

BOSTON PROPERTIES INC
Form DEF 14A
April 04, 2003
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A

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

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

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

BOSTON PROPERTIES, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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

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

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

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Table of Contents

April 4, 2003

Dear Stockholder:

You are cordially invited to attend the annual meeting of stockholders of Boston Properties, Inc. This year's meeting will be held on Wednesday, May 7, 2003 at 11:00 a.m., local time, at 599 Lexington Avenue, Conference Room 2E, New York, New York.

The attached proxy statement, with formal notice of the meeting on the first page, describes the matters expected to be acted upon at the meeting. We urge you to review these materials carefully and to use this opportunity to take part in the affairs of Boston Properties by voting on the matters described in this proxy statement. We hope that you will be able to attend the meeting. At the meeting we will review our operations, report on 2002 financial results and discuss our plans for the future. Our directors and management team will be available to answer questions.

Your vote is important. Whether you plan to attend the meeting or not, please complete the enclosed proxy card and return it as promptly as possible or vote by calling the toll-free telephone number or via the Internet. The enclosed proxy card contains instructions regarding all three methods of voting. If you attend the meeting, you may continue to have your shares voted as instructed in the proxy or you may withdraw your proxy at the meeting and vote your shares in person.

We look forward to seeing you at the meeting.

Sincerely,

Mortimer B. Zuckerman

Chairman of the Board

Edward H. Linde

President and Chief Executive Officer

Table of Contents

BOSTON PROPERTIES, INC.

111 Huntington Avenue

Suite 300

Boston, MA 02199-7610

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 7, 2003

The 2003 annual meeting of stockholders of Boston Properties, Inc. will be held on Wednesday, May 7, 2003 at 11:00 a.m., local time, at 599 Lexington Avenue, Conference Room 2E, New York, New York. At the annual meeting, stockholders will vote upon the following proposals:

1. To elect one Class II director, to serve for a two-year term, and three Class III directors, each to serve for a three-year term.
2. To ratify the selection of PricewaterhouseCoopers LLP as our independent accountants for the fiscal year ending December 31, 2003.
3. To consider and act upon any other matters that may properly be brought before the annual meeting and at any adjournments or postponements thereof.

You may vote if you were a stockholder of record as of the close of business on March 12, 2003. If you do not plan to attend the meeting and vote your common shares in person, please vote in one of the following ways:

Use the toll-free telephone number shown on your proxy card (this call is free in the U.S. and Canada);

Go to the Website address shown on your proxy card and vote via the Internet; or

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

Mark, sign, date and promptly return the enclosed proxy card in the postage-paid envelope.

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

By Order of the Board of Directors

WILLIAM J. WEDGE, ESQ.

Secretary

April 4, 2003

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
<u>QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING</u>	1
<u>What is the purpose of the annual meeting?</u>	1
<u>Who is entitled to vote?</u>	1
<u>Can I attend the meeting?</u>	1
<u>What constitutes a quorum?</u>	1
<u>How do I vote?</u>	2
<u>What is householding?</u>	2
<u>Will other matters be voted on at the annual meeting?</u>	2
<u>Can I revoke my proxy instructions?</u>	3
<u>What other information should I review before voting?</u>	3
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	3
<u>Introduction</u>	3
<u>Vote Required</u>	3
<u>Recommendation</u>	4
<u>Information Regarding the Nominees, Other Directors and Executive Officers</u>	4
<u>The Board of Directors and Its Committees</u>	8
<u>PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT ACCOUNTANTS</u>	9
<u>Recommendation</u>	9
<u>PRINCIPAL AND MANAGEMENT STOCKHOLDERS</u>	10
<u>COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS</u>	13
<u>Director Compensation</u>	13
<u>Executive Compensation</u>	14
<u>Summary Compensation Table</u>	14
<u>Option Grants for Fiscal Year 2002</u>	17
<u>Aggregated Option Exercises in the Last Fiscal Year and Fiscal Year-End Option Values</u>	17
<u>EMPLOYMENT AND NONCOMPETITION AGREEMENTS</u>	17
<u>SEVERANCE AGREEMENTS</u>	18
<u>STOCK PERFORMANCE GRAPH</u>	20
<u>COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION</u>	21
<u>Compensation Committee Interlocks and Insider Participation</u>	25
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	25
<u>AUDIT COMMITTEE REPORT</u>	26
<u>INFORMATION ABOUT OUR INDEPENDENT ACCOUNTANTS</u>	27
<u>Financial Information Systems Design and Implementation Fees</u>	27
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	27
<u>OTHER MATTERS</u>	29
<u>Expenses of Solicitation</u>	29
<u>Stockholder Proposals for Annual Meetings</u>	29

Table of Contents

April 4, 2003

BOSTON PROPERTIES, INC.

