

THERMO FISHER SCIENTIFIC INC.

Form DEF 14A

April 17, 2007

Table of Contents

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

THERMO FISHER SCIENTIFIC 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:

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(1) Amount Previously Paid:

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

(3) Filing Party:

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Table of Contents

81 Wyman Street
Waltham, MA 02451

April 16, 2007

Dear Stockholder:

You are cordially invited to attend the 2007 Annual Meeting of Stockholders of Thermo Fisher Scientific Inc., which will be held on Tuesday, May 15, 2007, at 2:00 p.m. (Eastern time) at the Grand Hyatt New York, 109 East 42nd Street at Grand Central Station, New York, New York.

The notice of meeting, proxy statement and proxy card enclosed with this letter describe the specific business to be acted upon at the meeting. The Company's 2006 Annual Report to Stockholders is also enclosed with this letter.

It is important that your shares of the Company's common stock be represented and voted at the meeting regardless of the number of shares you may hold. Whether or not you plan to attend the meeting in person, you can ensure your shares of the Company's common stock are voted at the meeting by submitting your instructions by telephone, the Internet, or in writing by returning the enclosed proxy card. Please review the instructions in the enclosed proxy statement and proxy card regarding each of these voting options.

Thank you for your continued support of the Company.

Yours very truly,

MARIJN E. DEKKERS
President and Chief Executive Officer

TABLE OF CONTENTS

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

ELECTION OF DIRECTORS

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

EXECUTIVE COMPENSATION

DIRECTOR COMPENSATION

SECURITY OWNERSHIP

TRANSACTIONS WITH RELATED PERSONS, PROMOTERS AND CERTAIN CONTROL PERSONS

EQUITY COMPENSATION PLAN INFORMATION

REPORT OF THE AUDIT COMMITTEE

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

-PROPOSAL 2- PROPOSAL TO APPROVE THE 2007 EMPLOYEES STOCK PURCHASE PLAN

-PROPOSAL 3- RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

OTHER ACTION

STOCKHOLDER PROPOSALS

SOLICITATION STATEMENT

HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Table of Contents

81 Wyman Street
Waltham, MA 02451

NOTICE OF 2007 ANNUAL MEETING OF STOCKHOLDERS

To be held on May 15, 2007

April 16, 2007

To the Holders of the Common Stock of
THERMO FISHER SCIENTIFIC INC.

Notice is hereby given that the 2007 Annual Meeting of Stockholders of Thermo Fisher Scientific (Thermo Fisher or the Company) will be held on Tuesday, May 15, 2007, at 2:00 p.m. (Eastern time) at the Grand Hyatt New York, 109 East 42nd Street at Grand Central Station, New York, New York. The purpose of the meeting is to consider and take action upon the following matters:

1. Election of one director, constituting the class of directors to be elected for a three-year term expiring in 2010.
2. Approval and adoption of the Thermo Fisher Scientific Inc. 2007 Employees Stock Purchase Plan (the 2007 ESPP).
3. Ratification of the Audit Committee s selection of PricewaterhouseCoopers LLP as the Company s independent auditors for 2007.
4. Such other business as may properly be brought before the meeting and any adjournment thereof.

Stockholders of record at the close of business on March 29, 2007, are the only stockholders entitled to notice of and to vote at the 2007 Annual Meeting of Stockholders.

This notice, the proxy statement and the proxy card enclosed herewith are sent to you by order of the Board of Directors of the Company.

By Order of the Board of Directors,

SETH H. HOOGASIAN
*Senior Vice President, General Counsel and
Secretary*

IMPORTANT

Whether or not you intend to attend the meeting in person, please ensure that your shares of the Company s common stock are present and voted at the meeting by submitting your instructions by telephone, the Internet, or in writing by completing, signing, dating and returning the enclosed proxy card to our transfer agent in the enclosed, self-addressed envelope, which requires no postage if mailed in the United States.

Table of Contents

81 Wyman Street
Waltham, MA 02451

PROXY STATEMENT FOR ANNUAL MEETING OF STOCKHOLDERS

May 15, 2007

This proxy statement is furnished in connection with the solicitation of proxies by Thermo Fisher Scientific Inc. (Thermo Fisher or the Company) on behalf of the Board of Directors of the Company (the Board) for use at the 2007 Annual Meeting of Stockholders to be held on Tuesday, May 15, 2007, at 2:00 p.m. (Eastern time) at the Grand Hyatt New York, 109 East 42nd Street at Grand Central Station, New York, New York, and any adjournments thereof. The mailing address of the principal executive office of the Company is 81 Wyman Street, Waltham, Massachusetts 02451. This proxy statement and enclosed proxy card are being first furnished to stockholders of the Company on or about April 16, 2007.

