

STERIS CORP  
Form DEF 14A  
June 04, 2013  
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**

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

**STERIS CORPORATION**  
(Name of Registrant as Specified in its Charter)

## Edgar Filing: STERIS CORP - Form DEF 14A

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

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**Table of Contents**

**STERIS CORPORATION**

5960 Heisley Road n Mentor, Ohio 44060-1834 n USA

TO OUR SHAREHOLDERS:

The 2013 Annual Meeting of Shareholders of STERIS Corporation will be held at 9:00 a.m., Eastern Time, on Thursday, July 25, 2013, at STERIS Corporation's Headquarters, 5960 Heisley Road, Mentor, Ohio, USA. At the Annual Meeting, shareholders will be asked to elect ten directors for terms expiring at the 2014 Annual Meeting, approve, on a non-binding advisory basis, the compensation of our named executive officers and ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm. We urge our shareholders to attend the meeting and to vote FOR the nominees for director listed in the following Proxy Statement, FOR approval, on a non-binding advisory basis, of the compensation of our named executive officers, and FOR the ratification of Ernst & Young LLP as the Company's independent registered accounting firm.

The formal notice of the Annual Meeting and the Proxy Statement containing information relative to the meeting follow this letter. **We urge you to read the Proxy Statement carefully and assure that your shares will be voted by using one of the alternative methods of voting described in the Proxy Statement.**

Sincerely,

WALTER M ROSEBROUGH, JR.

*President and*

*Chief Executive Officer*

JOHN P. WAREHAM

*Chairman of the Board*

**Table of Contents**

**STERIS CORPORATION**

5960 Heisley Road n Mentor, Ohio 44060-1834 n USA

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**JULY 25, 2013**

The Annual Meeting of Shareholders of STERIS Corporation (the Company or STERIS ) will be held at 9:00 a.m., Eastern Time, on Thursday, July 25, 2013, at STERIS Corporation s Headquarters, 5960 Heisley Road, Mentor, Ohio, USA, for the following purposes:

1. To elect ten directors to serve until the Company s 2014 Annual Meeting of Shareholders;
2. To approve, on a non-binding advisory basis, the compensation of our named executive officers;
3. To ratify the appointment of the Company s independent registered public accounting firm for the fiscal year ending March 31, 2014; and
4. To transact such other business as may properly come before the Annual Meeting.

The Board of Directors has established the close of business on May 28, 2013 as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting and any adjournments.

The Company s Annual Report to Shareholders for the year ended March 31, 2013 is available to shareholders. The Proxy Statement accompanies this Notice.

By Order of the Board of Directors,  
MARK D. MCGINLEY  
*Secretary*

June 4, 2013

**PLEASE NOTE: Whether or not you expect to be present at the Annual Meeting, please cast your vote over the Internet, by telephone, or by requesting paper proxy materials and returning the signed proxy card. If you attend the Annual Meeting, you may revoke your proxy and vote your shares in person.**

**PLEASE NOTE: Attendance at the STERIS Corporation Annual Meeting is limited to STERIS shareholders, members of their immediate families, or their formally designated representatives. Shareholders will be required to register and present appropriate picture identification in order to be admitted to the Annual Meeting. STERIS reserves the right to limit items brought to the Annual Meeting, including, without limitation, cameras, recording equipment, electronic devices, packages and other items, and to take other action for the proper, orderly and efficient conduct of the meeting.**

Table of Contents

# STERIS CORPORATION

5960 Heisley Road

Mentor, Ohio 44060

440-354-2600

## Annual Meeting of Shareholders

July 25, 2013 9:00 a.m. (Eastern Time)

### PROXY STATEMENT

#### TABLE OF CONTENTS

|  |    |
|--|----|
| <u>General Information</u>   | 1  |
| <u>Proxy Voting and Solicitation of Proxies</u>  | 1  |
| <u>Voting</u>  | 1  |
| <u>Votes Required to Adopt Proposals</u>   | 2  |
| <u>Purposes of Annual Meeting</u>  | 2  |
| <u>Proposal 1 Election of Directors</u>  | 3  |
| <u>Nominees for Election as Directors</u>  | 4  |
| <u>Proposal 2 To Approve, on a Non-Binding Advisory Basis, the Compensation of our Named Executive Officers</u>  | 7  |
| <u>Proposal 3 Ratification of the Appointment of the Company's Independent Registered Public Accounting Firm</u> | 8  |
| <u>Voting on Other Matters</u>   | 8  |
| <u>Board of Directors Information</u>  | 9  |
| <u>Board Meetings and Committees</u>   | 9  |
| <u>Governance Generally</u>  | 13 |
| <u>Independent Registered Public Accounting Firm</u>   | 17 |
| <u>Report of the Audit Committee</u>   | 18 |
| <u>Executive Compensation</u>  | 19 |
| <u>Compensation Discussion and Analysis</u>  | 19 |
| <u>Report of the Compensation Committee</u>  | 30 |
| <u>Compensation Committee Interlocks and Insider Participation</u>   | 31 |
| <u>Tabular and Other Executive Compensation Disclosure</u>   | 31 |
| <u>Potential Payments to Named Executive Officers Upon Termination of Employment or Change of Control</u>        | 38 |
| <u>Non-Employee Director Compensation</u>  | 49 |
| <u>Description of Director Compensation for Fiscal 2013</u>  | 49 |
| <u>Director Compensation Table for Fiscal 2013</u>   | 50 |
| <u>Aggregate Option Holdings by Non-Employee Directors at March 31, 2013</u>                                     | 50 |
| <u>Non-Employee Director Stock Ownership Guidelines</u>  | 51 |
| <u>Ownership of Voting Securities</u>  | 51 |
| <u>5% Owners</u>   | 51 |
| <u>Stock Ownership of Directors and Executive Officers</u>   | 52 |
| <u>Section 16(a) Beneficial Ownership Reporting Compliance</u>   | 53 |
| <u>Shareholder Nominations of Directors and Nominee Criteria</u>   | 54 |