111 Huntington Avenue

Suite 300

Boston, MA 02199-7610

PROXY STATEMENT

This proxy statement and the enclosed proxy card are being mailed to stockholders on or about April 4, 2003 and are furnished in connection with the solicitation of proxies by the Board of Directors of Boston Properties, Inc. for use at the 2003 annual meeting of stockholders of Boston Properties to be held on Wednesday, May 7, 2003 at 11:00 a.m., local time, at 599 Lexington Avenue, Conference Room 2E, New York, New York, and at any adjournments or postponements thereof.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

What is the purpose of the annual meeting?

At the annual meeting, stockholders will act upon the matters set forth in the accompanying notice of meeting, including the election of directors and ratification of the selection of our independent accountants.

Who is entitled to vote?

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

If our records show that you were a stockholder as of the close of business on March 12, 2003, which is referred to as the record date, you are entitled to receive notice of the annual meeting and to vote the shares of common stock that you held on the record date. Each outstanding share of common stock entitles its holder to cast one vote for each matter to be voted upon.

Can I attend the meeting?

All stockholders of record of Boston Properties' shares of common stock at the close of business on the record date, or their designated proxies, are authorized to attend the annual meeting. Each stockholder or proxy will be asked to present a form of valid picture identification, such as a driver's license or passport.

What constitutes a quorum?

The presence, in person or by proxy, of holders of at least a majority of the total number of outstanding shares of common stock entitled to vote is necessary to constitute a quorum for the transaction of business at the annual meeting. As of the record date, there were 95,921,961 shares of common stock outstanding and entitled to vote at the annual meeting. Shares that reflect votes withheld for director nominees, abstentions or broker non-votes (i.e., shares represented at the meeting held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote such shares and the broker or nominee does not have discretionary voting power to vote such shares) will be counted for purposes of determining whether a quorum is present for the transaction of business at the annual meeting.

Table of Contents

How do I vote?

Voting by Proxy Holders for Shares Registered Directly in the Name of the Stockholder. If you hold your shares in your own name as a holder of record, you may instruct the proxy holders named in the enclosed proxy card how to vote your common shares by using the toll-free telephone number, the Internet Website listed on the proxy card or by signing, dating and mailing the proxy card in the postage-paid envelope that has been provided to you by Boston Properties.

Vote by Telephone. If you hold your common shares in your own name as a holder of record, you may vote by telephone by calling the toll-free number listed on the accompanying proxy card. Telephone voting is available 24 hours a day until 11:59 p.m. on May 6, 2003. When you call you will receive a series of voice instructions which will allow you to vote your common shares. A control number, located above the voting instructions of your proxy card, verifies your identity as a stockholder and allows you to vote your common shares and confirm that your voting instructions have been recorded properly. *IF YOU VOTE BY TELEPHONE, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.*

Vote by Internet. You also have the option to vote via the Internet. The Website for Internet voting is printed on your proxy card. Internet voting is available 24 hours a day until 11:59 p.m. on May 6, 2003. As with telephone voting, you will be given the opportunity to confirm that your instructions have been properly recorded. *IF YOU VOTE VIA THE INTERNET, YOU DO NOT NEED TO RETURN YOUR PROXY CARD.*

Vote by Mail. If you would like to vote by mail, mark your proxy card, sign and date it, and return it to EquiServe in the postage-paid envelope provided.

Vote in Person. If you are a registered stockholder and attend the annual meeting, you vote in person at the meeting.

Voting by Proxy Holders for Shares Registered in the Name of a Brokerage Firm or Bank. If your common shares are held by a broker, bank or other nominee (i.e., in street name), you will receive instructions from your nominee which you must follow in order to have your common shares voted. Street name stockholders who wish to vote in person at the meeting will need to obtain a proxy form from the broker, bank or other nominee that holds their common shares of record.

What is householding?

The Securities and Exchange Commission (the SEC) rules allow for the delivery of a single copy of an annual report and proxy statement to any household at which two or more stockholders reside, if it is believed that the stockholders are members of the same family. Duplicate mailings can be eliminated by allowing stockholders to consent to such elimination, or through implied consent if a stockholder does not request continuation of duplicate mailings. Depending upon the practices of your broker, bank or other nominee, you may need to contact them directly to discontinue duplicate mailings to your household. If you wish to revoke your consent to householding, you must contact your broker, bank or other nominee. If you own shares of our common stock in your own name as a holder of record, householding will not apply to your shares.

If you wish to request extra copies free of charge of any annual report or proxy statement, please send your request to Boston Properties, Inc., 111 Huntington Avenue, Suite 300, Boston, Massachusetts 02199-7610, Attention: Secretary; call us with your request at (617) 236-3300; or

visit our Website at www.bostonproperties.com.

Will other matters be voted on at the annual meeting?

