

STERIS CORP
Form DEF 14A
June 07, 2011
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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

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(Name of Registrant as Specified in its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(3) Filing Party:

(4) Date Filed:

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STERIS CORPORATION

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

TO OUR SHAREHOLDERS:

The 2011 Annual Meeting of Shareholders of STERIS Corporation will be held at 9:00 a.m., Eastern Time, on Thursday, July 28, 2011, 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 2012 Annual Meeting, approve the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan, hold a non-binding advisory shareholder vote regarding executive compensation of our named executive officers, hold a non-binding advisory vote regarding whether an advisory vote on executive compensation will occur every 1, 2 or 3 years 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 of the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan, FOR approval, on a non-binding advisory basis, of the compensation of our named executive officers, FOR the advisory vote on executive compensation to occur every year 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

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STERIS CORPORATION

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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

JULY 28, 2011

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 28, 2011, 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 2012 Annual Meeting of Shareholders;
2. To approve the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan;
3. To hold a non-binding advisory vote regarding compensation of our named executive officers;
4. To hold a non-binding advisory vote regarding whether an advisory vote on executive compensation should occur every 1, 2 or 3 years;
5. To ratify the appointment of the Company s independent registered public accounting firm for the fiscal year ending March 31, 2012; and
6. 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 31, 2011 as the record date for determining shareholders entitled to notice and to vote at the Annual Meeting and any adjournments.

The Company s Annual Report to Shareholders for the year ended March 31, 2011 is available to shareholders. The Proxy Statement accompanies this Notice.

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

June 7, 2011

PLEASE NOTE: STERIS has implemented Securities and Exchange Commission rules that allow proxy materials to be furnished to shareholders over the Internet. 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.

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STERIS CORPORATION

5960 Heisley Road

Mentor, Ohio 44060

440-354-2600

Annual Meeting of Shareholders

July 28, 2011 9:00 a.m. (Eastern Time)

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GENERAL INFORMATION

PROXY VOTING AND SOLICITATION OF PROXIES

This Proxy Statement was furnished on or about June 10, 2011, to the shareholders of STERIS Corporation ("STERIS" or the "Company") of record as of the close of the stock transfer books on May 31, 2011. This Proxy Statement is provided in connection with the solicitation by the Board of Directors of proxies for the 2011 Annual Meeting of Shareholders to be held at 9:00 a.m., Eastern Time, on Thursday, July 28, 2011, 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 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 2011 Annual Report available at 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 2011 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 deposited with 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 31, 2011), the Company had 59,410,910 Common Shares outstanding and entitled to vote at the 2011 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.

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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 nominees named in this Proxy Statement, FOR the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan, FOR approval, on a non-binding advisory basis, of the compensation of our named executive officers, FOR an advisory vote on executive compensation to occur every year 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. Except for abstentions in connection with the proposal on the amendment and restatement of the 2006 Long-Term Equity Plan, 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 10 directors to serve until the Company's 2012 Annual Meeting of Shareholders, (2) approving the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan, (3) holding a non-binding advisory shareholder vote regarding executive compensation, (4) holding a non-binding advisory shareholder vote regarding whether an advisory vote on executive compensation will occur every 1, 2 or 3 years, (5) ratifying the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2012 and (6) 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 10 nominees listed on pages 4 and 5, to approve the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan, to approve, on a non-binding advisory basis, the compensation of our named executive officers, for an advisory vote on executive compensation to occur every year, and to ratify the appointment of Ernst & Young LLP.

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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 Compensation and Corporate 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 2012 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 2012 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 2010 Annual Meeting for terms expiring at the 2011 Annual Meeting.

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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 61, director since April 2008, and Chairman and Chief Executive Officer of Breeden Capital Management LLC, the manager of a series of affiliated investment funds, since 2005. He has also served since 1996 as Chairman of Richard C. Breeden & Co., LLC, a professional services firm specializing in strategic consulting, financial restructuring and corporate governance advisory services. From 2005 to 2009, Mr. Breeden served as Corporate Monitor of KPMG LLP on behalf of the U.S. Department of Justice under a Deferred Prosecution Agreement with KPMG LLP. Mr. Breeden served as Chairman of the U.S. Securities and Exchange Commission from 1989-1993. During the past five years, Mr. Breeden has also served on the Boards of Applebee's International, Inc., 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 58, director since March 2005 and President and Founder of Jetty Lane Associates, a consulting firm, from December 2005 to the present. From November 2003 to September, 2005 Ms. Feldmann served as the Life Sciences Business Development Officer for the Boston law firm Palmer & Dodge, LLP. From September 2002 to November 2003 Ms. Feldman was involved in a variety of personal business matters. From 1994 to 2002, Ms. Feldman was employed by KPMG LLP, primarily serving as Partner-in-Charge of its National Medical Technologies Practice. From 1986 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 is a director of Hanger Orthopedic Group, Inc. She previously served on the Board of Hayes Lemmerz International, Inc.