|                              |    |
|------------------------------|----|
| <u>Shareholder Proposals</u> | 56 |
| <u>Miscellaneous Matters</u> | 56 |
| <u>Annual Report</u>         | 57 |

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**Table of Contents**

**GENERAL INFORMATION**

**PROXY VOTING AND SOLICITATION OF PROXIES**

This Proxy Statement was furnished on or about June 7, 2013, to the shareholders of STERIS Corporation ( "STERIS" or the "Company" ) of record as of the close of the stock transfer books on May 28, 2013. This Proxy Statement is provided in connection with the solicitation by the Board of Directors of proxies for the 2013 Annual Meeting of Shareholders to be held at 9:00 a.m., Eastern Time, on Thursday, July 25, 2013, at STERIS Corporation's Headquarters, 5960 Heisley Road, Mentor, Ohio, USA. The cost of soliciting the proxies will be borne by the Company. Our directors, officers and designated employees may solicit proxies in person, by mail, by telephone, fax, or e-mail. They will not receive any additional compensation for these activities. STERIS has engaged a professional proxy solicitation firm, Georgeson Inc. ( "Georgeson" ), to assist in tracking voting with brokers, banks and other institutional holders. The Company will pay Georgeson a fee of approximately \$8,500 for these services. Additional shareholder meeting services may be contracted for additional fees.

As permitted by rules adopted by the Securities and Exchange Commission ( "SEC" ), we are making this Proxy Statement and our 2013 Annual Report available at [www.proxyvote.com](http://www.proxyvote.com). If you received a Notice regarding this availability, the Notice instructs you how to access and review the Proxy Statement and the 2013 Annual Report, as well as the alternative methods to vote your shares over the Internet, by telephone, or by mailing a completed form of proxy (if requested). If you received a Notice and would like to receive a printed copy of our proxy materials, you should follow the instructions in the Notice for requesting such materials.

If you received a printed copy of the proxy materials, the Company now offers the opportunity to electronically receive future proxy statements and annual reports over the Internet. By using these services, you are not only able to access these materials more quickly, but you are also helping STERIS save resources and reduce printing and postage costs. Online services are available to our registered and beneficial shareholders who have active email accounts and Internet access. Registered shareholders maintain shares in their own names. Beneficial shareholders have shares held on their behalf by a bank or brokerage firm. Beneficial owners will need to complete the bank or brokerage firm process for requesting electronic delivery. If you have accounts with multiple banks and/or brokers, you will need to complete the process for each account. Upon completion of your enrollment, you will receive an email confirming your election to use the online services. Your enrollment in the online program will remain in effect as long as your account remains active or until you cancel your enrollment.

**VOTING**

As of the record date set by the Board of Directors (May 28, 2013), the Company had 58,946,469 Common Shares outstanding and entitled to vote at the 2013 Annual Meeting, each of which is entitled to one vote. Under the Ohio General Corporation Law, the shares may be voted cumulatively in the election of directors if (a) notice in writing is given by a shareholder of record to the President, a Vice President, or the Secretary of the Company not less than 48 hours before the time fixed for holding the meeting that the shareholder desires the voting in the election to be cumulative, and (b) an announcement of the giving of the notice is made upon the convening of the meeting by the Chairman or the Secretary or by or on behalf of the shareholder giving the notice. If cumulative voting is in effect, each shareholder will have the right to cumulate the shareholder's votes and to give one nominee a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are entitled, or the shareholder may distribute the shareholder's votes on the same principle among two or more nominees. In the event of cumulative voting, unless contrary instructions are received, the persons named in the enclosed proxy will vote the shares represented by valid proxies on a cumulative basis for the election of the nominees listed on pages 4 and 5, allocating the votes among the nominees in accordance with their discretion. Pursuant to the Ohio General Corporation Law, a shareholder may revoke a proxy by giving notice to the Company in writing, in a verifiable communication, in open meeting, or by submitting a subsequent proxy.

