

APPLERA CORP
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August 25, 2006

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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
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- Definitive Proxy Statement
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APPLERA CORPORATION

(Name of Registrant as Specified In Its Charter)

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

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Internet Voting

Most stockholders have a choice of voting over the Internet, by telephone, or by using a traditional proxy card. Please check your proxy card or the information forwarded by your bank, broker, or other holder of record to see which options are available to you.

Electronic Access to Proxy Materials and Annual Report

This Proxy Statement and Notice of Annual Meeting and the 2006 Annual Report are available on our web site at **<http://www.applera.com>**. If you are a stockholder of record and would like to view future proxy statements and annual reports over the Internet instead of receiving copies in the mail, follow the instructions provided when you vote over the Internet or call our toll-free stockholder services number at 800.730.4001. If you hold your shares through a bank, broker, or other holder, check the information provided by that entity for instructions on how to elect to view future proxy statements and annual reports and vote your shares over the Internet. Opting to receive your proxy materials online saves us the cost of producing and mailing these materials to your home or office and gives you an automatic link to the proxy voting site.

Householding of Annual Meeting Materials

Some banks, brokers, and other nominee record holders may participate in the practice of "householding" proxy statements and annual reports. This means that only one copy of this Proxy Statement and Notice of Annual Meeting and the 2006 Annual Report may have been sent to multiple stockholders in your household. If you would like to obtain another copy of either document, please contact our Corporate Secretary at 301 Merritt 7, P.O. Box 5435, Norwalk, Connecticut 06856-5435, telephone 203.840.2000. If you want to receive separate copies of the proxy statement and annual report in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker, or other nominee record holder, or you may contact us at the above address or telephone number.

Directions to the Meeting

The meeting will be held at 301 Merritt 7, Main Avenue (old U.S. Route 7), Norwalk, Connecticut, approximately one-half mile north of Exit 40B (northbound or southbound) on the Merritt Parkway (Connecticut Route 15). Signs in the lobby will direct you to the meeting.

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301 Merritt 7
P.O. Box 5435
Norwalk, CT 06856-5435

Notice of 2006 Annual Meeting of Stockholders

Time and Date: 9:30 a.m. Eastern Time on Thursday, October 19, 2006

Place: 301 Merritt 7
Main Avenue (old U.S. Route 7)
Norwalk, Connecticut 06851

Purposes: Elect 10 directors.

Ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2007.

Approve amendments to our Restated Certificate of Incorporation to change the name of the "Celera Genomics Group" to the "Celera Group."

Approve amendments to the Applera Corporation/Applied Biosystems Group Amended and Restated 1999 Stock Incentive Plan and the Applera Corporation/Celera Genomics Group Amended and Restated 1999 Stock Incentive Plan.

Transact such other business as may properly come before the meeting or any adjournment thereof.

Record Date: You can vote if you were a stockholder of record of Applera Corporation-Applied Biosystems Group Common Stock or Applera Corporation-Celera Genomics Group Common Stock at the close of business on August 30, 2006.

Thomas P. Livingston
Vice President and Secretary

September [], 2006

Your vote is important.

Whether or not you plan to attend the meeting, please vote as soon as possible. You may vote in person at the meeting even if you send in your proxy or vote over the Internet or by telephone.

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301 Merritt 7
P.O. Box 5435
Norwalk, CT 06856-5435

September [], 2006

Proxy Statement

General Information

We are providing these proxy materials in connection with the solicitation of proxies by the Board of Directors of Applera Corporation for use at our 2006 Annual Meeting of Stockholders. Throughout this proxy statement, we refer to Applera Corporation as the "Company," "we," "us," or "our."

You are invited to attend our 2006 Annual Meeting of Stockholders on Thursday, October 19, 2006, at 9:30 a.m. Eastern Time. The meeting will be held at 301 Merritt 7, Main Avenue (old U.S. Route 7), in Norwalk, Connecticut. See the inside front cover of this proxy statement for directions. The location is accessible to handicapped persons.

This proxy statement and the accompanying proxy card are being mailed starting on or about September [], 2006.

Who May Vote at the Meeting

We have two classes of voting stock: our Applied Biosystems Group Common Stock, which we refer to as "Applera-Applied Biosystems stock," and our Celera Genomics Group Common Stock, which we refer to as "Applera-Celera stock." We refer to the two classes collectively as "Applera common stock." Only holders of record of Applera common stock at the close of business on August 30, 2006, the record date for the meeting, are entitled to receive these proxy materials and vote their shares at the meeting.

As of the record date, there were [] shares of Applera-Applied Biosystems stock and [] shares of Applera-Celera stock outstanding and entitled to vote at the meeting.

At the meeting, each outstanding share of Applera-Applied Biosystems stock will be entitled to one vote, and each outstanding share of Applera-Celera stock will be entitled to [] vote. The voting rights of the Applera-Celera stock were determined based on recent market values of each class of Applera common stock in accordance with a formula set forth in our Restated Certificate of Incorporation. Holders of Applera-Applied Biosystems stock and Applera-Celera stock will vote together as a single class at the meeting.