Jacqueline B. Kosecoff, age 62, director since October 2003, has served since 2007 as Chief Executive Officer of OptumRx (formerly named Prescriptions Solutions), a pharmacy benefits management company and subsidiary of UnitedHealth Group. 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 and CareFusion Corporation.

David B. Lewis, age 67, 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, Lansing MI, 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.

Kevin M. McMullen, age 50, 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, and Chairman, Chief Executive Officer and President of OMNOVA in 2001. 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 57, 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

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Coastal Hydraulics, Inc., a hydraulic and pneumatic systems company he purchased in 2005, and he continues to serve as its non-executive Chairman. From January 2003 until February 2005, Mr. Rosebrough was involved in a variety of personal business matters including the purchase of Coastal Hydraulics. From 2000 to 2003, he was President and CEO of Vasocor, Inc., a start-up focused on the development of medical devices to detect atherosclerosis. Prior to Vasocor, Mr. Rosebrough spent nearly 20 years in the healthcare industry in various roles as a senior executive with Hillenbrand Industries, Inc., a worldwide provider of medical equipment and related services, including President and CEO of Support Systems International, President and CEO of Hill-Rom, and Executive Vice President of Hillenbrand.

Mohsen M. Sohi, age 52, director since July 2005, and since July 2010, Managing Partner of Freudenberg and Co., a general multi-industry company serving various industries including automotive, medical, aerospace, oil and gas and power generation and transmission. 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 69, 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 63, 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 67, director since October 2004, and from August, 2004 to the present a consultant orthopedic surgeon at the Mayo Clinic in Jacksonville, Florida and as 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.

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. For example, the extensive experience and background of these nominees includes:

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.

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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' many years experience as a practicing attorney, and as a director of several public companies. Mr. Lewis' 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 an international industrial company, 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 believes these diverse and complimentary backgrounds, and the depth of experience of each of the director nominees, makes each of them well qualified.

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. SOHI, JOHN P. WAREHAM, LOYAL W. WILSON AND MICHAEL B. WOOD.

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The Board recommends a vote for approval of the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Plan, as amended March 13, 2007. Pursuant to the Company's 2006 Long-Term Equity Incentive Plan ("2006 Plan" or, for purposes of this discussion concerning Proposal 2, "Plan"), which was originally approved by the Company's shareholders in July, 2006, the Company grants equity incentives to non-employee directors and employees of STERIS and its subsidiaries. The Board believes that the ability to attract and retain outstanding directors, executives and other key employees is critical to the continuing success of STERIS and that the ability to grant equity incentive compensation is important to the achievement of this objective. The Board also believes that the Plan, along with the Company's stock ownership guidelines for senior management, allow STERIS to continue to provide directors and key employees a significant identity of interest with STERIS shareholders. Pursuant to IRS regulations, certain of the equity incentives provided under the Plan to named executive officers that might otherwise be deductible by the Company may not be deductible unless the Plan is reapproved by shareholders at intervals of five years or less.

The Company is seeking shareholder approval of the amendment and restatement of the Plan at the Annual Meeting (a) in order that gains on the exercise of non-qualified stock options and stock appreciation rights ("SARs") and certain other performance based compensation that may be subsequently awarded under the Plan will continue to be deductible under Section 162(m) of the Internal Revenue Code of 1986, as amended, pursuant to the shareholder reapproval requirement referenced above, (b) to make sufficient equity available under the Plan for awards for the next several years, (c) to eliminate certain sublimits on the various types of awards that may be made under the Plan, (d) to revise the general vesting rules applicable to awards of stock options, SARs, restricted stock and restricted stock units to employees of certain age and service levels and (e) to make certain other less significant changes. As of May 31, 2011 there were approximately two million nine hundred and eighty-two thousand one hundred and forty-five (2,982,145) Common Shares available for Plan equity grants, including up to two million four hundred and thirty-one thousand nine hundred and thirty-seven (2,431,937) Common Shares available for nonqualified and incentive stock option grants, six hundred and eighty-two thousand four hundred and five (682,405) Common Shares available for grants of restricted stock and restricted stock units and one million five hundred and sixty-seven thousand seven hundred and ninety (1,567,790) Common Shares available for grants of performance shares and performance share units and other awards. Approval of the Plan amendment and restatement will increase the number of Common Shares available for equity grants under the Plan by one million six hundred thousand (1,600,000) shares and generally eliminate the Plan sublimits described above.