**Table of Contents**

**VOTES REQUIRED TO ADOPT PROPOSALS**

Common Shares represented by properly executed proxies will be voted in accordance with the specifications made thereon. If no specification is made, proxies will be voted FOR the election of the director nominees named in this Proxy Statement, FOR approval, on a non-binding advisory basis, of the compensation of our named executive officers and FOR the ratification of Ernst & Young LLP as the Company's independent registered public accounting firm.

Abstentions and broker non-votes are tabulated in determining the votes present at a meeting for purposes of determining a quorum. Director nominees receiving the greatest number of votes cast will be elected as directors provided a quorum is present at the meeting in person or by proxy. An abstention or a broker non-vote will have no effect with respect to the election of a director nominee. On any proposal requiring approval by a specified percentage of the Company's Common Shares that are outstanding or that are present at the meeting, an abstention or a broker non-vote will have the same effect as a vote against approval of the proposal, as each abstention or broker non-vote will be one less vote for the proposal. An abstention or broker non-vote will have no effect on any proposal requiring only a majority of the votes cast as the abstention or broker non-vote will not be counted in determining the number of votes cast.

Stockholder votes will be tabulated by an independent inspector of elections for the Annual Meeting.

**PURPOSES OF ANNUAL MEETING**

The Annual Meeting has been called for the purposes of (1) electing ten directors to serve until the Company's 2014 Annual Meeting of Shareholders, (2) approving, on a non-binding advisory basis, the compensation of the Company's named executive officers, (3) ratifying the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2014 and (4) transacting such other business as may properly come before the meeting.

The persons named in the accompanying proxy form have been selected by the Board of Directors and will vote shares represented by valid proxies. They have indicated that, unless otherwise specified in the proxy, they intend to vote to elect as directors the ten nominees listed on pages 4 and 5, to approve, on a non-binding advisory basis, the compensation of our named executive officers and to ratify the appointment of Ernst & Young LLP.



**Table of Contents**

**PROPOSAL 1 ELECTION OF DIRECTORS**

Our Board of Directors (sometimes referred to as the Board ) currently has ten members. The Board, after considering the recommendation of the Nominating and Governance Committee, unanimously nominated the ten nominees listed below for election to the Board at the Annual Meeting.

The directors elected at the Annual Meeting will hold office until the 2014 Annual Meeting of Shareholders or until their successors are duly elected and qualified. Unless otherwise instructed, the persons named in the accompanying proxy form intend to vote the proxies held by them for the election of the ten nominees named below. The Board has no reason to believe that any of the nominees will be unable to serve as a director. In the event, however, of the death or unavailability of any nominee or nominees, a proxy with a vote for such nominee or nominees will be voted for such other person or persons as the Board may recommend unless the Board, in response to the death or unavailability, chooses to reduce the size of the Board or the number of directors, or take other action.

**PROPOSAL 1:** To elect Richard C. Breeden, Cynthia L. Feldmann, Jacqueline B. Kosecoff, David B. Lewis, Kevin M. McMullen, Walter M Rosebrough, Jr., Mohsen M. Sohi, John P. Wareham, Loyal W. Wilson, and Michael B. Wood as directors for terms expiring at the 2014 Annual Meeting of Shareholders.

Ms. Feldmann, Drs. Kosecoff, Sohi and Wood and Messrs. Breeden, McMullen, Lewis, Rosebrough, Wareham and Wilson were all last elected as directors by the shareholders at the 2012 Annual Meeting for terms expiring at the 2013 Annual Meeting.

**Table of Contents****NOMINEES FOR ELECTION AS DIRECTORS**

As to all the nominees, the following provides their age, the year in which each became a STERIS director, their principal occupations and recent employment history, and any directorships held in companies having securities registered pursuant to the Securities Exchange Act of 1934 during the last five years.

**Richard C. Breeden**, age 63, director since April 2008, and Chairman and CEO of Breeden Capital Management LLC, a manager of equity investment funds, since 2005. He has also served since 1996 as Chairman of Richard C. Breeden & Co., LLC, a professional services firm that provides a wide range of consulting services. Mr. Breeden also from time to time handles asset distributions to victims of unlawful conduct, typically on behalf of U.S. Government agencies. Since late 2012, Mr. Breeden has served as Special Master on behalf of the U.S. Department of Justice ( DOJ ) to administer and distribute more than \$2.3 billion in forfeited assets to victims of the fraud at Madoff Securities. Mr. Breeden has previously handled asset distributions to victims of unlawful conduct at WorldCom, Enron, Adelphia, Royal Dutch Shell and other companies. From 2005 to 2009, Mr. Breeden served as Corporate Monitor of KPMG LLP on behalf of DOJ under a deferred prosecution agreement between DOJ and KPMG relating to tax shelter frauds. From 1989 to 1993, Mr. Breeden served as Chairman of the U.S. Securities and Exchange Commission. Mr. Breeden also currently is serving a statutory three year term as a member of the Standing Advisory Group of the Public Company Accounting Oversight Board. During the past five years, Mr. Breeden has also served on the boards of Banco Bilbao Vizcaya Argentaria, S.A. of Spain, Zale Corporation and H&R Block, Inc., where he was non-executive Chairman as well as a director.