We are not now aware of any other matters to be presented at the annual meeting other than those described in this proxy statement. If any other matters not described in the proxy statement are properly presented at the meeting, proxies will be voted in accordance with the best judgment of the proxy holders.

Table of Contents

Can I revoke my proxy instructions?

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

filing a written revocation with the Secretary of Boston Properties at the following address: 111 Huntington Avenue, Suite 300, Boston, Massachusetts 02199-7610;

filing a duly executed proxy bearing a later date; or

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

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

What other information should I review before voting?

For your review, our 2002 annual report, including a copy of our annual report filed with the SEC on Form 10-K, and financial statements for the fiscal year ended December 31, 2002, is being mailed to stockholders concurrently with this proxy statement. The annual report, however, is not part of the proxy solicitation material.

PROPOSAL 1: ELECTION OF DIRECTORS

Introduction

In November 2002, our Board of Directors reached a determination that it would be appropriate to expand the Board and created an Interim Nominating Committee charged with the responsibility of identifying and recommending to the Board nominees for election as directors. Two nominees needed to be selected to fill two new Board seats created to achieve such expansion of the Board, and a third nominee needed to be selected as a result of the decision by Mr. Ivan G. Seidenberg not to stand for re-election as a director of Boston Properties due to his commitments as President and Chief Executive Officer of Verizon Communications. Mr. Seidenberg has served on our Board of Directors since our initial public offering in June 1997. We would like to thank Mr. Seidenberg for his dedication to the interests of our stockholders and his invaluable contribution to Boston Properties over the past six years.

At the annual meeting, one Class II director will be elected to serve until the 2005 annual meeting or until his successor is duly elected and qualified and three Class III directors will be elected to serve until the 2006 annual meeting or until their respective successors are duly elected and qualified. Following the recommendation of the Interim Nominating Committee, our Board of Directors has nominated Lawrence S. Bacow to serve as a Class II director and William M. Daley, Edward H. Linde and David A. Twardock to serve as Class III directors. Mr. Linde is

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

currently serving as a director of Boston Properties. Messrs. Bacow, Daley and Twardock are new candidates for election. In making its recommendations, the Interim Nominating Committee considered a number of factors, including the independence and qualifications of the candidate and the current composition of our Board of Directors. Our Board of Directors anticipates that the nominees will serve, if elected, as directors. However, if any persons nominated by our Board of Directors is unable to accept election, the proxies will be voted for the election of such other person or persons as our Board of Directors may recommend. Our Board of Directors will consider a nominee for election to our Board of Directors recommended by a stockholder of record if the stockholder submits the nomination in compliance with the requirements of our by-laws.

Vote Required

Directors must be elected by a plurality of the votes cast on account of the shares of common stock present in person or represented by proxy and entitled to vote on the election of directors at the annual meeting. Votes may be cast for or withheld from each nominee. Votes cast for the nominees will count as yes votes; votes that

Table of Contents

are withheld from the nominees will not be voted with respect to the director or directors indicated, although they will be counted when determining whether there is a quorum.

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THEIR NOMINEES, LAWRENCE S. BACOW, WILLIAM M. DALEY, EDWARD H. LINDE AND DAVID A. TWARDOCK. PROXIES SOLICITED BY THE BOARD WILL BE VOTED FOR EACH OF THE NOMINEES UNLESS INSTRUCTIONS TO WITHHOLD OR TO THE CONTRARY ARE GIVEN.

Information Regarding the Nominees, Other Directors and Executive Officers

The following biographical descriptions set forth certain information with respect to the nominee for election as a Class II director and the nominees for election as Class III directors at the annual meeting, each director who is not up for election and the executive officers who are not directors, based on information furnished to Boston Properties by each director and executive officer. The following information is correct as of February 1, 2003.

Nominee for Election as Class II Director Term Expiring 2005

Lawrence S. Bacow. Mr. Lawrence S. Bacow currently serves as President of Tufts University. Prior to his appointment to this position, Mr. Bacow served in various capacities at the Massachusetts Institute of Technology, including his most recent position as Chancellor since August 1998. During his 24 year tenure at the Massachusetts Institute of Technology, Mr. Bacow was the Lee and Geraldine Martin Professor of Environmental Studies in the Department of Urban Studies and Planning and he also served as the Director of the MIT Center for Real Estate Development, the Chair of the MIT Council on the Environment and the Chairman of the Faculty of the Massachusetts Institute of Technology. Mr. Bacow serves as a director of Tufts University, Hebrew College, Wheaton College and the Jewish Community Housing for the Elderly. He received a BS in Economics from the Massachusetts Institute of Technology and a Ph.D., an M.P.P. and a J.D. from Harvard University. He is 51 years old.