The following summary is a brief description of the Plan. This summary is qualified in its entirety by reference to the Plan and is to be interpreted solely in accordance with the Plan, a copy of which is attached as Appendix A to this Proxy Statement.

Plan Features / Limitations

The Plan authorizes equity-based compensation in the form of stock options, SARs, restricted stock, restricted stock units, performance shares and performance units and other equity-based awards for the purpose of attracting and retaining the Company's non-employee directors, officers and employees, and providing incentives and rewards for superior performance. Some of the key features of the Plan that reflect the Board's commitment to effective management of incentive compensation are set forth below and are described more fully under the heading "Summary of the Plan" and in the Plan, which is attached to this Proxy Statement as Appendix A.

Plan Limits. Total awards under the Plan as amended and restated would be limited to Eight Million Two Hundred Thousand (8,200,000) Common Shares. This limit would apply to all awards made since the original Plan effective date, July 26, 2006. In addition, as amended and restated, the Plan would eliminate separate limitations on the maximum number of Common Shares that can be issued in connection with non-qualified stock options, restricted stock and restricted stock units, and performance shares, performance units and other share-based awards. The only separate sublimit that would remain based upon type of award would be for incentive stock options; the number of Common

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Shares that may be issued or transferred upon the exercise of incentive stock options may not exceed 2,000,000. The Plan also limits the aggregate number of stock options and SARs that may be granted to any one participant in a calendar year to 1,000,000 Common Shares and the aggregate number of shares of restricted stock or restricted stock units subject to the achievement of specified management objectives (as discussed below), performance shares, performance units or other awards under Section 10 of the Plan subject to achievement of specified management objectives that may be granted to any one participant in a calendar year to 500,000 Common Shares (or, in the case of performance units, the cash equivalent thereof based on the market value per share on the date of grant).

Recycling Provisions. The following Common Shares will reduce the aggregate Plan limit: (1) Common Shares tendered in payment of the option price; (2) Common Shares withheld by STERIS to satisfy the tax withholding obligation; and (3) Common Shares covered by SARs to the extent the SAR is exercised and settled in Common Shares, whether or not shares are actually issued upon exercise. Also, shares that are repurchased by STERIS with option right proceeds will not be added to the aggregate Plan limit described above. The Plan provides that the number of Common Shares underlying awards that expire or are forfeited will not reduce the number of Common Shares available for issuance under the Plan.

No Repricing. STERIS has never repriced underwater stock options or SARs, and repricing of options and SARs is prohibited without shareholder approval under the Plan.

Exercise Price Limit. The Plan also provides that no stock options or SARs will be granted with an exercise or base price less than the fair market value of STERIS Common Shares on the date of grant.

Delegation. The Board has paramount authority for administration of the Plan. Most of this authority will be delegated to the Board's Compensation and Corporate Governance Committee (consisting of only independent directors). Pursuant to such delegation, the Compensation and Corporate Governance Committee will have the powers and authority of the Board as described herein. References in this description of the Plan to the Board include the Compensation and Corporate Governance Committee, as appropriate. The Plan also permits certain delegations to be made to or by the Chief Executive Officer.

Summary of the Plan

Shares Available Under the Plan. As stated above, subject to adjustment as provided in the Plan, the number of STERIS Common Shares that may be issued or transferred under the Plan as amended and restated:

upon the exercise of option rights and SARs;

in payment of restricted stock and released from a substantial risk of forfeiture thereof;

in payment of restricted stock units;

in payment of performance shares or performance units that have been earned;

as awards to non-employee directors;

as other awards contemplated by the Plan; or

in payment of dividend equivalents paid with respect to awards made under the Plan, from and after the Plan effective date of July 26, 2006 will not exceed in the aggregate Eight Million Two Hundred Thousand (8,200,000) Common Shares. Common Shares issued under the Plan may be shares of original issuance or treasury shares or a combination of the foregoing.

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The total number of Common Shares available under the Plan as of a given date will not be reduced by any Common Shares relating to prior awards that have expired or have been forfeited or cancelled. Notwithstanding anything to the contrary contained in the Plan:

If Common Shares are tendered or otherwise used in payment of the option price of an option right, the total number of Common Shares covered by the option being exercised will reduce the aggregate Plan limit.

Common Shares withheld by STERIS to satisfy the tax withholding obligation will count against the aggregate Plan limit.

The number of Common Shares covered by an appreciation right, to the extent that it is exercised and settled in Common Shares, and whether or not Common Shares are actually issued to the participant upon exercise of the right, will be considered issued or transferred pursuant to the Plan.

In the event that STERIS repurchases Common Shares with option right proceeds, those Common Shares will not be added to the aggregate Plan limit.