Purpose of Annual Meeting

At the 2007 Annual Meeting of Stockholders, stockholders entitled to vote at the meeting will consider and act upon the matters outlined in the notice of meeting accompanying this proxy statement, including the election of one director constituting the class of directors to be elected for a three-year term expiring in 2010, approval of the Company's 2007 ESPP and the ratification of the selection of PricewaterhouseCoopers LLP as the Company's independent auditors for 2007.

Voting Securities and Record Date

Only stockholders of record at the close of business on March 29, 2007, the record date for the meeting, are entitled to vote at the meeting or any adjournments thereof. At the close of business on March 29, 2007, the outstanding voting securities of the Company consisted of 421,911,807 shares of the Company's common stock, par value \$1.00 per share (Common Stock). Each share of Common Stock outstanding at the close of business on the record date is entitled to one vote on each matter that is voted.

Quorum

The presence at the meeting, in person or by proxy, of a majority of the outstanding shares of Common Stock entitled to vote at the meeting will constitute a quorum for the transaction of business at the meeting. Votes of stockholders of record present at the meeting in person or by proxy, abstentions, and broker non-votes (as defined below) are counted as present or represented at the meeting for the purpose of determining whether a quorum exists. A broker non-vote occurs when a broker or representative does not vote on a particular matter because it either does not have discretionary voting authority on that matter or it does not exercise its discretionary voting authority on that matter.

Manner of Voting

Stockholders of Record

Shares entitled to be voted at the meeting can only be voted if the stockholder of record of such shares is present at the meeting, returns a signed proxy card, or authorizes proxies to vote his or her shares by telephone or over the Internet. Shares represented by valid proxy will be voted in accordance with your instructions. If you choose to vote your shares by telephone or over the Internet, which you may do until 11:59 p.m. Eastern time on Monday, May 14, 2007,

you should follow the instructions provided on the proxy card. In voting by telephone or over the Internet, you will be allowed to confirm that your instructions have been properly recorded.

A stockholder of record who votes his or her shares by telephone or Internet, or who returns a proxy card, may revoke the proxy at any time before the stockholder's shares are voted at the meeting by entering new votes by telephone or over the Internet by 11:59 p.m. Eastern time on May 14, 2007, by written notice to

Table of Contents

Page 2

the Secretary of the Company received prior to the meeting, by executing and returning a later dated proxy card prior to the meeting, or by voting by ballot at the meeting.

Participants in the Thermo Fisher Scientific Choice Plan

If you hold your shares through the Thermo Fisher Scientific Choice Plan (the Choice Plan), your proxy represents the number of shares in your Choice Plan account as of the record date. For those shares in your Choice Plan account, your proxy will serve as voting instructions for the trustee of the Choice Plan. You may submit your voting instructions by returning a signed and dated proxy card to the Company's transfer agent in the enclosed, self-addressed envelope for its receipt by 11:59 p.m. Eastern time on Thursday, May 10, 2007, or by telephone or over the Internet by 11:59 p.m. Eastern time on Thursday, May 10, 2007, in accordance with the instructions provided on the proxy card.

You may revoke your instructions by entering new instructions by telephone or over the Internet by 11:59 p.m. Eastern time on May 10, 2007, or by executing and returning a later dated proxy card to the Company's transfer agent for its receipt by 11:59 p.m. Eastern time on May 10, 2007.

Beneficial Stockholders

If you hold your shares through a broker, bank or other representative (broker or representative), you can only vote your shares in the manner prescribed by the broker or representative. Detailed instructions from your broker or representative will generally be included with your proxy material. These instructions may also include information on whether your shares can be voted by telephone or over the Internet or the manner in which you may revoke your votes. If you choose to vote your shares by telephone or over the Internet, you should follow the instructions provided by the broker or representative.

Voting of Proxies

Shares represented by proxy will be voted in accordance with your specific choices. If you sign and return your proxy card or vote by telephone or over the Internet without indicating specific choices, your shares will be voted FOR the nominee for director, FOR the approval and adoption of the 2007 ESPP, and FOR the ratification of the selection of independent auditors for 2007. Should any other matter be properly presented at the meeting, the persons named in the proxy card will vote on such matter in accordance with their judgment.

If you sign and return your proxy card marked abstain on any proposal or choose the same option when voting by telephone or over the Internet, your shares will not be voted affirmatively or negatively on that proposal and will not be counted as votes cast with regard to that proposal.

If you hold your shares as a beneficial owner rather than a stockholder of record, your broker or representative will vote the shares that it holds for you in accordance with your instructions (if timely received) or, in the absence of such instructions, your broker or representative may vote on certain matters for which it has discretionary voting authority.

If you hold your shares through the Plan, the trustee will vote the shares in your Plan account in accordance with your instructions (if timely received) or, in the absence of such instructions, the trustee will vote your shares in the same manner, proportionally, as it votes the other shares for which proper and timely voting instructions of other Plan participants have been received by it.