**Cynthia L. Feldmann**, age 60, director since March 2005 and President and Founder of Jetty Lane Associates, a consulting firm, from December 2005 to December 2011. Ms. Feldmann is a retired certified public accountant with 27 years of experience in two large global accounting firms. From 2003 to 2005 Ms. Feldmann served as the Life Sciences Business Development Officer for the Boston law firm Palmer & Dodge, LLP. From 1994 to 2002, Ms. Feldmann was a partner with KPMG LLP, primarily serving as Partner-in-Charge of its National Medical Technologies Practice. From 1975 to 1994, Ms. Feldmann was employed by Coopers & Lybrand (now PricewaterhouseCoopers LLP), and during that time was named Partner-in-Charge of its Life Sciences practice. Ms. Feldmann has a Bachelor of Science, Accounting, from Boston College and holds a Professional Director Certification from the American College of Corporate Directors. Ms. Feldmann is a director of Hanger, Inc. and HeartWare International, Inc. She previously served on the Board of Hayes Lemmerz International, Inc.

**Jacqueline B. Kosecoff**, age 63, director since October 2003 and, since March 2012, Managing Partner, Moriah Partners, LLC, a private equity firm focused on health services and technology and Senior Advisor to Warburg Pincus LLC. She also has served as a member of the SAP America, Inc. Executive Advisory Board since November 2010. From October 2007 to November 2011, Dr. Kosecoff served as Chief Executive Officer of OptumRx (formerly named Prescriptions Solutions), a pharmacy benefits management company and subsidiary of UnitedHealth Group, and continued to serve as a senior advisor to OptumRx from December 2011 to February 2012. Dr. Kosecoff served as Chief Executive Officer of Ovations Pharmacy Solutions, a UnitedHealth Group company, from December 2005 to October 2007. From July 2002 to December 2005, Dr. Kosecoff served as Executive Vice President, Specialty Companies, of PacifiCare Health Systems, Inc., one of the nation's largest consumer health organizations. From 1998 to 2002, Dr. Kosecoff was President and Founder of Protocare, Inc., a firm involved in the development and testing of drugs, devices, biopharmaceutical and nutritional products, and consulting and analytic services. Dr. Kosecoff is a director of Sealed Air Corporation, CareFusion Corporation and athenahealth, Inc.

**David B. Lewis**, age 68, director since July 2010. Mr. Lewis has been a partner since 1982 with the firm of Lewis & Munday, a Detroit based law firm with offices in Washington, D.C., Seattle, WA, and New York, NY. He served as its Chairman from 1982 to January 2011. He is a director of H&R Block, Inc. and The Kroger Company. Previously, Mr. Lewis served on the Boards of Conrail, Inc., LG&E Energy Corp., M.A. Hanna, TRW, Inc., and Comerica, Inc.

**Table of Contents**

**Kevin M. McMullen**, age 52, director since July 2000, and Chairman of the Board, Chief Executive Officer, and President of OMNOVA Solutions Inc., a major innovator of decorative and functional surfaces, emulsion polymers, and specialty chemicals, since February 2001. Mr. McMullen was President of GenCorp Inc.'s Decorative & Building Products business unit from 1996 until GenCorp's spin-off of OMNOVA in 1999. Mr. McMullen became President and Chief Operating Officer of OMNOVA in 2000. Before joining GenCorp, Mr. McMullen was employed by General Electric Corporation in its Commercial & Industrial Lighting business from 1991 to 1996, and McKinsey & Company from 1985 to 1991.

**Walter M Rosebrough, Jr.**, age 59, director and President and Chief Executive Officer of STERIS Corporation since October 2007. From February 2005 to September 2007, Mr. Rosebrough served as President and CEO of Coastal Hydraulics, Inc., a hydraulic and pneumatic systems company he purchased in 2005, and he continues to serve as its non-executive Chairman. Previously, Mr. Rosebrough spent nearly 20 years in the healthcare industry in various roles as a senior executive with Hill-Rom Holdings, Inc. (at the time, Hillenbrand Industries, Inc.), a worldwide provider of medical equipment and related services, including President and CEO of Support Systems International and President and CEO of Hill-Rom.