The limits contained in the Plan are subject to certain adjustments as provided in the Plan in the event of stock splits, stock dividends, recapitalizations and certain other events.

Eligibility. Non-employee directors, officers and other employees of STERIS and its subsidiaries (including persons who have agreed to commence serving in any of those capacities within 90 days of the date of a grant) may be selected to receive benefits under the Plan. There were approximately 294 current non-employee directors, officers and employees eligible as of May 31, 2011. Selections are made and grants determined by the Board or by the Chief Executive Officer or his delegates, as applicable. However, all determinations in respect of directors and officers, within the meaning of Exchange Act Rule 16a-1(f) (Section 16 Officers), and persons subject to Section 162(m) of the Internal Revenue Code (Section 162(m) Persons) are required to be made by the Board.

Types of Awards Authorized. The Plan provides for the granting of dividend equivalents, option rights, SARs, restricted stock, restricted stock units, performance shares, performance units, awards to non-employee directors and other awards that may be denominated or payable in, valued in whole or in part by reference to or otherwise based on or related to, the Company's Common Shares or factors that may influence the value of its Common Shares. Awards granted under the Plan will be upon such terms as may be approved by the Board (or its delegate) and set forth in an evidence of award. An evidence of award will contain such terms and provisions, consistent with the Plan, as the Board (or its delegate) may approve. Stock options and SARs will not be granted with an exercise price or base price, as the case may be, less than the market value per share. The closing market price of STERIS Corporation Common Shares as reported on the New York Stock Exchange Composite on May 31, 2011 was \$36.09. Generally, no option right or SAR may be exercisable more than 10 years from the date of grant.

Except to the extent applicable Plan provisions, if any, are to otherwise apply, each grant of an award will specify the period of continuous service or other conditions that must be satisfied before the award is exercisable, vested or earned. Restricted stock and restricted stock units that vest upon the passage of time must be subject to restrictions for a period specified in the Plan or determined by the Board (or its delegate) at the date of grant. The specified performance period relating to performance shares and performance units will be a period of time determined by the Board (or its delegate) at the date of grant.

Grants of option rights, SARs, restricted stock or restricted stock units may provide for the earlier vesting or termination of restrictions relating to such award in the event of the retirement, death or disability of a participant and, unless otherwise provided in the applicable evidence of award, will provide for earlier vesting or termination of restrictions relating to such award in the event of a change in control of the Company. The performance period relating to any grant of performance shares or performance units may be subject to earlier lapse or modification in the event of the retirement, death or disability of a participant and, unless otherwise provided in the applicable evidence of award, will be subject to earlier lapse or modification in the event of a change in control of the Company.

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The Board may, in its discretion, authorize the granting to non-employee directors of option rights, SARs or other awards under the Plan and may also authorize the grant or sale of Common Shares, restricted stock or restricted stock units to non-employee directors. Non-employee directors are not eligible to receive performance shares or performance units under the Plan. Each grant of an award to a non-employee director will be on such terms and conditions as approved by the Board and will be reflected in an evidence of award in such form as will be approved by the Board.

Management Objectives. Under the Plan, the Board (or its delegate) must establish management objectives for purposes of performance shares and performance units. When so determined, option rights, SARs, restricted stock, restricted stock units, and other awards under the Plan or dividend credits may also specify management objectives. Management objectives may be described in terms of either company-wide objectives or objectives that are related to the performance of the individual participant or a subsidiary, segment, business unit, team, division, department, region or function within STERIS or a subsidiary in which the participant is employed. The management objectives may be based on the performance of STERIS relative to the performance of other companies, businesses or industries. Management objectives applicable to any award to a participant who is, or is determined by the Board (or its delegate) likely to become, a covered employee within the meaning of Section 162(m) of the Internal Revenue Code that is designated by the Board (or its delegate) as intended to satisfy the requirements for qualified performance-based compensation under Sections 162(m) of the Internal Revenue Code, will be limited to specified levels of or growth in one or more of the following: cash flow; cost of capital; cost reduction; customer service; debt reduction or leverage ratio; earnings and earnings growth (including earnings per share and earnings before interest and taxes (EBIT) and earnings before interest, taxes, depreciation and amortization (EBITDA)); economic value added; total shareholder return and improvement of shareholder return; inventory management; margins, including gross margin, EBIT, EBITDA and net income; market share; market value added; net income; productivity improvement; profit after taxes; project execution; quality; recruitment and development of associates; reduction of fixed costs; return on assets; return on equity; return on invested capital; return on total capital; revenue and revenue growth; sales and sales growth; successful start-up of new facility; successful acquisition, divestiture or other special project; unit volume; and working capital, including, but not limited to, inventory turns and days sales outstanding.