Nominees for Election as Class III Directors Terms Expiring 2006

William M. Daley. Mr. William M. Daley is President of SBC Communications, Inc. Prior to his appointment in December of 2001 to this position, Mr. Daley served as Vice Chairman of Evercore Capital Partners L.P., a private equity investment firm. He also served as United States Secretary of Commerce from January 1997 to July 2000 and as Chairman of the 2000 presidential election campaign of Vice President Al Gore. Mr. Daley serves as a director of Merck & Company, The Joffrey Ballet of Chicago, Loyola University and The Committee on US-China Foreign Relations. He received a BA from Loyola University and an LLB from John Marshall Law School. He is 54 years old.

Edward H. Linde. Mr. Edward H. Linde serves as President and Chief Executive Officer of Boston Properties and has been a director since June 23, 1997. Mr. Linde co-founded Boston Properties in 1970 after spending five years at Cabot, Cabot & Forbes, where he became Vice

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

President and Senior Project Manager. Mr. Linde serves as a Vice Chairman of the Board of Trustees of the Boston Symphony Orchestra and a director of Jobs for Massachusetts. He is also a member of the Board of Directors of John Hancock Financial Services, Inc. Mr. Linde serves as second vice chair of the National Association of Real Estate Investment Trusts. Mr. Linde received a BS in Civil Engineering from MIT in 1962 and an MBA from Harvard Business School. His son, Douglas T. Linde, serves as our Senior Vice President, Chief Financial Officer and Treasurer. Mr. Linde is 61 years old.

Table of Contents

David A. Twardock. Mr. David A. Twardock is the President and Chief Executive Officer of Prudential Mortgage Capital Company, LLC, the real estate finance affiliate of Prudential Financial, Inc. Since 1982, Mr. Twardock has held numerous positions relating to real estate equity and debt with Prudential, including his position from 1996 to November 1998 as Senior Managing Director of Prudential Realty Group. Mr. Twardock is a member of the Urban Land Institute, International Council of Shopping Centers, the Economics Club of Chicago, and the Real Estate Roundtable where he is Vice Chairman of the Real Estate Capital Policy Advisory Committee. Mr. Twardock serves as a director of Prudential Mortgage Capital Holdings Corp. and its various subsidiaries, Prudential Asset Resources, Inc., and Prudential Realty Securities, Inc., and he is a member of the Board of Managers of Strategic Hotel Capital, LLC. He received a BS in Civil Engineering from the University of Illinois and an MBA in Finance and Behavioral Science from the University of Chicago. He is 45 years old.

Incumbent Class I Directors Terms Expiring 2004

Mortimer B. Zuckerman. Mr. Mortimer B. Zuckerman serves as Chairman of the Board of Directors of Boston Properties and has been a director since June 23, 1997. Mr. Zuckerman co-founded Boston Properties in 1970 after spending seven years at Cabot, Cabot & Forbes where he rose to the position of Senior Vice President and Chief Financial Officer. He is also Chairman and Editor-in-Chief of U.S. News & World Report and Chairman and Publisher of the New York Daily News. Mr. Zuckerman serves as a trustee for New York University, a trustee of Memorial Sloan-Kettering Cancer Institute and a member of the Council on Foreign Relations, the International Institute for Strategic Studies and the Washington Institute for Near East Studies. He serves on the Advisory Board of the Graduate School of Journalism at the University of California, Berkeley. He is currently serving as Chairman of the Conference of Presidents of Major American Jewish Organizations. He is a member of the J.P. Morgan National Advisory Board, and a member of the Board of Directors of Applied Graphics Technologies and the Center for Communications. He is also a former Associate Professor of City and Regional Planning at the Harvard Graduate School of Design, a former lecturer of City and Regional Planning at Yale University and a past president of the Board of Trustees of the Dana Farber Cancer Institute in Boston. Mr. Zuckerman is a graduate of McGill University in Montreal where he received an undergraduate degree in 1957 and a degree in law in 1961. He received an MBA with distinction from the Wharton School, University of Pennsylvania in 1961 and an LLM from Harvard University in 1962. He has also received three honorary degrees. Mr. Zuckerman was awarded the Commandeur De L'Ordre des Arts et des Lettres by the government of France. He is 65 years old.