Vote Required for Approval

Under the Company's bylaws, a nominee for director will be required to obtain a majority of the votes cast in person or by proxy at the annual meeting in order to be elected, such that the number of votes cast for a director must exceed the number of votes cast against that director. Abstentions and broker non-votes will not have an effect on the determination of whether a nominee for director has been elected.

Table of Contents

Under the Company's bylaws, approval of the proposal to approve and adopt the Company's 2007 ESPP will require the affirmative vote of a majority of the shares present or represented and entitled to vote at the annual meeting and voting affirmatively or negatively on the matter. Abstentions and broker non-votes will not have an effect on the determination of whether stockholder approval of the matter has been obtained.

Under the Company's bylaws, approval of the proposal to ratify the selection of independent auditors for 2007 will require the affirmative vote of a majority of the shares present or represented and entitled to vote at the annual meeting and voting affirmatively or negatively on the matter. Abstentions and broker non-votes will not have an effect on the determination of whether stockholder approval of the matter has been obtained.

- PROPOSAL 1 -

ELECTION OF DIRECTORS

The number of directors constituting the full Board of Directors of the Company (the Board) is fixed at eight. The Board is divided into three classes, one consisting of two directors and the other two consisting of three directors each. Each class is elected for a three-year term at successive Annual Meetings of Stockholders. In all cases, directors hold office until their successors have been elected and qualified, or until their earlier resignation, death or removal.

On November 9, 2006, Thermo Electron Corporation (the predecessor to the Company) completed its merger with Fisher Scientific International Inc. (Fisher) (the Fisher Merger). In connection with the Fisher Merger, the Company amended its bylaws to provide that, for a period of three years following the closing, the composition of the Board will be maintained at a ratio of five continuing Thermo Electron directors to three continuing Fisher directors. The bylaws also provide that any vacancies on the Board created by the cessation of service of a director will be filled by a nominee proposed to the Nominating and Corporate Governance Committee of the Board by a majority of the remaining continuing Thermo Electron directors, in the case of a vacancy from among the continuing Thermo Electron directors, and by a majority of the remaining continuing Fisher directors, in the case of a vacancy from among the continuing Fisher directors.

The terms for Marijn E. Dekkers, a continuing Thermo Electron director, and Paul M. Meister, a continuing Fisher director, expire at the meeting. The Nominating and Corporate Governance Committee of the Board has recommended to the Board, and the Board has nominated, Mr. Dekkers for a new three year term expiring at the 2010 Annual Meeting of Stockholders. Mr. Meister has decided to not stand for re-election at the 2007 Annual Meeting. The vacancy created by Mr. Meister's decision to not stand for re-election will be filled in accordance with the Company's bylaws and other governance provisions. The remaining continuing Fisher directors and the Nominating and Corporate Governance Committee are in the process of identifying potential candidates to fill the vacancy.

Nominee and Incumbent Directors

Set forth below are the names of the person nominated as director and directors whose terms do not expire this year, their ages, their offices in the Company, if any, their principal occupations or employment for the past five years, the length of their tenure as directors and the names of other public companies in which they hold directorships. Information regarding their beneficial ownership of Common Stock is reported under the heading SECURITY OWNERSHIP.

Table of Contents

Nominee for Director Whose Term of Office Will Expire in 2010

Marijn E. Dekkers

Mr. Dekkers, age 49, has been a director since July 2000 and the Company's president and chief executive officer since November 2002. He served as the Company's president and chief operating officer from July 2000 to November 2002. Prior to joining the Company, Mr. Dekkers held various positions of increasing responsibility at Honeywell International Inc. (formerly AlliedSignal Inc.) and General Electric Company.

Incumbent Directors Whose Term of Office Will Expire in 2009

Peter J. Manning

Mr. Manning, age 68, has been a director of the Company since May 2003. He served as vice chairman, Strategic Business Development of FleetBoston Financial Corporation from October 1999 to February 2003 when he retired. From January 1993 to October 1999, Mr. Manning served as executive director, Mergers & Acquisitions of BankBoston Corporation, prior to its acquisition by FleetBoston Financial. From 1990 to 1993, he served as executive vice president and chief financial officer of BankBoston Corporation. Mr. Manning is also a director of Safety Insurance Group Inc.

Jim P. Manzi

Mr. Manzi, age 55, has been a director of the Company since May 2000 and was Chairman of the Board from January 2004 to November 2006. He has been the chairman of Stonegate Capital, a firm he formed to manage private equity investment activities in technology startup ventures, primarily related to the Internet, since 1995. From 1984 until 1995, he served as the chairman, president and chief executive officer of Lotus Development Corporation, a software manufacturer that was acquired by IBM Corporation in 1995.