How to Vote

Stockholders of record (that is, stockholders who hold shares of Applera common stock in their own names in our stock records maintained by our transfer agent, Computershare Trust Company, N.A. (formerly Equiserve Trust Company, N.A.)), have the choice of voting by Internet, by telephone, or by completing and returning the accompanying proxy card. The shares represented by a properly signed proxy card or voted over the Internet or by telephone will be voted at the meeting as specified by the stockholder. If a proxy card is properly signed and returned but no specific choices are made, the shares represented by the proxy card will be voted in favor of the election of all of the nominees for director and each of the proposals set forth on the proxy card.

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"Street name" stockholders (that is, stockholders who hold shares of Applera common stock through a bank, broker, or other nominee) who want to vote at the meeting need to obtain a proxy form from the institution that holds their shares and follow the voting instructions on that form.

How to Revoke a Proxy

A stockholder of record may revoke a proxy, including a vote over the Internet or by telephone, at any time before it is voted at the meeting by:

- submitting a properly completed proxy with a later date;
- voting by telephone or over the Internet at a later time;
- filing with the Secretary of the Company a written revocation of proxy; or
- voting in person at the meeting.

Attendance at the meeting will not by itself constitute revocation of a proxy.

Quorum

We need a quorum to transact business at the meeting. This means that at least a majority of the total votes entitled to be cast by the outstanding shares of Applera common stock must be present at the meeting, either in person or by proxy. Abstentions and "broker non-votes" are counted as present and entitled to vote for purposes of determining whether a quorum exists. A "broker non-vote" occurs when a broker or other nominee does not vote on a particular proposal because it does not have discretionary voting authority for that proposal and has not received voting instructions from the beneficial owner.

Vote Required

Election of Directors. A plurality of the votes cast at the meeting is required for the election of directors (Proposal 1). That is, the nominees receiving the greatest number of votes will be elected. Accordingly, abstentions will not affect the outcome of the election of directors.

Ratification of Selection of PricewaterhouseCoopers. The favorable vote of a majority of the votes present in person or by proxy and entitled to vote at the meeting is required to ratify the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm (Proposal 2). An abstention on this proposal will be counted for purposes of determining the number of shares present on the proposal but will not be counted as a vote "for" or "against" the proposal. Therefore, an abstention will have the same effect as a vote against the proposal.

Approval of Amendments to Restated Certificate of Incorporation. The favorable vote of a majority of the votes represented by the outstanding shares of Applera common stock entitled to vote at the meeting is required to approve the amendments to our Restated Certificate of Incorporation (Proposal 3). An abstention is not a favorable vote and will have the same effect as a vote against the proposal.

Amendments to Stock Incentive Plans. The favorable vote of a majority of the votes present in person or by proxy and entitled to vote at the meeting is required to approve the amendments to our stock incentive plans (Proposals 4 and 5). An abstention on either of these proposals will be counted for purposes of determining the number of shares present on the proposal but will not be counted as a vote "for" or "against" the proposal. Therefore, an abstention will have the same effect as a vote against the proposal. Broker non-votes will have no effect on either of these proposals because they are not considered votes cast or votes entitled to vote at the meeting.

The rules of the New York Stock Exchange permit a broker or other nominee to vote on the election of directors, the ratification of the selection of PricewaterhouseCoopers, and the amendments to our Restated Certificate of Incorporation, even if the broker or other nominee does not receive voting instructions from the stockholder. These rules do not permit a broker or other nominee to vote on the

proposals related to our stock incentive plans absent instructions from the stockholder. Without voting instructions on these proposals, "broker non-votes" will occur.

Voting on Other Matters

If other matters are properly presented at the meeting for consideration, the persons named as proxies on the accompanying proxy card will have the discretion to vote for you on these matters in accordance with their best judgment. As of the date of this proxy statement, we do not know of any matters to be brought before the meeting other than those described in this proxy statement.

Costs of Proxy Solicitation

We will bear the costs of soliciting proxies for the meeting. In addition to solicitation by mail, proxies may be solicited on our behalf by our directors, officers, or employees in person or by telephone, facsimile, or other electronic means. We have hired Morrow & Co., Inc., Stamford, Connecticut, to assist in the distribution and solicitation of proxies for a fee of \$7,500, plus expenses.

We will also reimburse brokerage houses and other custodians, nominees, and fiduciaries holding shares of Applera common stock in their names or those of their nominees for expenses they incur in sending proxy materials to the beneficial owners of Applera common stock and obtaining their proxies.

Corporate Governance

Corporate Governance Guidelines

The Board has adopted Corporate Governance Guidelines to reflect the principles by which the Company operates. These Guidelines are available in the Corporate section of our website at www.applera.com under the heading "Corporate Governance Corporate Governance Guidelines." The Guidelines are also available in print to any stockholder on request to: Secretary, Applera Corporation, 301 Merritt 7, P.O. Box 5435, Norwalk, Connecticut, 06856-5435. The Board periodically reviews the Guidelines, and any modifications are reflected in the Guidelines posted on our website. Please note that none of the information contained on our websites is incorporated by reference into this proxy statement, and the website addresses are included as inactive textual references only.