Alan B. Landis. Mr. Alan B. Landis has been a director since June 30, 1998. He also serves as the Chief Executive Officer of The Landis Group, a real estate development and management organization which was the developer of the Carnegie Center. Since 1967, Mr. Landis has held various positions with The Landis Group or its predecessors. He has served as the Co-Chairman and Trustee of the Foundation Fighting Blindness Celebrity Golf Classic since 1988 and has been appointed to the Advisory Board to Prevent Child Abuse. He was named a trustee to the Hun School at Princeton in 1988. Mr. Landis has been the recipient of several awards, including The Urban Land Institute Award for Excellence, The American and National Planning Association Awards, The American Institute of Architects Award for Precedent Setting Achievements in Land Use and Development, The American Society of Landscape Architects Environmental Enhancement Award, The National Association of Industrial Office Parks Impact Award/Developer of the Year Award, the MSM Community Development Award and the Israel Peace Medal. He received a BS in Accounting from New York University in 1965. Mr. Landis was appointed to the Board of Directors pursuant to a directorship agreement in connection with our acquisition of a portfolio of properties in New Jersey. We agreed that the Board of Directors will nominate Mr. Landis for re-election as a director at each annual meeting of stockholders in a year in which his term expired as long as Mr. Landis (together with parties related to him) continue to beneficially own at least one percent of the aggregate number of outstanding shares of common stock of Boston Properties and units of limited partnership interest in Boston Properties Limited Partnership. Additionally, Mr. Landis must comply with the policies of our Board of Directors and attend a certain number of the meetings of our Board of Directors. Mr. Landis' brother, Mitchell S. Landis, serves as Senior Vice President and Manager of our Princeton office. Mr. Landis is 60 years old.

Table of Contents

Richard E. Salomon. Mr. Richard E. Salomon has been a director since November 12, 1998. He is President of Mecox Ventures, a private investment company. Mr. Salomon was President and Managing Director of the investment advisory firm, Spears, Benzak, Salomon & Farrell from 1982 until 2000. Mr. Salomon serves as Senior Advisor to Mr. David Rockefeller. He represented Rockefeller interests on the Executive Committee of Embarcadero Center from 1977 until 1998. In addition, he is Chairman of the Advisory Board of Blackstone Alternative Asset Management and a member of the Advisory Board of the Geoeconomic Center at The Council on Foreign Relations. He is a director of Strategic Hotel Capital. He is a trustee of the Museum of Modern Art, The New York Public Library, Rockefeller University and the Alfred P. Sloan Foundation. Mr. Salomon serves as the Chairman of the Investment Committee of Rockefeller University and is a member of the Investment Committee at The Council of Foreign Relations, The New York Public Library, the Museum of Modern Art and the Alfred P. Sloan Foundation. He received a BA from Yale University in 1964 and an MBA from Columbia University Graduate School of Business in 1967. He is 60 years old.

Incumbent Class II Directors Terms Expiring 2005

Alan J. Patricof. Mr. Alan J. Patricof has been a director since June 23, 1997. Mr. Patricof is Vice Chairman of the Board of Directors of Apax Partners, Inc. formerly Patricof & Co. Ventures, the company he founded in 1969. He also serves as a director of ATX Communications, Inc., Johnny Rocket Group, Zinio Systems, Inc. and 7th OnLine Inc. In addition, he currently serves on The Board of Trustees of Columbia University Graduate School of Business, Continuum Health Partners, East Hampton Historical Society, the Drama School Board of Governors of the Actors Studio Division of New School University and Trickle Up Program. He is a member of the Council on Foreign Relations and the New York Administrative Committee of Fleet National Bank. Mr. Patricof received a BS in finance from Ohio State University and an MBA from Columbia University Graduate School of Business. He is 68 years old.

Martin Turchin. Mr. Martin Turchin has been a director since June 23, 1997. Since 1985, Mr. Turchin has served as Vice-Chairman of Insignia/ESG, Inc., a subsidiary of Insignia Financial Group, one of the nation's largest commercial real estate brokerage, consulting and management firms. Prior to joining Insignia/ESG, Inc., he spent 14 years with Kenneth E. Laub & Company, Inc. where he was involved in real estate acquisition, financing, leasing and consulting. Mr. Turchin has more than 30 years experience as a commercial real estate broker, consultant and advisor and has been involved in some of the largest real estate transactions in the United States. During his career, he has orchestrated more than 50 million square feet of real estate transactions. Mr. Turchin is a three time recipient of the Real Estate Board of New York's Most Ingenious Deal of the Year Award and a two time recipient of the Robert T. Lawrence Award. Mr. Turchin holds a BS from City College of the University of New York and a JD from St. John's Law School. He is 61 years old.

Executive Officers who are not Directors

Robert E. Burke. Mr. Robert E. Burke serves as Executive Vice President, Chief Operating Officer, with responsibility for administrative policy and day-to-day control of our operations. Prior to his appointment in April 1998 to this position, he served for 12 years as Senior Vice President and Co-Manager of our Washington, D.C. office. He joined us in 1979 to open our Washington, D.C. area office, serving as General Manager in charge of operations of that office until 1998. Prior to 1979, Mr. Burke spent over seven years as General Manager of the John Fitzgerald Kennedy Library Corporation where he directed the development of the John Fitzgerald Kennedy Library and Museum. He has also held engineering and management positions with General Electric Company, SCM Corporation and Harvard University. He received dual degrees in 1960 when he earned a BS from Bates College and a Bachelor of Civil Engineering degree from Rensselaer Polytechnic Institute. He is 65 years old.