Elaine S. Ullian

Ms. Ullian, age 59, has been a director of the Company since July 2001. She has been the president and chief executive officer of Boston Medical Center, a 550-bed academic medical center affiliated with Boston University, since July 1996. Ms. Ullian is also a director of Vertex Pharmaceuticals, Inc. and Valeant Pharmaceuticals International.

Incumbent Directors Whose Term of Office Will Expire in 2008

Scott M. Sperling

Mr. Sperling, age 49, has been a director of the Company since November 2006. He was a director of Fisher from January 1998 to November 2006. He has been employed by Thomas H. Lee Partners, L.P., a leveraged buyout firm, and its predecessor, Thomas H. Lee Company, since 1994. Mr. Sperling currently serves as Co-President of Thomas H. Lee Partners, L.P. Mr. Sperling is a director of Houghton Mifflin Co.; ProSiebenSat.1 Media AG; Vertis, Inc.; Warner Music Group Corp.; and Warner Music Group Inc.

Table of Contents

Bruce L. Koepfgen

Mr. Koepfgen, age 54, has been a director of the Company since November 2006. He was a director of Fisher from May 2005 to November 2006. He has been the Chief Executive Officer of Oppenheimer Capital, an investment management firm, since May 2003. From 1999 to 2003, Mr. Koepfgen was a private investor and President of Koepfgen Company LLC, a management consulting firm. Prior to 1999, Mr. Koepfgen spent 23 years with Salomon Brothers Inc. (15 years as Managing Director) in a number of executive positions. At the time of his departure, he was Co-Head of Fixed Income Sales and managed its Chicago office. He was also Chairman of Salomon Analytics, a company established to develop sophisticated fixed income analytic tools for institutional investors.

Michael E. Porter

Dr. Porter, age 59, has been a director of the Company since July 2001. He has been the Bishop William Lawrence University Professor at Harvard University since December 2000 and C. Roland Christensen Professor of Business Administration since 1990. Dr. Porter is a leading authority on competitive strategy and international competitiveness. Dr. Porter is also a director of Parametric Technology Corporation.

The Board of Directors recommends a vote FOR the nominee for director. Proxies solicited by the Board of Directors will be voted FOR the nominee unless stockholders specify to the contrary on their proxy.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

The Board has adopted governance principles and guidelines of the Company (*Corporate Governance Guidelines*) to assist the Board in exercising its duties and to best serve the interests of the Company and its stockholders. In addition, the Company has adopted a code of business conduct and ethics (*Code of Business Conduct and Ethics*) that encompasses the requirements of the rules and regulations of the Securities and Exchange Commission (SEC) for a code of ethics applicable to principal executive officers, principal financial officers, principal accounting officers or controllers, or persons performing similar functions. The *Code of Business Conduct and Ethics* applies to all of the Company's officers, directors and employees. The Company intends to satisfy SEC and New York Stock Exchange (NYSE) disclosure requirements regarding certain amendments to, or waivers of, the *Code of Business Conduct and Ethics* by posting such information on the Company's website. The Company's *Corporate Governance Guidelines* and *Code of Business Conduct and Ethics* are available on its website at www.thermofisher.com and a copy of each such document may also be obtained free of charge by writing to the Company care of its Investor Relations Department at the Company's principal executive office located at 81 Wyman Street, Waltham, MA 02451.

New Majority Voting Bylaw

Effective January 17, 2007, we adopted an amendment to our bylaws for purposes of implementing a majority vote standard in uncontested director elections in place of the plurality vote standard. The majority vote standard provides that to be elected in an uncontested election, a director nominee must receive a majority of the votes cast such that the number of votes cast for a director must exceed the number of votes cast against that director. A plurality vote standard will be retained for the election of directors only in the event of a contested election, where the number of

nominees for director is greater than the number of directors to be elected.

Director Nomination Process

The Nominating and Corporate Governance Committee considers recommendations for director nominees suggested by its members, other directors, management and other interested parties. It will consider stockholder recommendations for director nominees that are sent to the Nominating and Corporate Governance Committee to the attention of the Company's Secretary at the principal executive office of the Company. In addition, the bylaws

Table of Contents

Page 6

of the Company set forth the process for stockholders to nominate directors for election at an annual meeting of stockholders.

The process for evaluating prospective nominees for director, including candidates recommended by stockholders, includes meetings from time to time to evaluate biographical information and background material relating to prospective nominees, interviews of selected candidates by members of the Nominating and Corporate Governance Committee and other members of the Board, and application of the Company's general criteria for director nominees set forth in the Company's *Corporate Governance Guidelines*. These criteria include the prospective nominee's integrity, business acumen, age, experience, commitment, and diligence. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. The committee believes that the backgrounds and qualifications of the directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities. As such, the Nominating and Corporate Governance Committee also considers such other relevant factors as it deems appropriate, including the current composition of the Board, the balance of management and independent directors, and with respect to members of the Audit Committee, financial expertise.

