT

This proposal topic has significant institutional support. Shareholder right to vote on poison pill resolutions achieved a 57% average yes-vote from shareholders at 26 major companies in 2000 (Percentage based on yes-no votes).

Institutional investor support is high-caliber support. Institutional investors have the advantage of a specialized staff and resources, long-term focus, fiduciary duty and independent perspective to thoroughly study the issues involved in this proposal topic.

SHAREHOLDER VOTE PRECEDENT SET BY OTHER COMPANIES

In recent years, various companies have been willing to redeem poison pills or at least allow shareholders to have a meaningful vote on whether a poison pill should remain in force. We believe that our company should do so as well.

68% VOTE AT A MAJOR COMPANY

This proposal topic won 68% of the yes-no vote at the Burlington Northern Santa Fe (BNI) 2001 Annual meeting. The text of the BNI proposal, which as further information on poison pills, is available at The Corporate Library website: www.thecorporatelibrary.com. At this URL page: http://asp.thecorporatelibrary.net/proposals/FullText.asp?Company_ID=10563&Resolution_ID=515&Proxy_Season=2001

In the interest of shareholder value vote yes: SHAREHOLDER VOTE ON POISON PILLS. YES ON 6

Board of Directors' Position

The Board of Directors recommends a vote "AGAINST" the proposal for the following reasons:

The Board of Directors believes that this proposal is unnecessary and unwise because the Board has not adopted a shareholder rights plan and has no present intention to adopt one. Circumstances, however, could arise in the future, where the adoption of such a plan would be an important tool for protecting the interests of the company's stockholders in accordance with the Board's fiduciary duties. Requiring stockholder approval for the adoption of a rights plan would impede the ability of the Board of Directors to use such a plan for the benefit of stockholders when circumstances warrant.

The purpose of a shareholders rights plan is to help the Board of Directors maximize shareholder value in the event of a takeover attempt by encouraging negotiations with the Board and by giving the Board the opportunity to explore other alternatives. A 1997 study by Georgeson & Company, a nationally recognized proxy solicitation and investor relations firm, found that the presence of a rights plan neither increased the likelihood of defeat of an unsolicited takeover proposal nor reduced the likelihood of a company becoming a takeover target. The same Georgeson & Company study found that the premiums paid to acquire companies with rights plans averaged eight percentage points higher than premiums for companies without such plans.

Delaware law imposes a fiduciary duty on the Board of Directors to act in the best interests of the company's stockholders and to oppose unfair takeover offers. Courts have recognized that rights plans are a valuable and legitimate tool available to directors in fulfilling their fiduciary duties to stockholders. In upholding the legal validity of shareholder rights plans, the Delaware Supreme Court has made it clear that a board is required to act in accordance with its fiduciary duties in adopting and maintaining a rights plan. Shareholder rights plans are designed to strengthen the ability of a board of directors, in accordance with its fiduciary duties, to maximize shareholder value and protect stockholders from unfair and abusive takeover tactics. Notably, more than 2,000 companies, including more than half of the companies in the S&P 500 Index, have adopted some type of rights plans.

In recommending a vote against the proposal, the Board of Directors has not determined that a rights plan should be adopted by the company. If circumstances warranting the adoption of a rights plan should arise, the determination to adopt such a plan would be made only after careful deliberation and in compliance with the Board's fiduciary duties. It is important to note in this regard that presently only one member of the Board of Directors is an employee of the company. The recommendation against the proposal is based on the belief of the Board of Directors that it would not be wise to limit the flexibility of the Board to act in the best interests of the stockholders.

Accordingly, the Board of Directors recommends a vote "AGAINST" this proposal.

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ADVANCE NOTICE PROCEDURES

Under the company's Bylaws, no business may be brought before an annual meeting except as set forth in the notice of the meeting or as otherwise brought before the meeting by or at the direction of the Board or by a stockholder entitled to vote who has delivered notice to the company containing certain information set forth in the Bylaws, not fewer than 120 days before the date of the company's proxy statement is released to stockholders in connection with the prior year's annual meeting. For the company's meeting in 2003, the company must receive this notice no later than November 22, 2002. These requirements are separate and distinct from and in addition to the SEC requirements that a stockholder must meet to have a stockholder proposal included in the company's proxy statement.

A copy of the Bylaw provisions discussed above may be obtained by writing the company at its principal executive offices, 345 Park Avenue, New York, New York 10154, attention: Secretary.

2003 PROXY PROPOSALS

Stockholder proposals relating to the company's 2003 Annual Meeting of Stockholders must be received by the company at its principal executive offices, 345 Park Avenue, New York, New York 10154, attention: Secretary, no later than November 22, 2002.

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DIRECTIONS TO THE HOTEL DUPONT

By Car:

From Baltimore or Downstate Delaware:

1. Take I-95 North to Wilmington Exit 7 marked "Route 52, Delaware Avenue".
2. From right lane, take Exit 7 onto Adams Street.
3. At the third traffic light on Adams Street, turn right onto 11th Street.
4. At the intersection of Delaware Avenue, bear left, continuing on 11th Street.
5. Follow 11th Street through six traffic lights. Hotel duPont is on the right.

From New Jersey:

(New Jersey Turnpike)

1. Take the New Jersey Turnpike South to Delaware Memorial Bridge.
2. After crossing the Delaware Memorial Bridge, follow signs to I-95 North.
3. From I-95 North, follow steps 1-5 outlined in directions "From Baltimore or Downstate Delware".

From Philadelphia:

(I-95 South):

1. Take I-95 South through