**Mohsen M. Sohi**, age 54, director since July 2005, and since July 2012, CEO of Freudenberg and Co., a general multi-industry company serving industries that include automotive, medical, aerospace, oil and gas and power generation and transmission. From July 2010 to June 2012, Dr. Sohi served as Managing Partner of Freudenberg and Co. From March 2003 through June 2010, Dr. Sohi served as President and Chief Executive Officer of Freudenberg-NOK, a privately-held joint venture partnership between Freudenberg and NOK Corp. of Japan, the world's largest producer of elastomeric seals and custom molded products for automotive and other applications. From January 2001 to March 2003, Dr. Sohi was with NCR Corporation, a leading global technology company, most recently as the Senior Vice President, Retail Solutions Division. Prior to NCR, Dr. Sohi was with Honeywell International Inc. and its pre-merger constituent, Allied Signal, Inc., providers of aerospace, automation & control solutions, specialty materials and transportation systems, for 14 years, serving from July 2000 to January 2001 as President, Honeywell Electronic Materials. Dr. Sohi is a director of Aviat Networks, Inc. (formerly known as Harris Stratex Networks, Inc.). Dr. Sohi previously served on the Board of Hayes Lemmerz International, Inc.

**John P. Wareham**, age 71, director since November 2000. Mr. Wareham was appointed Chairman of the Board of Directors of STERIS in May 2005. In April 2005, Mr. Wareham retired as Chairman of the Board and Chief Executive Officer of Beckman Coulter, Inc., a leading provider of laboratory systems and complementary products used in biomedical analysis, a position which he held since February 1999. Previously Mr. Wareham served as President and Chief Operating Officer of Beckman Coulter, a position he assumed in 1993. Mr. Wareham is a director of ResMed Inc. Mr. Wareham previously served on the Boards of Beckman Coulter, Inc., Greatbatch, Inc. and Accuray Incorporated.

**Loyal W. Wilson**, age 65, director since 1987, and Managing Director of Primus Capital Partners, Inc., a private equity investment and management firm, since 1994 and a Managing Partner of Primus Venture Partners, L.P. since 1983. Primus companies are investors in established, high growth firms in the business services, healthcare and education industries. Mr. Wilson previously served on the Boards of Marlin Business Services Corp. and Corinthian Colleges, Inc.

**Michael B. Wood**, age 69, director since October 2004, and from August 2004 to the present a consultant orthopedic surgeon at the Mayo Clinic in Jacksonville, Florida and a Professor of Orthopedics at the Mayo Clinic College of Medicine. Dr. Wood served from June 2004 to August 2004 as a staff orthopedic surgeon at Luther-Midelfort Clinic in Eau Claire, Wisconsin. Dr. Wood served as President Emeritus of the Mayo Clinic Foundation from February 2003 until February 2004, and President and CEO of the Mayo Clinic Foundation from 1999 to 2003. The Mayo Clinic Foundation is a charitable, not-for-profit organization based in Rochester, Minnesota, and is the parent corporate entity of the Mayo Clinics in Minnesota, Florida and Arizona. Dr. Wood is a director of Cubist Pharmaceuticals, Inc.

## **Table of Contents**

The Board of Directors believes that each of the director nominees has the necessary personal and professional ethics, integrity, experience, commitment, judgment, diversity of background, and other attributes to make them well qualified to serve as a director of STERIS.

Mr. Breeden's experience as Chairman of the U.S. Securities and Exchange Commission, CEO of an investment advisory firm, and a director of several public companies. Mr. Breeden's experience provides our Board with extensive managerial, governance and regulatory insights regarding issues facing public companies. As an investor, Mr. Breeden also provides valuable insight on issues such as shareholder return, executive compensation programs, and capital structure.

Ms. Feldmann's experience as Partner-in-Charge of a national medical technologies practice and Life Sciences practice for leading public accounting firms and director of publicly traded companies. Ms. Feldmann's overall experience and financial expertise supports the Board's oversight of critical financial policy, reporting and risk matters encountered by public companies.

Dr. Kosecoff's experience as a Chief Executive Officer for a number of large healthcare organizations and a director of publicly traded companies. Dr. Kosecoff's background provides our Board with extensive managerial, government and regulatory experiences and insight in the healthcare industry.

Mr. Lewis's many years experience as a practicing attorney, and as a director of several public companies. Mr. Lewis's background provides our Board with an important perspective regarding legal, regulatory and financial issues (although he does not serve in a legal capacity or provide legal advice to STERIS or our Board).

Mr. McMullen's experience as Chairman, President, and Chief Executive Officer of a publicly traded company. Mr. McMullen's experience as chief executive of an international public company with a diverse employee population brings significant understanding of managerial, human resources and compensation matters to the Board.

Mr. Rosebrough's experience as President and Chief Executive Officer for several corporations and many years experience as a senior executive in the healthcare industry. Mr. Rosebrough leads the Company's management team, assists the Board in its oversight of the Company, and provides unique perspectives into the healthcare industry and our operations, direction and strategies.

Dr. Sohi's experience as President and Chief Executive Officer of international industrial companies, and international operating experience. Dr. Sohi provides our Board with substantial manufacturing, operational and international experience, which are important factors for the Board's oversight and the Company's strategies.

Mr. Wareham's many years as Chairman and Chief Executive Officer of a publicly traded corporation in the biomedical field, as well as other senior executive and board of director positions. Mr. Wareham's broad-based experience and leadership roles provide the Board and the Company with extraordinary healthcare industry perspectives and insights.