Director Independence

It is the objective of the Board that all non-management directors meet the criteria for independence required by the New York Stock Exchange and the Securities and Exchange Commission absent unusual and compelling circumstances. Only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or as a partner, stockholder, or officer of an organization that has a relationship with the Company) and who meet the additional qualifications prescribed under the New York Stock Exchange rules will be considered independent. In addition, our Corporate Governance Guidelines require that members of the Audit/Finance Committee also satisfy the independence requirements for members of audit committees prescribed under the Sarbanes-Oxley Act of 2002.

The Board has determined that relationships with charitable organizations (including non-profit entities formed for charitable, scientific, or educational purposes) are not material relationships that would impair a director's independence unless contributions by the Company to the organization in any single fiscal year within the preceding three years exceed the greater of \$1 million or 2% of such organization's consolidated gross revenues. The Company's automatic matching of charitable contributions are not included in the amount of the Company's contributions for this purpose. The Board considers any other relationships based on all relevant facts and circumstances.

The Board has reviewed the business, family, and charitable relationships between the Company and each non-management director. Several non-management directors of the Company serve as directors, trustees, or officers of companies or non-profit entities which have in the past directly or

indirectly purchased or sold products and services from or to the Company. These transactions were conducted in the ordinary course of business and on an arms-length basis, and none of our directors received a personal benefit from these transactions. In addition, the Company employs Mr. Tobin's son-in-law as a manager for the Celera Genomics group. Mr. Tobin's son-in-law is not an officer of the Company, and his compensation is comparable to compensation paid to other employees performing similar job functions. Based on its review of these and other relationships between the Company and the non-management directors, the Board determined that there are no relationships which would interfere with the ability of any non-management director to exercise independent judgment and that all of the non-management directors are independent under all of the requirements described above. The non-management directors are: Richard H. Ayers; Jean-Luc Bélingard; Robert H. Hayes; Arnold J. Levine; William H. Longfield; Theodore E. Martin; Carolyn W. Slayman; Orin R. Smith; and James R. Tobin. The Board further determined that all of the members of the Audit/Finance Committee satisfied the requirements for members of audit committees described above.

Code of Conduct

All of our directors and employees, including our Chief Executive Officer, Chief Financial Officer, and Controller (our principal accounting officer), are required to abide by our Code of Business Conduct and Ethics to ensure that our business is conducted in a legal and ethical manner. The Code is available in the Corporate section of our website at www.applera.com under the heading "Corporate Governance Code of Business Conduct." The Code is also available in print to any stockholder on request to the Company's Secretary at the address given above.

Communications with Directors

The Board has approved a policy by which stockholders and other interested parties may communicate directly with the Board or the non-management directors. All communications should be in writing and should be directed to the Company's Secretary at the address given above. The sender should indicate in the address whether it is intended for the entire Board, the non-management directors as a group, or an individual director. Each communication intended for the Board or non-management directors received by the Secretary will be forwarded to the intended recipients subject to compliance with instructions from the Board in effect from time to time concerning the treatment of inappropriate communications.

Board of Directors and Committees

Our business is managed under the direction of our Board of Directors. Members of the Board are kept informed of our business through discussions with officers and other employees, by reviewing materials relating to the Company, and by participating in meetings of the Board and its committees.

There were eight Board meetings and 21 committee meetings during fiscal 2006. Average attendance at these meetings was more than 95%, and each director attended at least 75% of the meetings of the Board and of the committees on which he or she served, except for Mr. Tobin who attended approximately 69% of the meetings of the Board and the committee on which he served. Mr. Tobin would have attended more than 75% of the meetings of the Board and of the committee on which he served but for the fact that he missed two meetings in June for personal health reasons.

Non-management directors of the Company meet in executive session without the Chief Executive Officer or any other member of management present at each regularly scheduled Board meeting. The director then serving as chair of the Nominating/Corporate Governance Committee serves as presiding director of these sessions.

All directors are expected to attend the annual meeting of stockholders, and all directors were present at our 2005 annual meeting.

Board Committees

The Board has established standing committees to assist it in carrying out its responsibilities. Each of these committees operates under a written charter, copies of which are available in the Corporate section of our website at www.applera.com under the heading "Corporate Governance Committee Charters." The committee charters are also available in print to any stockholder on request to: Secretary, Applera Corporation, 301 Merritt 7, P.O. Box 5435, Norwalk, Connecticut, 06856-5435. The Board regularly reviews the committee charters, and any modifications are reflected in the charters posted on our website.