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

Raymond A. Ritchey. Mr. Raymond A. Ritchey serves as Executive Vice President, National Director of Acquisitions and Development. Prior to his appointment in April 1998 to this position, he served as Senior Vice President and Co-Manager of our Washington, D.C. office. In his current position, Mr. Ritchey is responsible for

Table of Contents

all business development, leasing and marketing as well as new opportunity origination in the Washington, D.C. area. He also directly oversees similar activities on a national basis. Mr. Ritchey joined us in 1980, leading our expansion to become one of the dominant real estate firms in the Washington, D.C. metropolitan area. For four years prior to joining us, Mr. Ritchey was one of the leading commercial real estate brokers in the Washington, D.C. area with Coldwell Banker. He is a 1972 graduate of the U.S. Naval Academy and a 1973 graduate of the U.S. Naval Post Graduate School in Monterey, California. He is 52 years old.

Douglas T. Linde. Mr. Douglas T. Linde serves as Senior Vice President, Chief Financial Officer and Treasurer. He previously served as Senior Vice President for Financial and Capital Markets. Mr. Linde oversees the accounting, control and financial management departments and is also responsible for capital raising, financial strategy, planning and acquisitions. In addition, Mr. Linde has played a key role in our acquisition program, including the purchase and financing of the Prudential Center in Boston, the Embarcadero Center in San Francisco, the Carnegie Center Portfolio in Princeton, New Jersey, the Times Square development in New York City, 111 Huntington Avenue, Boston, Massachusetts and most recently 399 Park Avenue in New York City. He joined Boston Properties in January 1997 as Vice President of Acquisitions and New Business to help identify and execute acquisitions and to develop new business opportunities. Prior to joining Boston Properties, Mr. Linde served from 1993 to 1997 as President of Capstone Investments, a Boston real estate investment company. From 1989 to 1993, he served as Project Manager and Assistant to the Chief Financial Officer of Wright Runstad and Company, a private real estate developer in Seattle, WA. He began his career in the real estate industry with Salomon Brothers Real Estate Finance Group. Mr. Linde received a BA from Wesleyan University in 1985 and an MBA from Harvard Business School in 1989. Mr. Linde is on the Board of Overseers for the Beth Israel Deaconess Medical Center and serves on the Finance Committee and is a director of the Boston Municipal Research Bureau. Mr. Linde's father, Edward H. Linde, serves as our President, Chief Executive Officer and a director. Mr. Linde is 39 years old.

Bryan J. Koop. Mr. Bryan J. Koop serves as Senior Vice President and Manager of our Boston office. Mr. Koop is responsible for overseeing the operation of our existing regional portfolio in the Boston area, which includes the Prudential Center and Cambridge Center. He is also responsible for developing new business opportunities in the area. Prior to joining us in 1999, Mr. Koop served at Trammell Crow Company from 1982 to 1999 where his career covered high rise office building leasing and the development of commercial office buildings and shopping centers. From 1993 to 1999 his position was Managing Director and Regional Leader for Trammell Crow Company's New England region, which included all commercial office and shopping center operations. Mr. Koop is a member of the Board of Directors for the Massachusetts Chapter of NAIOP (National Association of Industrial and Office Parks). Mr. Koop received a BBA in 1980 and an MBA in 1982 from Texas Christian University. He is 44 years old.

Mitchell S. Landis. Mr. Mitchell S. Landis serves as Senior Vice President and Manager of our Princeton office. Prior to his appointment in February 2001 to this position, he served as Vice President and Manager of our Princeton office. He is responsible for overseeing development, leasing and management for the Carnegie Center and Tower Center assets and for the pursuit of new business opportunities in the region. Mr. Landis joined Boston Properties in June 1998 when the assets of The Landis Group, for whom he was Chief Operating Officer, were acquired. For 19 years prior to that, he owned and operated Landis Food Services, a restaurant franchiser and owner in the Northeast United States and Canada. Mr. Landis received a BS degree in Economics from New York University in 1973 and completed coursework toward a masters degree in Economics in 1975. Mr. Landis' brother, Alan B. Landis, serves as a member of our Board of Directors. Mr. Landis is 52 years old.

E. Mitchell Norville. Mr. E. Mitchell Norville serves as Senior Vice President and Manager of our Washington, D.C. office. He is in charge of all development activities as well as being responsible for all administrative, project, construction and property management activities for our Washington D.C. office, with a staff of approximately 200 people. From 1994 to 1998, he served as Senior Vice President and Senior Project Manager of our Washington, D.C. office, with responsibilities for various project developments. Mr. Norville has been directly responsible for over four million square feet of new development and renovation projects. He

Table of Contents

received a BS in Mechanical Engineering from Clemson University in 1980 and an MBA from the University of Virginia in 1984. He is 44 years old.