Mr. Wilson's many years experience as Managing Director of a private equity investment and management firm. Mr. Wilson provides valuable managerial, investment, and financial experience that support the Board's oversight of management and issues generally facing public companies.

Dr. Wood's experience as President and CEO of one of the most prestigious medical organizations in the world and as a director of the Institute for Healthcare Improvement. Dr. Wood provides the Board with the unique perspective of a user of medical instrumentation, as a surgeon, as well as hospital managerial experience as the former CEO of The Mayo Clinic Foundation.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF RICHARD C. BREEDEN, CYNTHIA L. FELDMANN, JACQUELINE B. KOSECOFF, DAVID B. LEWIS, KEVIN M. MCMULLEN, WALTER M ROSEBROUGH, JR., MOHSEN M. SOHL, JOHN P. WAREHAM, LOYAL W. WILSON AND MICHAEL B. WOOD.**

**Table of Contents**

**PROPOSAL 2 TO APPROVE, ON A NON-BINDING ADVISORY BASIS, THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS.**

We believe that our compensation policies and procedures are based on a pay-for-performance philosophy and are aligned with the long-term interests of our shareholders. However, to obtain the specific input of shareholders with respect to these policies and procedures in accordance with the provisions of the Wall Street Reform and Consumer Protection Act ( Dodd-Frank Act ) and Section 14A of the Securities Exchange Act of 1934, the proposal described below provides shareholders with the opportunity to approve, on a non-binding advisory basis, the compensation of our named executive officers.

This proposal, commonly known as a Say on Pay proposal, gives shareholders the opportunity to provide input to endorse or not endorse the compensation of the Company's named executive officers. We are currently conducting say-on-pay votes every year, and expect to hold the next say-on-pay vote in connection with our 2014 Annual Meeting. We strongly encourage you to carefully review the Compensation Discussion and Analysis and compensation tables and narrative discussions and related material beginning on page 19 of this Proxy Statement. Thereafter, we request your input on the compensation of the Company's named executive officers through your vote on the following resolution:

**Resolved, that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to the disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, compensation tables and narrative discussions, is approved on a non-binding advisory basis.**

The non-binding resolution to approve the compensation of our named executive officers will be considered adopted if approved by the affirmative vote of the holders of a majority of the Common Shares represented in person or by proxy and entitled to vote at the Annual Meeting. Because your vote is advisory, it will not be binding upon the Board or the Compensation Committee. However, the Compensation Committee will take into account the outcome of the vote when considering future executive compensation decisions.

**PROPOSAL 2:** To approve, on a non-binding advisory basis, the compensation of our named executive officers.

Proxies will be voted to approve on a non-binding advisory basis the compensation of our named executive officers in the absence of instructions to the contrary.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE APPROVAL, ON A NON-BINDING ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY'S NAMED EXECUTIVE OFFICERS.**

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**Table of Contents**

**PROPOSAL 3 RATIFICATION OF THE APPOINTMENT OF THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP has been reappointed as the Company s independent registered public accounting firm for the fiscal year ending March 31, 2014 by the Audit Committee of the Board. The Board recommends ratification of this appointment by the shareholders.

**PROPOSAL 3:** To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending March 31, 2014.

Approval of Proposal 3 will require the affirmative vote of the holders of a majority of the Common Shares represented in person or by proxy and entitled to vote at the Annual Meeting. Approval of Proposal 3 will not preclude the Board or Audit Committee from selecting a different registered public accounting firm at any time during the fiscal year if it determines such change would be in the best interests of the Company and our shareholders.

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS THE COMPANY S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING MARCH 31, 2014.**

\*\*\*\*\*

**UNLESS OTHERWISE SPECIFIED, THE PROXY HOLDERS WILL VOTE FOR**

**PROPOSALS 1, 2 AND 3.**

\*\*\*\*\*

**VOTING ON OTHER MATTERS**

We have no knowledge of any other matters to be presented for vote to the shareholders at the Annual Meeting. In the event other matters do properly come before the meeting, the persons named in the proxy form will vote in accordance with their judgment on such matters.

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**Table of Contents**

**BOARD OF DIRECTORS INFORMATION**

**BOARD MEETINGS AND COMMITTEES**

Our Board of Directors met six times during the fiscal year ended March 31, 2013. The Board has four standing committees – the Audit Committee, the Compensation Committee, the Nominating and Governance Committee and the Compliance Committee. Each committee has adopted a written charter that may be found at <http://www.steris.com/about/ir/corpgovbridge.cfm>. A copy of each charter will also be made available upon a request sent to the Company’s Secretary. From time to time, our Board has also established various special committees.