The current membership of each of our Board committees is provided below:

Name	Audit/ Finance	Executive	Management Resources	Nominating/ Corporate Governance	Technology Advisory
Richard H. Ayers	X	X			
Jean-Luc Bélingard			C	X	X
Robert H. Hayes	C	X			X
Arnold J. Levine			X	C	C
William H. Longfield			C	X	
Theodore E. Martin	X				
Carolyn W. Slayman		X	X	C	C
Orin R. Smith			X	X	
James R. Tobin	C				
Tony L. White		C			

C = Chair/Co-Chair

Audit/Finance Committee. The Audit/Finance Committee oversees accounting, finance, and internal control matters. The Committee is responsible for the appointment, compensation, evaluation, and oversight of the work of the independent registered public accounting firm for the purpose of preparing or issuing an audit report or performing other services. In addition, the Committee, among other things:

reviews and approves the scope and plan of audit and non-audit services to be performed by the independent registered public accounting firm;

reviews with management and the independent registered public accounting firm our annual and quarterly consolidated financial statements;

reviews internal accounting and auditing procedures, including the process used by management to evaluate and report on the effectiveness of the Company's internal control over financial reporting;

reviews and approves the scope and plan of audit services to be performed by our internal audit department;

reviews our financial policies and strategies; and

reviews policies and practices designed to assure compliance with legal and ethical standards.

A report of the Committee for fiscal 2006 is provided on page 7.

The Audit/Finance Committee met 8 times during fiscal 2006. The Board has determined that each member of the Audit/Finance Committee is "independent" as defined by the rules of the New York Stock Exchange. The Board has further determined that each member of the Committee meets the New York Stock Exchange requirement of having accounting or related financial management expertise and that each of Messrs. Ayers, Martin, and Tobin are "audit committee financial experts" as defined by the rules of the Securities and Exchange Commission. The designation of members of our Audit/Finance Committee as "audit committee financial experts" does not impose on those members any

duties, obligations, or liabilities that are greater than are generally imposed on them as members of the Audit/Finance Committee and Board of Directors, and does not affect the duties, obligations, or liabilities of any other member of the Audit/Finance Committee or Board of Directors.

Executive Committee. The Executive Committee has the authority to act for the full Board in emergency situations requiring Board action where time constraints preclude a meeting of the Board. It is expected that meetings of the Committee should rarely, if ever, be required. The Executive Committee did not meet during fiscal 2006.

Management Resources Committee. The Management Resources Committee oversees compensation policies and practices for the Company's senior management, including salary, bonus, and incentive awards, and recommends the compensation of non-management directors. The Committee also develops and reviews management development and succession plans for the Company's Chief Executive Officer and other executive officers. The Committee's report on executive compensation starts on page 20.

The Management Resources Committee met six times during fiscal 2006. The Board has determined that each member of the Management Resources Committee is independent as defined by the rules of the New York Stock Exchange.

Nominating/Corporate Governance Committee. The Nominating/Corporate Governance Committee evaluates Board and management effectiveness and generally takes a leadership role in shaping and advising the Board on corporate governance and related matters. In addition, the Committee recommends membership assignments and responsibilities for committees of the Board and develops and monitors our Corporate Governance Guidelines.

The Committee also assists the Board in identifying individuals qualified to serve as members of the Board. Under our Corporate Governance Guidelines and the Committee's policy, nominees for director will be selected based on their independence, character, judgment, business experience, diversity, and specific areas of expertise, among other relevant considerations. Final approval of the nomination of a new nominee will be determined by the full Board. The Committee will consider nominations for directors recommended by Board members, Company management, stockholders, and other sources. The Committee will evaluate director candidates proposed by stockholders in the same manner it evaluates other candidates, provided that the stockholders proposing a director candidate submit their proposal to the Company's Secretary prior to the deadlines generally applicable to the submission of stockholder proposals required under our By-laws described below under the heading "*Stockholder Proposals*." In addition, submissions of nominations should include a current resume and *curriculum vitae* of the nominee and statement describing the nominee's qualifications and contact information for personal and professional references. The submission should also include the name and address of the stockholder who is submitting the nomination, the number of shares of Applera common stock which are owned of record or beneficially by the submitting stockholder, and a description of all arrangements or understandings between the submitting stockholder and the nominee.

The Nominating/Corporate Governance Committee met five times during fiscal 2006. The Board has determined that each member of the Nominating/Corporate Governance Committee is independent as defined by the rules of the New York Stock Exchange.

Technology Advisory Committee. The Technology Advisory Committee advises the Board and management concerning issues related to the development and implementation of our technological resources, including strategies for developing and expanding the Company's technology portfolio and assisting management in assessing third party technology opportunities. The Technology Advisory Committee met two times during fiscal 2006.

Report of the Audit/Finance Committee

The Audit/Finance Committee assists the Board in its oversight of the quality and integrity of the accounting, auditing, and financial reporting practices of the Company. The Committee operates under a written charter adopted by the Board, a copy of which is available in the Corporate section of our website at www.applera.com under the heading "Corporate Governance Committee Charters."

Management is responsible for the financial statements and the reporting process, including the system of internal controls. PricewaterhouseCoopers LLP ("PwC"), the Company's independent registered public accounting firm, is responsible for expressing an opinion as to whether these financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America and on management's assessment of the effectiveness of the Company's internal control over financial reporting. In addition, PwC will express its own opinion on the effectiveness of the Company's internal control over financial reporting.