Robert E. Pester. Mr. Robert E. Pester serves as Senior Vice President and Manager of our San Francisco office, with responsibility for all of our activities on the West Coast. Mr. Pester is responsible for overseeing existing operations at the Embarcadero Center and the Gateway Center in South San Francisco and developing new business opportunities in the area. Prior to joining us in 1998, he served as Executive Vice President and Chief Investment Officer of Bedford Property Investors, a real estate investment trust in Lafayette, CA, where he led the acquisitions and development program. Prior to 1994, he was President of Bedford Property Development, a private West Coast development concern that held more than \$2 billion in real estate assets. From 1980 to 1989, he was a leading commercial real estate broker with Cushman & Wakefield in northern California, where he last served as Vice President. He is a 1979 graduate of the University of California at Santa Barbara with a BA in economics and political science. He is 46 years old.

Robert E. Selsam. Mr. Robert E. Selsam serves as Senior Vice President and Manager of our New York office. He oversees all aspects of our New York activities, including development, acquisitions, leasing and building operations. He joined us as a Vice President in 1984, prior to which he was Director of Planning for the Metropolitan Transportation Authority of the State of New York. Mr. Selsam is a member of the Board of Governors of the Real Estate Board of New York and is a board member of the New York Building Congress. He is also Executive Vice President and past Co-Chairman of the Associated Builders and Owners of Greater New York, a trustee of Phipps Houses, President of the Salvadori Center and a member of the Advisory Board of Goldman Family Enterprises. He received a BA from the University of Pennsylvania in 1968 and an MS in Urban Planning from the Columbia University School of Architecture in 1970. He is 56 years old.

The Board of Directors and Its Committees

Board of Directors. Boston Properties is currently managed by a seven member Board of Directors. If the nominees are elected at the annual meeting, Boston Properties will be managed by a nine member Board of Directors, a majority of whom will be independent of our management. Our Board of Directors is divided into three classes, and the members of each class of directors serve for staggered three-year terms. Following the election of the nominees at the annual meeting, our Board of Directors will be composed of three Class I directors (Messrs. Zuckerman, Landis and Salomon), three Class II directors (Messrs. Bacow, Patricof and Turchin) and three Class III directors (Messrs. Daley, E. Linde and Twardock). The terms of the Class I, Class II and Class III directors will expire upon the election and qualification of directors at the annual meetings of stockholders held in 2004, 2005 and 2006, respectively. At each annual meeting of stockholders, directors will be re-elected or elected for a full term of three years to succeed those directors whose terms are expiring.

Our Board of Directors met eight times in 2002. Each of the current directors attended at least 75% of the aggregate of (i) the total number of meetings of our Board of Directors and (ii) the total number of meetings of all committees of our Board of Directors on which the director served. Our Board of Directors periodically holds meetings without the Chairman of the Board and the President and Chief Executive Officer present.

Audit Committee. Our Board of Directors has established an Audit Committee currently consisting of Messrs. Patricof (Chairman), Salomon and Seidenberg. The Audit Committee makes recommendations concerning the engagement of independent public accountants, reviews with the independent public accountants the scope and results of the audit engagement, approves professional services provided by the independent public accountants, reviews the independence of the independent public accountants, considers the range of audit and non-audit fees, and reviews the adequacy of our internal accounting controls. Each member of the audit committee is independent as that term is defined in the rules of the SEC and the applicable listing standards of the New York Stock Exchange. The Audit Committee met five times during 2002.

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

Compensation Committee. Our Board of Directors has established a Compensation Committee currently consisting of Messrs. Seidenberg (Chairman), Patricof and Salomon, all of whom are independent members of

Table of Contents

our Board of Directors. The Compensation Committee exercises all powers of our Board of Directors in connection with compensation matters, including incentive compensation and benefit plans. The Compensation Committee also has authority to grant awards under the 1997 Stock Option and Incentive Plan, as amended (the 1997 Stock Plan). The Compensation Committee met three times during 2002.

Interim Nominating Committee. Our Board of Directors has established an Interim Nominating Committee, currently consisting of Messrs. Salomon (Chairman), Patricof and Seidenberg, all of whom are independent members of our Board of Directors. The Interim Nominating Committee reviews and recommends to our Board of Directors nominees for election as directors. The Interim Nominating Committee considers factors such as the independence and qualifications of a candidate and the current size and composition of our Board of Directors. It is currently expected that during 2003, the Interim Nominating Committee will complete its mandate from the Board, at which time a permanent Nominating and Corporate Governance Committee is expected to be established by our Board of Directors. The Interim Nominating Committee was created in November 2002 and did not hold its first official meeting until 2003.

