

## What are long-term incentive awards?

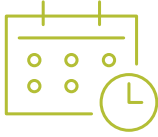
Long-term incentive (LTI) – or equity – awards are one way that companies reward their employees. Company growth and successful performance deliver more value, so the more a stock price grows, the more value LTI awards provide. To understand how these awards work, here are some commonly used terms as they relate to your awards.

<b>LTI or equity awards</b>	A form of compensation to reward you for your role in the company's success. LTI awards vest over a period of time, and upon full vesting are no longer subject to risk of cancellation.
<b>Common stock</b>	Represents ownership in a corporation. Common stock is also sometimes referred to as "publicly traded stock" or simply "shares."
<b>Equity</b>	Refers to the value of shares issued by a company.
<b>Grant date</b>	The date on which an equity award is granted to the recipient.
<b>Vesting</b>	The process, or timeframe, in which you gain full ownership of an equity award.
<b>Black-Scholes Value</b>	A commonly accepted mathematical model to price employee LTI awards. The Black-Scholes Model estimates the present value of the stock option's estimated future value based on several variables. That estimated future value is approximately one-third the value of a full share of stock on the grant date, meaning that 300 stock options has the same approximate calculated value on the grant date as 100 Time-Based Restricted Stock Units (TRSUs). This relative value may change over time.
<b>Exercise</b>	The purchase of Company stock by paying the exercise option price and any applicable taxes for any vested stock options.
<b>Award mix</b>	The breakdown of the actual award types you receive as part of your equity award is referred to as a mix. Your award mix is based on your career band, and may consist of TRSUs, Performance-Based Restricted Stock Units (PRSUs), Stock Options, or a combination of these award types.

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## What type of awards does Thermo Fisher offer?

Thermo Fisher provides three types of equity awards to eligible colleagues:



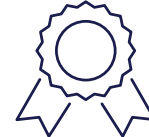
### Time-Based Restricted Stock Units (TRSUs)

TRSUs are a promise to deliver shares of Thermo Fisher common stock if you are an active colleague on the vesting dates.



### Stock Options

Stock Options allow you to buy shares of Thermo Fisher common stock at a fixed price so long as you remain a colleague of the Company through the vesting dates. Participants may exercise their vested stock options any time after the vesting dates and, subject to continued employment, prior to the options' specified expiration date.



### Performance-Based Restricted Stock Units (PRSUs)

PRSUs are a promise to deliver shares of Thermo Fisher common stock following the company achievement of specified performance targets so long as you remain an active colleague on the vesting date. Depending on the level of achievement against those targets, you can earn more (or less) PRSUs than were originally granted to you.

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## How are these awards valued?

The value of your awards will fluctuate with the market price of Thermo Fisher stock – or, in the case of PRSUs, with the achievement of specified performance targets. As a result, the value of your awards in the future can be more or less than the value of the initial grant. To learn more about the value of individual award types, read the brochure, *Your Thermo Fisher Equity Awards* or visit [lti.thermofisher.com](https://lti.thermofisher.com).

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## When can I receive my award value?

Each award type has its own vesting schedule and rules with vesting generally occurring over a three- to four-year period from the grant date. Once the award is vested, it will be distributed as shares of Thermo Fisher stock into your Stock Plan account. You can then choose to hold the shares or sell the stock.

**Want more information?** Visit [lti.thermofisher.com](https://lti.thermofisher.com) to access an in-depth brochure that offers more details about each award type and the overall Thermo Fisher equity program.

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