In performing its oversight responsibilities, the Committee reviewed and discussed with management and PwC the audited consolidated financial statements of the Company as of and for the fiscal year ended June 30, 2006, management's assessment of the effectiveness of the Company's internal control over financial reporting, and PwC's evaluation of the Company's internal control over financial reporting. The Committee also discussed with PwC their judgment as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61, "Communication with Audit Committees."

The Committee has received the written disclosures and the letter from PwC required by Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees," and has discussed with PwC their independence from the Company and its management. The Committee considered whether the provision of non-audit services by PwC to the Company is compatible with maintaining the independence of PwC and concluded that the independence of PwC is not compromised by the provision of such services.

Based on the reviews and discussions referred to above, the Committee recommended to the Board, and the Board has approved, the inclusion of the audited consolidated financial statements of the Company in its Annual Report on Form 10-K for the fiscal year ended June 30, 2006, for filing with the Securities and Exchange Commission.

The Committee has also appointed PwC to audit the Company's consolidated financial statements for the fiscal year ending June 30, 2007, subject to stockholder ratification of that appointment.

Audit/Finance Committee

Robert H. Hayes, Co-Chair
James R. Tobin, Co-Chair
Richard H. Ayers
Theodore E. Martin

Compensation of Directors

Each non-management director currently receives:

- an annual retainer, payable in cash and shares of Applera-Applied Biosystems stock and shares of Applera-Celera stock;
- a grant of stock options to purchase shares of Applera-Applied Biosystems stock and shares of Applera-Celera stock; and
- a restricted stock award of shares of Applera-Applied Biosystems stock and shares of Applera-Celera stock.

The Company does not pay any additional amounts for attendance at meetings or participation on committees.

Annual Retainer. Each non-management director currently receives an annual retainer of \$60,000, at least 50% of which must be applied to the purchase of Applera-Applied Biosystems stock and Applera-Celera stock. Purchases of stock are made quarterly, and the number of shares of each class of stock purchased is based on the ratio of the number of shares of each class outstanding on the purchase date. The purchase price is the fair market value of a share of the applicable class of stock on the purchase date.

Stock Options. Each non-management director received a grant of stock options to purchase 9,000 shares of Applera-Applied Biosystems stock and 3,600 shares of Applera-Celera stock under the terms of our stock incentive plans upon election at the 2005 annual meeting of stockholders. The exercise price of these options is the fair market value of a share of the applicable class of stock on the date of grant. These options are exercisable in four equal annual installments and have a term of ten years.

Restricted Stock. Our stock incentive plans provide that each non-management director will receive a restricted stock award of shares of Applera-Applied Biosystems stock and shares of Applera-Celera stock upon election or reelection to the Board. The number of shares to be awarded is determined by the Management Resources Committee, except that the aggregate dollar value of the restricted stock award to each non-management director is subject to an annual dollar limit under the terms of the plans. This limit was \$217,419 for fiscal 2006, and increases by 10% each subsequent fiscal year. The aggregate dollar value of an award is calculated by multiplying the number of shares included in the award by the fair market value of the applicable class of stock on the date of grant. The awards vest on the date immediately preceding the first annual meeting following the date of grant and will be forfeited, subject to certain exceptions, if the director ceases to serve as a member of the Board prior to that date. Prior to vesting, the director has the right to receive cash dividends and to vote but may not sell or otherwise transfer the shares.

Each non-management director received a restricted stock award of 2,600 shares of Applera-Applied Biosystems stock and 1,000 shares of Applera-Celera stock upon election at the 2005 annual meeting of stockholders. The aggregate dollar value of these awards on the date of grant was \$72,225.

Deferrals. Non-management directors may defer receipt of the cash or stock portion of their annual retainer and their restricted stock award. Stock is credited to a deferral account of a director in units, each unit representing one share of the applicable class of Applera common stock. Directors cannot vote the shares represented by these units. The stock portion of a director's deferral account is adjusted to take into account dividends paid on Applera common stock, and the cash portion of a director's deferral account is credited quarterly with interest at the prevailing prime rate.

Special Assignments. Recognizing that there may be occasions where we are best served by non-management directors spending additional time in their capacities as directors, the Board has

determined that it may be appropriate to provide additional compensation for these services. Specifically, the Nominating/Corporate Governance Committee will determine and approve a per diem payment where a non-management director is requested to spend materially more time than would ordinarily be expected. Payment for these services will not exceed reasonable and customary rates for the type of services performed. We did not make any such payments during fiscal 2006.

Stock Ownership Policy. In order to encourage non-management directors to retain a financial investment in the Company, the Nominating/Corporate Governance Committee has established a requirement that each non-management director retain a personal investment in Applera common stock or stock equivalents equal to four times the annual retainer. Stock equivalents that qualify under the policy include deferred shares, restricted stock subject to time-based vesting, and vested, in-the-money stock options. Non-management directors have a period of four years from the date of initial election to achieve this ownership level. As of the end of our 2006 fiscal year, all of the non-management directors had satisfied their individual investment goals.