After completing its evaluation, the Nominating and Corporate Governance Committee makes a recommendation to the full Board as to the persons who should be nominated by the Board, and the Board determines the nominees after considering the recommendation and report of the Nominating and Corporate Governance Committee.

In connection with the Fisher Merger, the Company amended its bylaws to provide that for a period of three years following the closing, the composition of the combined company's board of directors will be maintained at a ratio of five continuing Thermo Electron directors to three continuing Fisher directors. Any vacancies on the board of directors created by the cessation of service of a director will be filled by a nominee proposed to the Nominating and Corporate Governance Committee of the board by a majority of the remaining continuing Thermo Electron directors in the case of a vacancy from among the continuing Thermo Electron directors, and by a majority of the remaining continuing Fisher directors in the case of a vacancy from among the continuing Fisher directors.

The director nominee approved by the Nominating and Corporate Governance Committee and the Board of Directors for inclusion on the Company's proxy card for the 2007 Annual Meeting of Stockholders is a current director standing for re-election.

Director Independence

The Company's *Corporate Governance Guidelines* require a majority of our Board to be independent within the meaning of the NYSE listing requirements including, in the judgment of the Board, the requirement that such directors have no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board has adopted the following standards to assist it in determining whether a director has a material relationship with the Company. Under these standards, a director will not be considered to have a material relationship with the Company if he or she is not:

A director who is a current employee, or whose immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;

A director who is (or was within the last three years) an employee, or whose immediate family member is (or was within the last three years) an executive officer, of the Company;

A director who has received, or whose immediate family member has received, during any twelve-month period within the last three years, more than \$100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

Table of Contents

Page 7

(A) A director who is, or whose immediate family member is, a current partner of a firm that is the Company's internal or external auditor; (B) a director who is a current employee of a firm that is the Company's internal or external auditor; (C) a director whose immediate family member is a current employee of a firm that is the Company's internal or external auditor and participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (D) a director who was, or whose immediate family member was, within the last three years (but is no longer) a partner or employee of a firm that is the Company's internal or external auditor and personally worked on the Company's audit within that time;

A director who is (or was within the last three years), or whose immediate family member is (or was within the last three years), an executive officer of another company where any of the Company's current executive officers at the same time serve or served on the other company's compensation committee;

A director who is (or was within the last three years) an executive officer of another company that is indebted to the Company, or to which the Company is indebted, in an amount that exceeds one percent (1%) of the total consolidated assets of the other company; and

A director who is a current executive officer of a tax exempt organization that, within the last three years, received discretionary contributions from the Company in an amount that, in any single fiscal year, exceeded the greater of \$1 million or 2% of such tax exempt organization's consolidated gross revenues. (Any automatic matching by the Company of employee charitable contributions will not be included in the amount of the Company's contributions for this purpose.)

Ownership of a significant amount of the Company's stock, by itself, does not constitute a material relationship. For relationships not covered by these standards, the determination of whether a material relationship exists shall be made by the other members of the Board who are independent (as defined above).

The Board has determined that each of Ms. Ullian, Messrs. Manning, Manzi, Koepfgen and Sperling, and Dr. Porter is independent in accordance with the Company's *Corporate Governance Guidelines* and Section 303A.02 of the listing standards of the NYSE. Each of these directors has no relationship with the Company, other than any relationship that is categorically not material under the guidelines shown above and other than compensation for services as a director as disclosed in this proxy statement under DIRECTOR COMPENSATION.

Additionally the Board had determined that each of John LaMattina and Robert McCabe, who served on the Board of Directors until November 9, 2006, and Robert O'Leary, who served on the Board of Directors until August 14, 2006, were independent in accordance with the Company's *Corporate Governance Guidelines* and Section 303A.02 of the listing standards of the NYSE. Each of these directors had no relationship with the Company, other than any relationship that is categorically not material under the guidelines shown above and other than compensation for services as a director as disclosed in this proxy statement under DIRECTOR COMPENSATION.

Board of Directors Meetings and Committees

The Board met eleven times during 2006. During 2006, each of our directors attended at least 75% of the total number of meetings of the Board and the committees of which such director was a member. The Board has a standing Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee. The Company encourages, but does not require, the members of its Board to attend the annual meeting of stockholders. Last year, five of our directors attended the 2006 Annual Meeting of Stockholders.

Audit Committee

The Audit Committee is responsible for assisting the Board in its oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal audit function and independent auditors. Certain responsibilities of our Audit Committee and its activities during fiscal 2006 are described with more specificity in the Report of the Audit Committee in this proxy statement under the heading **REPORT OF THE AUDIT COMMITTEE**. The charter of the Audit Committee is available on the Company's website at

Table of Contents

Page 8

www.thermofisher.com. A copy of the charter may also be obtained free of charge by writing to the Company care of its Investor Relations Department at the Company's principal executive office located at 81 Wyman Street, Waltham, MA 02451.