Exercise of Awards after Termination of Service. Unless otherwise provided in an evidence of award, the following rules will apply to awards under the Plan after a participant's service with STERIS is terminated:

Termination other than upon Qualifying Retirement, Death or Disability or for Cause. A vested stock option or SAR must be exercised during the three months following termination of service, except in the event of qualifying retirement, disability, or death, but not later than the expiration of the option or SAR. Upon any such termination of service, restricted stock for which a participant paid an acquisition price and with respect to which restrictions, conditions or contingencies have not lapsed as of the participant's termination date shall be offered by the participant to STERIS for resale at the acquisition price, except as otherwise provided in the applicable evidence of award. In addition, upon any such termination of service, restricted stock for which a participant did not pay an acquisition price, restricted stock units, performance shares, performance units, and any other award granted with respect to which restrictions, conditions or contingencies have not lapsed as of the participant's termination date shall be forfeited, except as otherwise provided in the applicable evidence of award or the Plan. The treatment of employees terminated for cause (as defined in the Plan) is described below.

Qualifying Retirement. Generally, if a participant retires from STERIS after having attained age 55 and having been in the service of STERIS for at least five consecutive years with requisite consents or approvals and without having engaged in any Detrimental Activity, and unless otherwise provided in the evidence of award, stock options, SARs, restricted stock, restricted stock units, performance shares, performance units and other awards held by the participant at the date of retirement that were granted to employees prior to the 2012 fiscal year or that are granted to directors will continue to vest as though the participant remained in the service of the Company through the fifth anniversary of the date of retirement provided the participant remains in good standing (as defined in the Plan). Unless otherwise provided in the applicable evidence of award, this continued vesting will not apply to stock options, SARs, restricted stock, restricted stock units performance shares,

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performance units and other awards granted to employees subsequent to the 2011 fiscal year. A vested stock option or SAR may be exercised starting on the date of retirement and ending on the first to occur of (1) the expiration date of the relevant award and (2) the fifth anniversary of the date of retirement. If a participant fails to remain in good standing, any outstanding stock options and SARs shall be forfeited.

Disability. If a participant's service with STERIS is terminated due to disability, a stock option or SAR may be exercised within a period of one year following such termination of service, but not later than the expiration of the option or SAR. In that event, restricted stock for which a participant paid an acquisition price and with respect to which restrictions, conditions or contingencies have not lapsed as of the participant's termination date shall be offered by the participant to STERIS for resale at the acquisition price, except as otherwise provided in the applicable evidence of award. Furthermore, restricted stock for which a participant did not pay an acquisition price, restricted stock units, performance shares, performance units, and any other award granted with respect to which restrictions, conditions or contingencies have not lapsed as of the participant's termination date shall be forfeited, except as otherwise provided in the applicable evidence of award.

Death. Upon the death of a participant, if a non-qualified stock option or SAR has not expired prior to the participant's death and would otherwise expire before the first anniversary of the participant's death, the expiration date of the award shall be extended to the first anniversary of the participant's death. Any stock options or SARs that are outstanding on the date of a participant's death shall become immediately exercisable and the participant's representative may exercise the stock option or SAR within a period of one year after the participant's death. Restrictions, conditions or contingencies on any restricted stock, restricted stock units, performance shares, performance units and any other award held by the participant at his or her date of death shall be modified by the Board or the CEO (or a delegate) in such manner as may be specified to give the participant's representative the benefit of those awards through the date of death.

Cause. Upon an employee's termination for cause (as defined in the Plan), any unexercised stock options and SARs shall immediately expire; restricted stock for which a participant paid an acquisition price and with respect to which restrictions, conditions or contingencies have not lapsed as of the participant's termination date shall be offered by the participant for resale to STERIS at the acquisition price; and restricted stock for which a participant did not pay an acquisition price, restricted stock units, performance shares, performance units, and any other award granted with respect to which restrictions, conditions or contingencies have not lapsed as of the participant's termination date shall be forfeited.

Other. If permitted by Section 409A of the Code, in the case of termination of employment by reason of death, disability, retirement or in the case of unforeseeable emergency or other special circumstances of or relating to a participant, the Board or the CEO (or a delegate) may in its sole discretion accelerate the time at which awards may be exercised, the time at which the substantial risk of forfeiture or prohibition or restriction on transfer will lapse or terminate, or the time at which performance shares or performance units will be deemed to have been fully earned or may waive any other limitation or requirement under any award, except in the case of a covered employee where such action would result in the loss of the otherwise available exemption of the award under Section 162(m) of the Internal Revenue Code.