**Audit Committee**

Ms. Feldmann and Messrs. Breeden, Lewis and Wilson are the current members of the Audit Committee. The Audit Committee provides oversight relating to the integrity of the Company’s financial statements and financial reporting process, including its systems of internal accounting and financial controls, the internal audit process, the annual independent audit of the Company’s annual financial statements, compliance with legal and regulatory requirements, the independent registered public accounting firm’s qualifications and independence, and related matters. SEC rules provide that only a person who meets certain independence criteria may serve on the audit committee of a public company. The Board has determined that Ms. Feldmann and Messrs. Breeden, Lewis and Wilson each meet those independence criteria for audit committee members and that all such members also are independent within the meaning of the NYSE listing standards, and are financially literate and have accounting or related financial expertise within the meaning of NYSE listing standards. The Board has further determined that Ms. Feldmann qualifies as an audit committee financial expert in accordance with Item 407(d)(5)(ii) of Regulation S-K as a result of the Board’s examination of her education, public accounting firm experience (including experience in preparing, auditing and evaluating financial statements), other board and audit committee experiences and prior STERIS Audit Committee experience. Ms. Feldmann graduated from Boston College in 1975 with a BS degree in Accounting and became a Certified Public Accountant in 1979. She was employed by Coopers & Lybrand (now PricewaterhouseCoopers), was admitted to the partnership in 1986, and was subsequently named Partner-in-Charge of its Life Sciences practice. From 1994 to 2002, Ms. Feldmann was employed by KPMG, primarily serving as Partner-in-Charge of its National Medical Technologies Practice. During her employment with these public accounting firms, Ms. Feldmann was in charge of and actively supervised the audits of numerous public companies in many of the same industries in which STERIS participates. In addition, Ms. Feldmann has served on the audit committee of other U.S. public companies.

The Audit Committee met eight times during fiscal 2013. A copy of the Audit Committee’s charter may be found at <http://www.steris.com/about/ir/corpgovbridge.cfm>. A copy will also be made available upon a request sent to the Company’s Secretary.

**Compensation Committee**

Messrs. McMullen, Wareham, Wilson and Wood are the current members of the Compensation Committee. The Board has determined that all members of the Compensation Committee are independent, within the meaning of the NYSE listing standards as revised effective commencing July 1, 2013. None of the members of the Compensation Committee had any interlocking relationships with the Company, within the meaning of SEC rules.

The Compensation Committee is responsible for the Company’s general compensation philosophy for senior management, including approval of the compensation of the President and Chief Executive Officer and elements of other senior management compensation. The Compensation Committee’s approval is required for equity



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## **Table of Contents**

grants to the named executive officers and other executive officers under the Company's 2006 Long-Term Equity Incentive Plan and annual performance bonus payments under the Company's Management Incentive Compensation Plan and Senior Executive Management Incentive Compensation Plan. In making these decisions, the Compensation Committee considers the recommendations of the President and Chief Executive Officer and the Committee's compensation consultant. The Compensation Committee also is responsible for the Company's compensation philosophy for the directors, reviews director compensation in relation to certain other companies, and discusses this review with and makes recommendations to the Board. The Compensation Committee is authorized to and has regularly retained independent compensation consultants and other advisors to assist with the discharge of its responsibilities. A more detailed description of this process is located under Executive Compensation Compensation Discussion and Analysis, beginning on page 19.

The Compensation Committee believes that the design of our executive compensation program continues to provide appropriate incentives and alignment with shareholders. The Committee voluntarily solicited the input of shareholders regarding our executive compensation program at our 2010 Annual Meeting of Shareholders through a non-binding advisory say on pay proposal similar to that described previously in this Proxy Statement, and since that time has continued to seek shareholder input on our executive compensation in accordance with the provisions of Dodd-Frank as described in this Proxy Statement. The Compensation Committee also has determined that the Company's employee compensation policies and practices are not reasonably likely to have a material adverse effect on the Company.

The Compensation Committee met three times during fiscal 2013. A copy of the Compensation Committee's charter may be found at <http://www.steris.com/about/ir/corpgovbridge.cfm>. A copy will also be made available upon a request sent to the Company's Secretary.

### **Nominating and Governance Committee**

Messrs. Breeden and Lewis and Drs. Kosecoff and Sohi are the current members of the Nominating and Governance Committee. The Board has determined that all members of the Nominating and Governance Committee are independent within the meaning of the NYSE listing standards. The Nominating and Governance Committee provides oversight relating to the administration of the Company's policies, programs and procedures with respect to: senior management succession planning and other management and organizational development activities; the identification and recommendation of individuals for consideration to become Board members, consistent with criteria approved by the Board; recommendations to the Board of director nominees for appointment or election to the Board of Directors; the development and recommendation to the Board of corporate governance principles applicable to the Board and the Company; and overseeing the process for evaluation of governance matters generally, including Board, Board Committees, and CEO evaluations; evaluation of related person transactions and potential conflicts; evaluation of shareholder proposals; and compliance with the Board's governance guidelines.

The Nominating and Governance Committee met three times during fiscal 2013. A copy of the Nominating and Governance Committee's charter may be found at <http://www.steris.com/about/ir/corpgovbridge.cfm>. A copy will also be made available upon a request sent to the Company's Secretary.