Miscellaneous. All directors are reimbursed for expenses incurred in attending Board and committee meetings (including the travel expenses of spouses if they are specifically invited to attend). Non-management directors are provided business travel accident insurance when traveling on behalf of the Company and personal excess liability insurance. Directors are also eligible to participate in our matching gifts program on the same basis as our employees.

Employee directors receive no additional compensation for service on the Board or its committees.

Ownership of Company Stock

Greater than 5% Beneficial Owners

The table below provides information about the only persons known by us to beneficially own more than 5% of the outstanding shares of either class of Applera common stock as of August 18, 2006.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership of Applera-Applied Biosystems Stock	Percent of Class	Amount and Nature of Beneficial Ownership of Applera-Celera Genomics Stock	Percent of Class
Primecap Management Company 225 South Lake Avenue, Suite 400 Pasadena, CA 91101	22,550,240 ¹	12.4		
AXA/AllianceBernstein L.P. 25, avenue Matignon 75008 Paris, France	13,614,250 ²	7.5	10,379,528 ³	13.3
FMR Corp. 82 Devonshire Street Boston, MA 02109			9,349,148 ⁴	12.0
Wellington Management Company, LLP 75 State Street Boston, MA 02109			7,585,964 ⁵	9.7
Iridian Asset Management LLC 276 Post Road West Westport, CT 06880			5,056,565 ⁶	6.5

¹ Based on a Form 13F for the quarter ended June 30, 2006, filed with the Securities and Exchange Commission (the "SEC"), Primecap Management Company has sole investment discretion with respect to all of these shares, sole voting authority with respect to 4,595,690 shares, and no voting authority with respect to 17,954,550 shares.

² Based on a Form 13F for the quarter ended June 30, 2006, filed with the SEC, AXA, together with AllianceBernstein L.P. and other affiliates, has shared investment discretion (as defined) with respect to all of these shares and sole voting authority with respect to 11,967,146 shares, shared voting authority with respect to 64,476 shares, and no voting authority with respect to 1,582,628 shares.

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3

Based on a Form 13F for the quarter ended June 30, 2006, filed with the SEC, AXA, together with AllianceBernstein L.P. and other affiliates, has shared investment discretion (as defined) with respect to all of these shares and sole voting authority with respect to 8,816,172 shares and no voting authority with respect to 1,563,356 shares.

4

Based on a Form 13F for the quarter ended June 30, 2006, filed with the SEC, FMR Corp. has shared investment discretion (as defined) and no voting authority with respect to these shares.

5

Based on a Form 13F for the quarter ended June 30, 2006, filed with the SEC, Wellington Management Company, LLP, has sole investment discretion with respect to 6,725,640 shares, shared investment discretion (as defined) with respect to 860,324 shares, sole voting authority with respect to 5,010,171 shares, shared voting authority with respect to 721,324 shares, and no voting authority with respect to 1,854,469 shares.

6

Based on a Form 13F for the quarter ended June 30, 2006, filed with the SEC, Iridian Asset Management LLC has sole investment discretion with respect to all of these shares, sole voting authority with respect to 2,964,614 shares, and no voting authority with respect to 2,091,951 shares.

Directors and Executive Officers

The table below shows the number of shares of each class of Applera common stock beneficially owned as of August 18, 2006, by (1) each non-management director, (2) each of the persons named in the Summary Compensation Table below under "*Executive Compensation*," and (3) all directors and executive officers of the Company as a group. None of these persons, other than Mr. White, beneficially owned more than one percent of the outstanding shares of either class of Applera common stock. Mr. White beneficially owned approximately 2.2% of the outstanding shares of Applera-Applied Biosystems stock and approximately 1.8% of the outstanding shares of Applera-Celera stock. All directors and executive officers as a group beneficially owned approximately 4.6% of the outstanding shares of Applera-Applied Biosystems stock and approximately 4.8% of the outstanding shares of Applera-Celera stock. Except as otherwise noted, voting and investment power is exercised solely by the beneficial owner or is shared by the owner with his or her spouse.

Title of Class	Number of Shares of Applera Common Stock Beneficially Owned ^{1,2}	Number of Deferred Stock Units Beneficially Owned ³	Total	
Non-management directors				
Richard H. Ayers	Applera-Applied Biosystems stock	83,559 ⁴	14,210	97,769
	Applera-Celera stock	65,488 ⁴	3,386	68,874
Jean-Luc Bélingard	Applera-Applied Biosystems stock	82,520	0	82,520
	Applera-Celera stock	64,744	0	64,744
Robert H. Hayes	Applera-Applied Biosystems stock	79,733	12,435	92,168
	Applera-Celera stock	63,544	3,064	66,608
Arnold J. Levine	Applera-Applied Biosystems stock	51,900	21,459	73,359
	Applera-Celera stock	66,396	6,761	73,157
William H. Longfield	Applera-Applied Biosystems stock	19,700	10,291	29,991
	Applera-Celera stock	6,900	3,744	10,644
Theodore E. Martin	Applera-Applied Biosystems stock	50,700	20,854	71,554
	Applera-Celera stock	55,756	6,617	62,373
Carolyn W. Slayman	Applera-Applied Biosystems stock	69,377	12,553	81,930
	Applera-Celera stock	60,902	3,605	64,507
Orin R. Smith	Applera-Applied Biosystems stock	60,700	28,203	88,903
	Applera-Celera stock	57,256	8,368	65,624
James R. Tobin	Applera-Applied Biosystems stock	50,700	20,020	70,720
	Applera-Celera stock	55,756	6,419	62,175