Administration and Amendments. In general, the Plan is to be administered by the Board, except that the Board has the authority to delegate its powers under the Plan to the Compensation and Corporate Governance Committee, to another committee of the Board (or a subcommittee thereof), or to one or more officers of the Company. The Chief Executive Officer or his delegates are authorized by the terms of the Plan to take certain actions. The Board will delegate most of the administration of the Plan to its Compensation and Corporate Governance Committee. The Compensation and Corporate Governance Committee is authorized to interpret the Plan and related agreements and other documents with respect to all directors and Section 16 Officers and Section 162(m) Persons. However, any director whose specific rights under the Plan are the subject of any interpretation by the Board (or its delegate) shall not take part in or contribute to such interpretation, conclusion or determination. With respect to all participants in the Plan other than directors and Section 16 Officers and Section 162(m) Persons, the Chief Executive Officer (or his delegate) of STERIS is authorized to interpret the Plan and any related agreement, notification or document. The Board may amend the Plan from time to time

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without further approval by the Company's shareholders, except where the amendment: (1) would materially increase the benefits accruing to participants under the Plan; (2) would materially increase the number of securities which may be issued under the Plan, (3) would materially modify the requirements for participation in the Plan or (4) must otherwise be approved by the shareholders of the Company in order to comply with applicable law or rules, including rules of the principal national securities exchange upon which the Common Shares are traded or quoted.

Change in Control. Upon a change in control of STERIS, except as otherwise provided in the applicable evidence of award, any awards that are outstanding as of the date of the change in control that are subject to vesting requirements and that are not then vested, will become fully vested and immediately exercisable and all restrictions and other conditions prescribed by the Board (or its delegate), if any, with respect to awards granted pursuant to the Plan will lapse, expire or terminate and all such awards will be deemed to be fully earned. The events giving rise to a change in control will be those set forth in the Plan attached as Appendix A to this Proxy Statement, or, if a different definition of change in control is contained in the applicable evidence of award, will be those events set forth in the applicable evidence of award.

Transferability. Except as otherwise determined by the Board (or its delegate), no award granted under the Plan is transferable by a participant except, upon death, by will or the laws of descent and distribution, and in no event shall an award granted under the Plan be transferred for value. Except as otherwise determined by the Board (or its delegate), option rights and SARs are exercisable during the optionee's lifetime only by him or her or by his or her guardian or legal representative.

Adjustments. The Board shall make or provide for such adjustments in the numbers of Common Shares covered by outstanding option rights, SARs, restricted stock units, performance shares and performance units granted hereunder and, if applicable, in the number of Common Shares covered by other awards granted pursuant to Section 10 of the Plan and in the option price and base price provided in outstanding option rights and SARs, and in the kind of shares covered thereby, as is equitably required to prevent dilution or enlargement of the rights of participants or optionees that otherwise would result from (a) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of the Company, (b) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (c) any other corporate transaction or event having an effect similar to any of the foregoing. The Board shall also make or provide for such adjustments in the numbers of shares authorized for grant under the Plan as is appropriate to reflect any transaction or event described in the preceding sentence. Moreover, in the event of any such transaction or event or in the event of a Change in Control, the Board, in its discretion, may provide in substitution for any or all outstanding awards under the Plan such alternative consideration (including cash), if any, as it may determine to be equitable in the circumstances and may require in connection therewith the surrender of all awards so replaced. In addition, for each option right or SAR with an option price or base price greater than the consideration offered in connection with any such transaction or event or Change in Control, the Board may in its discretion elect to cancel such option right or SAR without any payment to the person holding such option right or SAR.

Detrimental Activity. Any grant may provide that if a participant, either during employment by STERIS or a subsidiary or within a period of two years (or such other period as may be specified in the applicable evidence of an award) after termination of employment, engages in any detrimental activity, as defined in the Plan, the participant may be required to forfeit any awards granted under the Plan then held by the participant or, in the sole and complete discretion of the Company, return to STERIS, in exchange for payment by STERIS of any amount actually paid for the Common Shares by the participant, all Common Shares that the participant has not disposed of that were offered, acquired or paid out pursuant to or in connection with the Plan within a period of two years (or such longer period as may be specified in the evidence of award) prior to the date of the commencement of the detrimental activity or during or after the detrimental activity. With respect to any Common Shares acquired or paid out under the Plan within two years (or such longer period as may be specified in the evidence of an award) prior to the commencement of such detrimental activity, or during or after the detrimental activity, that the participant has disposed of, if so provided in the evidence of award for such grant

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and in the sole and complete discretion of the Company, the participant will pay to STERIS in cash the difference between (i) the market value per Common Share on the date such shares were acquired or paid out and (ii) any amount actually paid therefor by the participant pursuant to the Plan.