The current members of our Audit Committee are Messrs. Manning (Chairman) and Koepfgen and Ms. Ullian. The Board has determined that each of the members of the Audit Committee is independent within the meaning of SEC rules and regulations, the listing standards of the NYSE, and the Company's *Corporate Governance Guidelines*, and that each are financially literate as is required by the listing standards of the NYSE. The Board has also determined that Mr. Manning qualifies as an audit committee financial expert within the meaning of SEC rules and regulations, and that he has accounting and related financial management expertise as is required by the listing standards of the NYSE. The Audit Committee met 22 times during 2006.

Compensation Committee

The Compensation Committee is responsible for reviewing and approving compensation matters with respect to the Company's chief executive officer and its other officers, reviewing and recommending to the Board management succession plans, and administering equity-based plans. Certain responsibilities of our Compensation Committee and its activities during 2006 are described in this proxy statement under the heading Compensation Discussion and Analysis. The Compensation Committee also periodically reviews our director compensation, and makes recommendations on this topic to the Board of Directors as it deems appropriate, as described under the heading DIRECTOR COMPENSATION.

The charter of the Compensation Committee is available on the Company's website at www.thermofisher.com. A copy of the charter may also be obtained free of charge by writing to the Company care of its Investor Relations Department at the Company's principal executive office located at 81 Wyman Street, Waltham, MA 02451.

The current members of our Compensation Committee are Messrs. Manzi (Chairman) and Sperling and Ms. Ullian. The Board has determined that each of the members of the Compensation Committee is independent within the meaning of the listing standards of the NYSE and the Company's *Corporate Governance Guidelines*. The Compensation Committee met 12 times during 2006.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for identifying persons qualified to serve as members of the Board, recommending to the Board persons to be nominated by the Board for election as directors at the annual meeting of stockholders and persons to be elected by the Board to fill any vacancies, and recommending to the Board the directors to be appointed to each of its committees. In addition, the Nominating and Corporate Governance Committee is responsible for developing and recommending to the Board a set of corporate governance guidelines applicable to the Company (as well as reviewing and reassessing the adequacy of such guidelines as it deems appropriate from time to time) and overseeing the annual self-evaluation of the Board. The charter of the Nominating and Corporate Governance Committee is available on the Company's website at www.thermofisher.com. A copy of the charter may also be obtained free of charge by writing to the Company care of its Investor Relations Department at the Company's principal executive office located at 81 Wyman Street, Waltham, MA 02451.

The current members of our Nominating and Corporate Governance Committee are Messrs. Porter (Chairman), Manzi and Sperling. The Board has determined that each of the members of the Nominating and Corporate Governance Committee is independent within the meaning of the listing standards of the NYSE and the Company's *Corporate Governance Guidelines*. The Nominating and Corporate Governance Committee met six times during 2006.

Table of Contents

Page 9

Executive Sessions and Presiding Director

In accordance with the listing standards of the NYSE and the Company's *Corporate Governance Guidelines*, (a) non-management directors of the Board meet at regularly scheduled executive sessions without management and at such other times as may be requested by a non-management director and (b) independent directors meet at least once a year in an executive session without management and at such other times as may be requested by an independent director. In accordance with the Company's *Corporate Governance Guidelines*, Ms. Ullian has been appointed to preside (the Presiding Director) at the meetings of the Company's non-management and independent directors held in executive session without management.

Communications from Stockholders and Other Interested Parties

The Board has established a process for stockholders and other interested parties to send communications to the Board or any individual director or groups of directors, including the Presiding Director and the non-management and independent directors. Stockholders and other interested parties who desire to send communications to the Board or any individual director or groups of directors should write to the Board or such individual director or group of directors care of the Company's Corporate Secretary, Thermo Fisher Scientific Inc., 81 Wyman Street, Waltham, Massachusetts 02451. The Corporate Secretary will relay all such communications to the Board, or individual director or group of directors, as the case may be.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee oversees our executive compensation program for officers. In this role, the Compensation Committee reviews and approves annually all compensation decisions relating to our named executive officers.

Objectives and Philosophy of Our Executive Compensation Program

The primary objectives of our executive compensation program are to:

attract, retain and motivate the best possible executive talent;

ensure executive compensation is aligned with our corporate strategies and business objectives;

promote the achievement of key strategic and financial performance measures by linking annual cash incentives to the achievement of corporate performance goals;

motivate the Company's officers in achieving long-term value for the Company's stockholders and other business objectives of the Company; and

encourage stock ownership by the Company's officers in order to align their financial interests with the long-term interests of the Company's stockholders.