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Title of Class	Number of Shares of Applera Common Stock Beneficially Owned ^{5,6}	Number of Restricted Stock Units Beneficially Owned ⁷	Total	
Named Executive Officers				
Tony L. White	Applera-Applied Biosystems stock	4,032,478 ⁸	66,600	4,099,078
	Applera-Celera stock	1,432,305 ⁸	38,400	1,436,145
Catherine M. Burzik	Applera-Applied Biosystems stock	321,755	63,360	385,115
	Applera-Celera stock	71,649	0	71,649
Dennis L. Winger	Applera-Applied Biosystems stock	1,324,459	23,400	1,347,859
	Applera-Celera stock	517,949	13,200	531,149
William B. Sawch	Applera-Applied Biosystems stock	1,238,389	23,400	1,261,789
	Applera-Celera stock	458,624	13,200	471,824
Kathy Ordoñez	Applera-Applied Biosystems stock	374,200	0	374,200
	Applera-Celera stock	540,300	108,000	648,300

Title of Class	Number of Shares of Applera Common Stock Beneficially Owned	Number of Deferred Stock Units and Restricted Stock Units Beneficially Owned ⁷	Total	
All directors and executive officers as a group (18 persons)⁹	Applera-Applied Biosystems stock	8,656,069	373,485	9,029,554
	Applera-Celera stock	3,915,270	225,564	4,140,834

¹ Includes the following number of presently exercisable stock options and stock options that will become exercisable within 60 days:

	Applera-Applied Biosystems Stock	Applera-Celera stock
Richard H. Ayers	56,700	57,256
Jean-Luc Bélingard	56,700	57,256
Robert H. Hayes	56,700	56,256
Arnold J. Levine	50,700	66,096
William H. Longfield	16,700	5,900
Theodore E. Martin	50,700	55,756
Carolyn W. Slayman	56,700	57,256
Orin R. Smith	56,700	57,256
James R. Tobin	50,700	55,756

No voting or investment power exists with respect to these shares prior to exercise of the stock options.

² Includes for each of Messrs. Ayers, Bélingard, and Hayes 2,600 restricted shares of Applera-Applied Biosystems stock and 1,000 restricted shares of Applera-Celera stock. Prior to vesting, each director has the right to vote but may not sell or otherwise transfer these shares.

³ Consists of units representing full shares of stock deferred by non-management directors (see "Board of Directors and Committees Compensation of Directors" above). No voting power exists with respect to any deferred share units.

⁴ Includes 23,824 shares of Applera-Applied Biosystems stock and 7,045 shares of Applera-Celera stock held by the Suzanne L. Ayers Living Trust, a trust for the benefit of Mr. Ayers' wife, of which Mr. Ayers is a co-trustee.

⁵ Includes the following number of stock options held by the named individuals, which represent all stock options held by such individuals and all of which are presently exercisable:

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	<u>Applera-Applied Biosystems Stock</u>	<u>Applera-Celera stock</u>
Tony L. White	3,336,192	1,249,037
Catherine M. Burzik	291,400	69,200
Dennis L. Winger	1,257,158	482,950
William B. Sawch	1,151,200	437,678
Kathy Ordoñez	374,200	500,300

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No voting or investment power exists with respect to these shares prior to exercise of the stock options.

6

Includes 202,230 restricted shares of Applera-Applied Biosystems stock and 86,670 restricted shares of Applera-Celera stock held by Mr. White, 12,500 restricted shares of Applera-Applied Biosystems stock held by Ms. Burzik, and 33,705 restricted shares of Applera-Applied Biosystems stock and 14,445 restricted shares of Applera-Celera stock held by Mr. Winger. Prior to vesting, Messrs. White and Winger and Ms. Burzik have the right to vote the restricted shares, but they may not sell or otherwise transfer these shares.

7

Consists of restricted stock units ("RSUs") representing the right to receive shares of Applera-Applied Biosystems stock or Applera-Celera stock, as the case may be, at the time the RSUs vest. Prior to the vesting of the RSUs, the recipient will not be deemed to be the holder of, or have any of the rights of a holder with respect to, any shares of the class of Applera common stock deliverable with respect to the RSUs.