Withholding Taxes. To the extent that STERIS is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a participant or other person under the Plan, and the amounts available to STERIS for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the participant or such other person make arrangements satisfactory to STERIS for payment of the balance of such taxes required to be withheld, which arrangements (in the discretion of the Board) may include relinquishment of a portion of such benefit.

Federal Income Tax Consequences

The following is a brief summary of some of the federal income tax consequences to the recipient of certain transactions under the Plan based on federal income tax laws in effect on June 1, 2011. This summary is not intended to be complete, should not be used for individual tax planning, and does not discuss state or local tax consequences.

Non-qualified Option Rights. In general: (1) no income will be recognized by an optionee at the time a non-qualified option right is granted; (2) at the time of exercise of a non-qualified option right, ordinary income will be recognized by the optionee in an amount equal to the difference between the option price paid for the shares and the fair market value of the shares, if unrestricted, on the date of exercise; and (3) at the time of sale of Common Shares acquired pursuant to the exercise of a non-qualified option right, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

Incentive Option Rights. No income generally will be recognized by an optionee upon the grant or exercise of an incentive stock option (ISO). The exercise of an ISO, however, may result in alternative minimum tax liability. If Common Shares are issued to the optionee pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by such optionee within two years after the date of grant or within one year after the transfer of such shares to the optionee, then upon sale of such shares, any amount realized in excess of the option price will be taxed to the optionee as a long-term capital gain and any loss sustained will be a long-term capital loss.

If Common Shares acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above, the optionee generally will recognize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares at the time of exercise (or, if less, the amount realized on the disposition of such shares if a sale or exchange) over the option price paid for such shares. Any further gain (or loss) realized by the participant generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

SARs. No income will be recognized by a participant in connection with the grant of a SAR. When the SAR is exercised, the participant normally will be required to include as taxable ordinary income in the year of exercise an amount equal to the cash or the fair market value of any unrestricted Common Shares received on the exercise.

Restricted Stock. The recipient of restricted stock generally will be subject to tax at ordinary income rates on the fair market value of the restricted stock (reduced by any amount paid by the participant for such restricted stock) at such time as the shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Internal Revenue Code (Restrictions). However, a recipient who so elects under Section 83(b) of the Internal Revenue Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares (determined without regard to the Restrictions) over the purchase price, if any, of such restricted stock. If a Section 83(b) election has not been made, any dividends received with respect to restricted stock that is subject to the Restrictions generally will be treated as compensation that is taxable as ordinary income to the participant.

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Restricted Stock Units. No income generally will be recognized upon the award of restricted stock units. The recipient of a restricted stock unit award generally will be subject to tax at ordinary income rates on the fair market value of unrestricted common shares on the date that such shares are transferred or settled in cash with the participant under the award (reduced by any amount paid by the participant for such restricted stock units), and the capital gains/loss holding period for such shares will also commence on such date.

Performance Shares and Performance Units. No income generally will be recognized upon the grant of performance shares or performance units. Upon payment in respect of the earn-out of performance shares or performance units, the recipient generally will be required to include as taxable ordinary income in the year of receipt an amount equal to the fair market value of any unrestricted Common Shares received.

Section 409A of the Code. Although the Plan is intended to be compliant with the provisions of Section 409A of the Internal Revenue Code, to the extent that awards granted under the Plan are considered to provide for the deferral of compensation within the meaning of Section 409A and the rules, regulations and other guidance issued thereunder and any such award fails to comply with Section 409A, the recipient of any such award may be subject to income inclusion, interest and a 20% tax penalty as provided for under Section 409A for noncompliance.

Tax Consequences to STERIS or Subsidiary. To the extent that a participant recognizes ordinary income in the circumstances described above, STERIS or the subsidiary for which the participant performs services will be entitled to a corresponding deduction provided that, among other things, the income meets the test of reasonableness, is an ordinary and necessary business expense, is not an excess parachute payment within the meaning of Section 280G of the Internal Revenue Code and is not disallowed by the \$1 million limitation on certain executive compensation under Section 162(m) of the Internal Revenue Code.

Registration with the SEC

STERIS intends to file a new or amended Registration Statement on Form S-8 with the Securities and Exchange Commission registering the increase in the numbers of Common Shares available under the Plan as soon as practicable after approval of the Plan amendment and restatement by shareholders.

Plan Benefits

It is not possible to determine specific amounts and types of awards that may be awarded in the future under the Plan because the granting of awards under the Plan is discretionary.

PROPOSAL 2: To approve the amendment and restatement of the STERIS Corporation 2006 Long-Term Equity Incentive Compensation Plan.