### **Compliance Committee**

Drs. Kosecoff, Wood and Sohi and Mr. Rosebrough are the current members of the Compliance Committee. The Compliance Committee provides oversight relating to legal, regulatory, and health, safety and environmental matters, compliance with applicable laws and regulations, and compliance programs and policies. The Compliance Committee met four times during fiscal 2013. A copy of the Compliance Committee's charter may be found at <http://www.steris.com/about/ir/corpgovbridge.cfm>. A copy will also be made available upon a request sent to the Company's Secretary.

**Table of Contents**

**Meetings**

Each director attended more than 75% of the aggregate of all meetings of the Board of Directors and the committees on which he or she served while in office during fiscal 2013.

**Summary Table of Standing Committee Members**

The following table summarizes the membership of the Board's standing Committees during fiscal 2013:

|                            | Directors | Audit | Compensation | Compliance | Nominating<br>and<br>Governance |
|----------------------------|-----------|-------|--------------|------------|---------------------------------|
| Richard C. Breeden         |           |       |              |            |                                 |
| Cynthia L. Feldmann        |           |       |              |            |                                 |
| Jacqueline Kosecoff, Ph.D. |           |       |              |            |                                 |
| David B. Lewis             |           |       |              |            |                                 |
| Kevin M. McMullen          |           |       |              |            |                                 |
| Walter M Rosebrough, Jr.   |           |       |              |            |                                 |
| Mohsen M. Sohi, D.Sc.      |           |       |              |            |                                 |
| John P. Wareham            |           |       |              |            |                                 |
| Loyal W. Wilson            |           |       |              |            |                                 |
| Michael B. Wood, M.D.      |           |       |              |            |                                 |
| = Member                   |           |       |              |            |                                 |
| = Chairperson              |           |       |              |            |                                 |

**The Board and Oversight of Risk**

The Board has determined that the existing leadership structure, with Mr. Wareham serving as Chairman of the Board and Mr. Rosebrough serving as President and Chief Executive Officer, as well as a director, is currently the most efficient and effective structure for the Company. The Board believes that separation of the Chairman of the Board and CEO roles provides an effective balance between management and director participation in the Board process.

The Board of Directors and each of its standing Committees has oversight with respect to business risks identified by the Company or risks which the Directors may identify or consider based on their experience. Management of the Company is responsible for the operation of the business and the reasonable management of risks that may arise in the course of our business, and must provide the appropriate control environment, and procedures and programs to identify, detect, and reasonably manage risks encountered by the Company. While they do not conduct risk-related audits or implement risk-related procedures, the Board and its Committees endeavor to understand the Company's strategies and drivers of success, engage in a constructive dialogue with management about potential risks and risk management, and monitor the Company's internal control and compliance activities. For example: (1) the Audit Committee monitors internal controls; (2) the Compliance Committee monitors quality, regulatory and litigation risks; (3) the Compensation Committee provides risk oversight regarding the Company's incentive and other compensation programs and practices; (4) the Nominating and Governance Committee provides oversight regarding potential conflicts, governance and

**Table of Contents**

succession risks; and (5) the Audit Committee and the Board provide oversight concerning the Company's enterprise risk management (ERM) process, which is our integrated, process-orientated, approach to managing key business risks. Each Committee also provides reports on risk oversight matters in their area of responsibility to the Board. In providing this oversight, the Board and Committees rely on information, opinions, reports or statements, including financial statements and other data prepared or presented by officers or employees of the Company, legal counsel, independent accountants, or other professional or expert advisors.

**Table of Contents**

**GOVERNANCE GENERALLY**

Our business is managed by our employees under the oversight of the Board of Directors. Except for Mr. Rosebrough, none of the Board members was an employee of the Company during fiscal 2013. The Board limits membership of the Audit Committee, Compensation Committee and Nominating and Governance Committee to persons determined to be independent non-management directors.

The Board of Directors has established Governance Guidelines that, along with the charters of the Board committees, the Company's Code of Business Conduct for employees and the Director Code of Ethics, provide the framework for the governance of the Company. Our Governance Guidelines, Code of Business Conduct for employees, Director Code of Ethics, Board Committee charters and other corporate governance information are available on the Corporate Governance page under the Investor Relations section of the Company's website at <http://www.steris.com/about/ir/corpgovbridge.cfm>. Any shareholder also may request these items in print, without charge, by contacting the Corporate Secretary at STERIS Corporation, 5960 Heisley Road, Mentor, Ohio 44060.

The Board of Directors has charged the Nominating and Governance Committee with helping the Company to remain in the forefront of good corporate governance. The Nominating and Governance Committee is responsible for periodically reviewing and making recommendations to the Board of Directors in connection with the Company's governance principles and practices.

**Independence Standards**

The Board believes that independent directors must comprise a substantial majority of the Board. It is expected that at least two-thirds of the Bo