To achieve these objectives, the Compensation Committee evaluates our compensation program for officers with the goal of setting compensation at levels the Committee believes are competitive with those of other peer companies that

compete with us for executive talent. In addition, our executive compensation program ties a substantial portion of each executive's overall cash compensation to key strategic, financial and operational goals such as revenue growth, margin expansion, new product development initiatives and growth of our key customer base. We also provide a portion of our executive compensation in the form of stock options and restricted stock grants that vest over time, which we believe helps to retain our executives and aligns their interests with those of our stockholders by allowing them to participate in the longer term success of the Company as reflected in stock price.

The Compensation Committee uses market surveys and analyses prepared by outside consulting firms to stay informed of developments in the design of compensation packages generally and to benchmark its officer compensation program against those of companies with whom we compete for executive talent to ensure our

Table of Contents

Page 10

compensation program is in line with current marketplace standards. In 2006, the Committee directly engaged Mercer Human Resource Consulting (Mercer) and Korn/Ferry Executive Compensation Advisors (Korn Ferry), outside compensation consulting firms, to assist the Committee in its review and evaluation of the compensation for the executive officers.

Typically during the first calendar quarter of each year, the chief executive officer makes a recommendation to the Compensation Committee with respect to annual salary increases and bonuses, and annual stock option and restricted stock awards, if any, for executive officers other than himself, which is then reviewed and approved by the Compensation Committee. In the case of the chief executive officer, his individual performance evaluation is conducted by the Compensation Committee, which determines his compensation changes and awards.

In making compensation decisions, the Compensation Committee compares our executive compensation against that paid by a peer group of publicly traded companies. The most recent peer group was developed by Mercer and Korn Ferry, taking into account the increased size of the Company after the Fisher Merger. The peer group, which is periodically reviewed and updated by the Committee, consists of companies the Committee believes are generally comparable to our company and against which the Committee believes we compete for executive talent. The companies included in the current peer group are: Medtronic, Inc., Baxter International Inc., Danaher Corporation, Boston Scientific Corporation, Quest Diagnostics Incorporated, Becton, Dickinson and Company, Agilent Technologies Inc., Rockwell Automation, Inc. and Stryker Corporation.

The Compensation Committee generally targets overall compensation for executives near the median of compensation paid to similarly situated executives of the companies in the peer group. Variations to this general target may occur as dictated by individual circumstances. The Compensation Committee reviews, with respect to each executive officer, the current value of prior equity grants, the balances in deferred compensation accounts, and the amount of compensation the executive officer would receive if he left the Company under a variety of circumstances. Internal fairness of compensation within the Company is also an important element of the Compensation Committee's compensation philosophy. As such, the Committee compares the chief executive officer's compensation to that of other executive officers within the Company.

Components of our Executive Compensation Program

The primary elements of our executive compensation program are:

- base salary;
- annual cash incentive bonuses;
- stock option and restricted stock awards;
- insurance, retirement and other employee benefits; and
- severance and change in control benefits.

We do not have any formal or informal policy or target for allocating compensation between cash and non-cash compensation or among the different forms of non-cash compensation. Instead, the Compensation Committee, after reviewing information provided by Mercer and Korn Ferry, determines what it believes to be the appropriate level of each of the various compensation components.

Base Salary

Base salary is used to recognize the experience, skills, knowledge and responsibilities required of all our employees, including our executive officers. When establishing base salaries for 2006, the Compensation Committee considered the survey data of compensation in the peer group, as well as a variety of other factors, including the level of the individual's responsibility, the ability to replace the individual, and the current base salary of the individual. Generally, we believe that executive base salaries should be near the median of the range of salaries for executives in similar positions at comparable companies. In the case of Marijn Dekkers,

Table of Contents

Page 11

the minimum base salary is mandated by our employment agreement with him; his current salary approximates the median for chief executive officers at the peer group companies. Base salaries are generally reviewed annually by our Compensation Committee.

In connection with the closing in November 2006 of the Fisher Merger, the Compensation Committee increased the salaries of Messrs. Wilver and Hoogasian to reflect the increased size and complexity of the Company, as reflected in the revised group of peer companies. In February 2007, the Compensation Committee increased the salaries of Messrs. Casper and Broadbent in accordance with our standard annual compensation review.

Annual Cash Incentive Bonus

Annual cash incentive awards for the Company's executive officers are granted under the Company's 2003 Annual Incentive Award Plan (the "162(m) Plan"), which was approved by the stockholders of the Company at its 2003 Annual Meeting of Stockholders. The 162(m) Plan was adopted to preserve the tax deductibility of the annual bonus that may be earned by executive officers of the Company. Section 162(m) of the Internal Revenue Code generally does not allow publicly-held companies to obtain tax deductions for compensation of more than \$1,000,000 paid in any year to any of their chief executive officer and four other most highly paid executive officers unless the payments are made under qualifying performance-based compensation plans.

