

BOSTON SCIENTIFIC CORPORATE OVERVIEW

Boston Scientific (BSC) is a worldwide developer, manufacturer and marketer of medical devices used in a broad range of interventional medical specialties. BSC’s mission is to transform lives through innovative medical solutions that improve the health of patients around the world. As a global medical technology leader for more than 30 years, BSC advances science for life by providing a broad range of high performance solutions that address unmet patient needs and reduce the cost of healthcare. All this is supported by the company’s values of Caring, Meaningful Innovation, High Performance, Global Collaboration, Diversity and Winning Spirit.

BSC has more than 13.000 products in its portfolio, more than 15.000 patents issued and over 7.000 applications pending worldwide. The company’s revenue in 2012 was \$7.25 billion, investing around \$1 million billion per year in R&D. Boston Scientific has 24.000 employees around the world, sales forces in more than 40 countries and 12 manufacturing facilities worldwide.

BOSTON SCIENTIFIC COYOL

Boston Scientific initiated operations in Costa Rica in 2004 at a plant located in Heredia, one of Costa Rica’s provinces. In 2006, BSC second plant’s construction began in Coyoil, Alajuela; it started operations up in 2008 with the portfolio of products previously manufactured in Heredia. That same year, a series of transfer projects, part of the Production Network Optimization, began. This initiative represented a substantial 155% growth of Coyoil’s VOP (Value of Production) between 2008 and 2013.

BSC Coyoil currently manufactures 758 UPNs in 68-Product Families for the divisions of Endoscopy, Cardiology, Urology and Peripheral Interventions. The site has a total area of 343.006 ft² of which 102.495 are currently dedicated to production processes. The site has a total of 1784 employees and a Value of Production for 2013 of \$149.9MM.

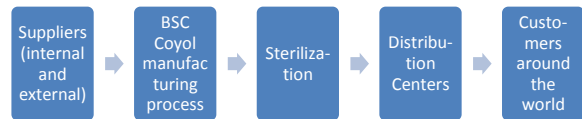
PRIORITIES

Quality comes first, and it is the core of Boston Scientific operations; Coyoil’s plant is not the exception. Patient Care is what Boston does and a strong Quality System is the key to accomplish it.

BSC Coyoil has evoked constant efforts to help employees understand that they are the ones who can make a difference saving patients’ lives. The Quality Policy (I improve the Quality of Patient Care and all things Boston Scientific) is the foundation in which Coyoil site’s work is based on. In addition, BSC Coyoil’s guiding principles of Operations, are organized in the form of a target. This target is used daily in decision making processes by employees at all levels. Patient Care is the center of the target; Quality and Compliance come second; Customer Service and New Products next, and Cost Reduction is placed in the outer ring.



VALUE STREAM



First, suppliers provide inputs to Coyoil; then Coyoil manufactures its products; then these are sent to be sterilized and eventually to the Distribution Centers. From there, the products get to final customers who are patients and hospitals.

As part of its value stream, BSC Coyoil works very closely with suppliers and customers to ensure continuous improvement in terms of Quality, Service and Cost. The site accompanies suppliers through audits and improvement initiatives so that partnership is strengthened to ensure the best products for the patients. As a result, BSC Coyoil has helped develop local suppliers so they become part of its supply chain.

HOW WE RUN THE BUSINESS

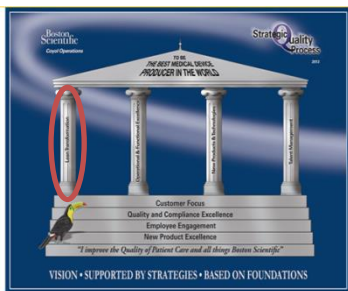
Boston Scientific’s operations are based on a robust Quality System and has a strategy represented by a Parthenon. This Parthenon is plant-specific, and it shows



key foundational strategies and pillar strategies that drive the organization to continuously pursue the vision of being the best medical device provider in the World.

Management Systems include CAPA (Corrective and Preventive Action), StAR (Strategic Action Review), New Products and VIP (Value Improvement Projects). These are supported by Business Essentials, a series of best in class systems and tools that help sites throughout the Boston Scientific Global Operations organization, standardize their practices .

Lean systems have been a priority for Coyol. The implementation of Lean Essentials has been driven by defining Lean as a strategic priority in the Parthenon since the beginning of Coyol's operations. This has helped create a lean culture at all levels and standardize the way Coyol works on continuous improvement, despite all the transfer activity that has taken place.



Finally, Management Controls ensure alignment through the organization by cascading down metrics and goals. Required rates of Improvement for Quality, Service and Cost metrics are achieved and frequently exceeded by the Coyol site every year.

WORKING TOWARDS THE FUTURE...

During BSC Coyol early years, the focus was product transfers, and ensure their quality, delivery and cost were equal or better than those from the sending sites; at the same time that the plant kept ramping up production to the required levels.

Between 2012 and 2013, Coyol's strategic priorities have incorporated New Products and Technologies. Coyol's purpose is to become a favorite site for new and more complex products by investing on leading technologies in terms of facilities and knowledge.

ACHIEVEMENTS AND AWARDS

BSC Coyol has been able to achieve significant improvements by abiding its priorities as shown by its Parthenon, and by relentlessly applying the Lean principles to every aspect of its operation.

Quality

- Zero major non-conformances in external audits since 2009.
- 70% improvement in complaint manufacturing issues since 2009.
- Quality performance (measured by complaints per million) better or equal to the sending sites in all transferred products.
- 24% improvement in non-conforming lots received from suppliers since 2011.

Cost and Productivity

- Annual standard cost reduction higher than 8% for the last 3 years.
- In the last 4 years, the plant has generated savings of \$43,9 M. Since 2010, Coyol has more than doubled its Value Improvement Projects as a percentage of Value of Production.

Delivery

- Service level of more than 97.7% since 2009.
- Back orders of less than 0.37% since 2009 with an improvement of 46%.

Morale, Safety and Environment

- Preventico award won twice (2010 and 2012). This is a Health and Safety Costa Rican award
- ISO 14001 certified since 2011.
- First building with LEED certification in Costa Rica. First LEED silver in Central America and #8 LEED-CI certification in Latin America.
- 4.93 tons recycled since August 2011. Recycling index (land fill avoidance) growing from 80% in 2011 to around 90% in 2013.
- Best site results in Boston Scientific Employee Engagement Survey for 2013; no category below the goal.
- More than 280 volunteers enrolled in the plant's Social Responsibility Program. 4500 hours of volunteer work since 2012.
- Participation of 400 employees in wellbeing programs, every month.