Our Board of Directors has also established (1) a Special Transactions Committee, the members of which currently are Messrs. Zuckerman and E. Linde, which may approve acquisitions, dispositions, financings and refinancings below \$25 million and may approve refinancings over \$25 million if the existing debt is increasing by less than \$25 million, and (2) a Significant Transactions Committee, the members of which currently are Messrs. Zuckerman, E. Linde and Turchin, which may approve acquisitions, dispositions, financings and refinancings equal to \$25 million or greater but less than \$200 million and may approve refinancings over \$200 million if the existing debt is increasing by less than \$200 million. The Special Transactions Committee did not meet but took action by written consent three times in 2002. The Significant Transactions Committee did not meet but took action by written consent two times in 2002.

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

PROPOSAL 2: RATIFICATION OF SELECTION OF INDEPENDENT ACCOUNTANTS

Our Board of Directors, upon the recommendation of the Audit Committee, has selected the accounting firm of PricewaterhouseCoopers LLP to serve as independent accountants of Boston Properties for the fiscal year ending December 31, 2003. PricewaterhouseCoopers LLP has served as our independent accountants since our initial public offering of common stock in June 1997 and is considered by management of Boston Properties to be well qualified. We have been advised by that firm that neither it nor any member thereof has any financial interest, direct or indirect, in Boston Properties or any of its subsidiaries in any capacity. A representative of PricewaterhouseCoopers LLP will be present at the annual meeting, will be given the opportunity to make a statement if he or she so desires and will be available to respond to appropriate questions.

Although Boston Properties is not required to submit the ratification and approval of the selection of our independent accountants to a vote of stockholders, our Board of Directors believes that it is sound policy to do so. In the event that the vote of the majority of shares present and entitled to vote on the proposal are against the selection of PricewaterhouseCoopers LLP, the directors will consider the vote and the reasons therefore in future decisions on the selection of independent accountants.

Recommendation

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THIS PROPOSAL.

Table of Contents**PRINCIPAL AND MANAGEMENT STOCKHOLDERS**

The following table shows the amount of common stock of Boston Properties, Inc. and units of partnership interest in Boston Properties Limited Partnership (the Operating Partnership) beneficially owned as of February 1, 2003 by:

each director and nominee for director;

the Chairman of the Board, the President and Chief Executive Officer and the three most highly compensated executive officers of Boston Properties each of whose compensation exceeded \$100,000 during the fiscal year ended December 31, 2002 (the named executive officers);

all directors, nominees for director and executive officers of Boston Properties as a group; and

each person known by Boston Properties to hold more than 5% of our outstanding common stock.

On February 1, 2003, there were 95,865,559.63 shares of our common stock outstanding, 20,474,240 common units of limited partnership interests in the Operating Partnership (common units) outstanding, each of which is redeemable for one share of Boston Properties common stock (if Boston Properties elects to issue common stock rather than pay cash upon such redemption), 2,376,853 Series One preferred units of limited partnership interests in the Operating Partnership outstanding, each of which is currently convertible into 0.88889 common units (or a total of 2,112,680.60 common units) and 5,400,661.53 Series Two preferred units of limited partnership interests in the Operating Partnership, each of which is currently convertible into approximately 1.312336 common units (or a total of 7,087,482.55 common units). The number of common shares beneficially owned by each stockholder is determined under rules issued by the SEC regarding the beneficial ownership of securities. This information is not necessarily indicative of beneficial ownership for any other purpose. Under these rules, beneficial ownership of common stock includes (i) any shares as to which the individual or entity has sole or shared voting power or investment power and (ii) any shares which could be purchased by the exercise of options at or within 60 days of February 1, 2003. Boston Properties has opted to include in this proxy statement the beneficial ownership of common units, Series One preferred units and Series Two preferred units even though ownership of such units does not constitute beneficial ownership of common stock under Rule 13d-3, because pursuant to section 8.6 of the limited partnership agreement of the Operating Partnership, the holder of the common units, Series One preferred units and Series Two preferred units does not have the right to require Boston Properties to exchange the common units, Series One preferred units or Series Two preferred units for shares of common stock.

Name and Business Address Of Beneficial Owner*	Number of Shares and Units Beneficially Owned	Percentage of All Common Stock and Units (1)	Percent of All Common Stock(2)
Directors, Nominees for Director and Executive Officers			
Mortimer B. Zuckerman(3)	9,540,205.00	7.50%	9.19%
Lawrence S. Bacow			
William M. Daley			
Alan B. Landis(4)	1,573,762.38	1.25	1.62
Edward H. Linde(5)	12,037,629.00	9.40	11.46
Alan J. Patricof(6)	32,500.00	**	**
Richard E. Salomon(7)	191,559.23	**	**

Edgar Filing: BOSTON PROPERTIES INC - Form DEF 14A

Ivan G. Seidenberg(8)	28,000.00	**	**
Martin Turchin(9)	33,500.00	**	**
David A. Twardock			