Under the 162(m) Plan, in the first quarter of a calendar year the Compensation Committee selects a performance goal for the year. For 2006, the Company selected the financial measure of earnings before interest, taxes and amortization, excluding the impact of charges for restructuring, discontinued operations, extraordinary items, other unusual or non-recurring items and cumulative effects of accounting changes ("Adjusted Operating Income"). The Company selected this financial measure, as opposed to an income measure computed under generally accepted accounting principles (GAAP), because this measure is consistent with how management measures and forecasts the Company's performance, especially when comparing such results to previous periods or forecasts. Each executive officer was awarded a percentage of Adjusted Operating Income for the year, subject to the right of the committee to lower, but not raise, the actual bonuses paid. In early 2007, the Compensation Committee elected to lower the 2006 bonuses payable under the 162(m) Plan to the amounts computed in accordance with the process described below for the Company's annual incentive program for the year based on the Compensation Committee's determinations as to the level of achievement of the supplemental performance measures under the Company's annual incentive program for 2006.

In the first quarter of a calendar year, the Compensation Committee also establishes a target incentive cash award amount under the Company's annual incentive program for each officer of the Company, including executive officers. This amount, which is a percentage of base salary, is determined by the Compensation Committee based on the salary level and position of the officer within the Company. The amount actually awarded to an officer varies with the performance of the officer and the Company as a whole. Performance is evaluated by using financial measures of corporate performance and an evaluation of the officers' qualitative contributions to the achievement of specified business objectives of the Company. The Committee generally sets the goals such that the target payout (100% of target bonus) can be reasonably expected to be achieved.

For 2006, the financial measures established by the Compensation Committee under the Company's annual incentive program were growth in revenue (adjusted for the impact of acquisitions and divestitures and for foreign currency changes) and earnings (adjusted for restructuring charges and certain other items of income or expense) before interest, taxes and amortization as a percentage of revenue. A range of performance for the financial and qualitative measures corresponds with a multiplier of 0 to 2. For each of the financial measures, the Company's actual performance was measured relative to the Company's internal operating plan for 2006. The weighting of the financial

and qualitative measures for 2006 was as follows: 35% for revenue growth (excluding the impact of acquisitions, divestitures and currency translation), 35% for growth in adjusted earnings as a percentage of revenue, and 30% for the qualitative measures. After giving effect to the weighting of the measures, a composite final multiplier was applied to the target cash bonus amounts for all of

Table of Contents

Page 12

the Company's officers, including its executive officers. The sum of these amounts was added together to form a bonus pool for all of the Company's officers, including its executive officers, and was allocated by the Compensation Committee among such officers.

The process described above resulted in a preliminary achievement payout of 161% of target bonus for the named executive officers. The Compensation Committee elected to increase the actual payout to 200% of target bonus to reflect the extraordinary effort by the named executive officers to successfully complete the Fisher Merger and lead the integration process.

The target bonus awards and actual bonus awards for 2006 for the named executive officers were as follows:

Name	Target Bonus Award		Actual Bonus Award	
Marijn E. Dekkers	\$	1,067,500	\$	2,135,000
Marc N. Casper	\$	475,333	\$	950,667
Guy Broadbent	\$	296,000	\$	592,000
Peter M. Wilver	\$	262,417	\$	524,833
Seth H. Hoogasian	\$	243,500	\$	487,000

Stock Option and Restricted Stock Awards

Our equity award program is the primary vehicle for offering long-term incentives to our executives. We believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, the vesting feature of our equity grants should further our goal of executive retention because this feature provides an incentive to our executives to remain in our employ during the vesting period. In determining the size of equity grants to our executives, our Compensation Committee considers median grants of executives in our compensation peer group, the amount of equity previously awarded to the executive, the vesting of such awards and the recommendations of the chief executive officer and Mercer and Korn Ferry.

We typically make an initial equity award of stock options to new executives when they become executives and annual equity grants in February as part of our overall compensation program. Our equity awards have typically taken the form of stock options and restricted stock grants. Because restricted shares have a built-in value at the time the grants are made, we generally grant significantly fewer shares of restricted stock than the number of stock options we would grant for a similar purpose. All grants of options and restricted stock to our officers are approved by the Compensation Committee. The timing of the Compensation Committee meeting in February is such that the meeting occurs after we have publicly released earnings for the just-completed year.

Typically, the stock options we grant to our executives vest at a rate of 33% per year over the first three years of the seven-year option term, and restricted stock awards vest equally over two to three years. Vesting normally ceases upon termination of employment, except for acceleration upon certain qualifying retirements, and in the case of certain terminations for Messrs. Dekkers, Casper and Broadbent (see Potential Payments upon Termination or Change in Control on page 25). Stock option exercise rights normally cease for officers other than Mr. Dekkers shortly after termination, except for in the cases of death, disability and retirement. Prior to the exercise of an option, the holder has no rights as a stockholder with respect to the shares subject to such option, including voting rights a