8

Excludes: (a) 75,000 shares of Applera-Applied Biosystems stock and 25,000 shares of Applera-Celera stock held by the Elizabeth Ann White Business Interests, LLLP, a family limited partnership of which Mr. White's daughter is the sole general partner and Mr. White's wife and a grantor retained annuity trust established by Mr. White are currently the sole limited partners; and (b) 63,000 shares of Applera-Applied Biosystems stock and 21,000 shares of Applera-Celera stock held by the Tony Lee White 2006 Two Year Grantor Retained Annuity Trust, of which Mr. White's wife is the sole trustee.

9

Includes 7,650,400 shares of Applera-Applied Biosystems stock and 3,593,185 shares of Applera-Celera stock which all directors and executive officers as a group have the right to acquire through the exercise of stock options that are presently exercisable or will become exercisable within 60 days. No voting or investment power exists with respect to these shares prior to exercise of the stock options.

Section 16(a) Beneficial Ownership Reporting Compliance

We are required to identify any officer, director, or beneficial owner of more than 10% of either class of Applera common stock who failed to timely file with the SEC and the New York Stock Exchange a required report relating to beneficial ownership of stock under Section 16(a) of the Securities Exchange Act of 1934. Based solely on a review of information provided to us, all persons subject to these reporting requirements filed the required reports on a timely basis for fiscal 2006.

Executive Compensation

Summary Compensation Table

The following table shows the compensation provided to our Chief Executive Officer and four other most highly paid executive officers (the "Named Executive Officers").

Name and Principal Position	Fiscal Year	Annual Compensation			Long-Term Compensation			All Other Compensation (\$) ⁴
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$) ¹	Awards		Payouts	
					Restricted Stock Awards (\$) ²	Stock Options (#) ³	LTIP Payouts (\$)	
Tony L. White	2006	1,096,154	2,107,432	140,441	2,815,464	0	0	208,850
Chairman, President and Chief Executive Officer	2005	1,000,000	1,798,160	126,878	0	350,000	0	168,000
	2004	1,000,000	1,202,500	197,773	5,189,416	272,000	0	311,585
Catherine M. Burzik ⁵	2006	554,530	948,971	108,830	1,162,512	0	0	17,335
Senior Vice President and President, Applied Biosystems Group	2005	507,330	675,000	107,047	0	200,000	0	14,500
	2004	362,476	424,685	99,107	555,250	176,800	0	327,927
Dennis L. Winger	2006	571,154	717,978	67,703	985,980	0	0	111,212
Senior Vice President and Chief Financial Officer	2005	543,077	625,000	12,627	0	120,000	0	92,700
	2004	526,154	416,713	19,149	864,999	90,400	0	164,377
William B. Sawch	2006	504,230	633,850	1,700	985,980	0	0	108,889
Senior Vice President and General Counsel	2005	478,769	550,000	3,003	0	120,000	0	149,260
	2004	463,615	367,179	1,700	0	90,400	0	163,595
Kathy Ordoñez	2006	545,192	504,984		998,100	0	0	14,122
Senior Vice President and President, Celera Genomics Group	2005	516,347	670,613	1,395	0	200,000	0	13,375
	2004	496,154	427,500		0	108,000	0	34,779

1

Amounts shown in this column include the aggregate incremental cost to the Company of providing various perquisites and other personal benefits to each of the Named Executive Officers. These perquisites and personal benefits include personal use of Company aircraft, car allowance, financial and estate planning, and excess liability insurance. In accordance with SEC rules, no amount is included for perquisites and other personal benefits in any fiscal year if the total amount of these perquisites and benefits for the year is less than \$50,000. Under a security policy adopted by the Management Resources Committee, Mr. White is required to use Company aircraft for both personal and business travel. The incremental cost of the Company aircraft is calculated by dividing the total variable costs (such as fuel, aircraft maintenance, and flight crew expenses) by the total number of flight hours for the fiscal year and multiplying this amount by the individual's total number of flight hours for personal use for the year.

The amounts shown for fiscal 2006 include: (a) for Mr. White, \$83,887 for the personal use of Company aircraft; (b) for Ms. Burzik, a \$50,000 mortgage subsidy received in connection with her relocation; and (c) for Mr. Winger, \$15,000 for a car allowance and \$25,719 for the travel costs for his spouse to accompany him on his trips between the Company's offices in California and Connecticut. Amounts shown for fiscal 2006 also include amounts reimbursed for the payment of taxes for Ms. Burzik and Mr. Winger and dividend equivalents paid in cash on performance units granted to Messrs. White, Winger, and Sawch.

2

The amounts shown for fiscal 2006 reflect the grant of restricted stock units ("RSUs") representing the right to receive shares of Applera-Applied Biosystems stock or Applera-Celera stock, as the case may be, at the time the RSUs vest. The dollar value of these RSUs is based on the closing price of a share of the applicable class of Applera common stock on the date of grant. The number of RSUs granted to each of the Named Executive Officers is as follows:

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	Applera-Applied Biosystems RSUs	Applera-Celera RSUs
Tony L. White	88,800	38,400
Catherine M. Burzik	43,200	