Approval of Proposal 2 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. In addition, the rules of the New York Stock Exchange (NYSE) require approval by a majority of votes cast on Proposal 2, provided that the total votes cast on that proposal must represent over 50% in interest of all securities entitled to vote on the proposal. For purposes of the NYSE shareholder approval requirements, abstentions are deemed to be votes cast and will have the same effect as votes against Proposal 2. Broker non-votes are not counted as votes cast under the NYSE approval requirements. However, broker non-votes are considered to be entitled to vote and therefore could have an impact on satisfaction of the NYSE requirement that the total votes cast on Proposal 2 represent over 50% in interest of all securities entitled to vote on that proposal. If your broker holds your shares in its name, you are urged to provide your broker with voting instructions.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENT AND RESTATEMENT OF STERIS CORPORATION 2006 LONG-TERM EQUITY INCENTIVE PLAN.

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PROPOSAL 3 A NON-BINDING ADVISORY VOTE

REGARDING 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 cast a non-binding advisory vote regarding 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 strongly encourage you to carefully review the Compensation Discussion and Analysis and compensation tables and narrative discussions and related material beginning on page 26 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.

Because your vote is advisory, it will not be binding upon the Board or the Compensation and Corporate Governance Committee. However, the Compensation and Corporate Governance Committee will take into account the outcome of the vote when considering future executive compensation decisions.

PROPOSAL 3: To hold a non-binding advisory vote regarding 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 THIS NON-BINDING ADVISORY VOTE REGARDING THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS.

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**PROPOSAL 4 A NON-BINDING ADVISORY VOTE REGARDING WHETHER
AN ADVISORY VOTE ON EXECUTIVE COMPENSATION WILL OCCUR
EVERY 1, 2 OR 3 YEARS.**

The Dodd-Frank Act also requires us to provide our shareholders the opportunity to indicate how frequently we should seek a non-binding advisory vote, as provided in Proposal 3 included on page 15 of this Proxy Statement, regarding the compensation of our executive officers. By voting on this Proposal 4, shareholders may indicate whether they would prefer a non-binding advisory vote on named executive officer compensation once every one, two, or three years.

After careful consideration of this Proposal, our Board currently believes that an annual advisory vote on named executive officer compensation is the most appropriate frequency alternative for STERIS, and therefore our Board of Directors recommends that you vote for an advisory vote on executive compensation of our named executive officers to occur every year.

In formulating its recommendation, our Board considered that an annual advisory vote on executive compensation will allow our shareholders to provide us with their direct input on our compensation philosophy, policies and practices as disclosed in the Proxy Statement on a regular and frequent basis. Additionally, an annual non-binding advisory vote on executive compensation is consistent with our policy of seeking input from, and engaging in discussions with, our shareholders on corporate governance matters and our executive compensation philosophy, policies and practices. We understand that our shareholders may have different views as to what is the best approach for STERIS, and we look forward to hearing from our shareholders on this Proposal.

We request your input on your preferred voting frequency regarding executive compensation by choosing the option of one year, two years, three years or abstaining from voting.

The accompanying proxy card allows shareholders to vote for the advisory vote on executive compensation to occur every 1, 2 or 3 years, or to abstain from voting on this matter. Because this vote is advisory it will not be binding upon the Board or Compensation and Corporate Governance Committee. However the Compensation and Corporate Governance Committee will take into account the outcome of the vote when considering when to hold the next shareholder advisory vote on executive compensation.

PROPOSAL 4: To hold a non-binding advisory vote regarding whether an advisory vote on executive compensation will occur every 1, 2 or 3 years.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE FOR THE ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS TO OCCUR EVERY YEAR.

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PROPOSAL 5 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, 2012 by the Audit and Financial Policy Committee of the Board. The Board recommends ratification of this appointment by the shareholders.

PROPOSAL 5: To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the fiscal year ending March 31, 2012.

Approval of Proposal 5 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 5 will not preclude the Board or Audit and Financial Policy 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, 2012.

UNLESS OTHERWISE SPECIFIED, THE PROXY HOLDERS WILL VOTE FOR

PROPOSALS 1, 2, 3 AND 5 AND FOR THE ADVISORY VOTE ON COMPENSATION TO OCCUR EVERY YEAR ON PROPOSAL 4.

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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BOARD OF DIRECTORS INFORMATION

BOARD MEETINGS AND COMMITTEES

Our Board of Directors met five times during the fiscal year ended March 31, 2011. The Board has established three standing committees of the Board – the Audit and Financial Policy Committee, the Compensation and Corporate 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 and Financial Policy Committee

Ms. Feldmann and Messrs. Lewis and Wilson are the current members of the Audit and Financial Policy Committee (sometimes referred to as the Audit Committee). The Audit Committee provides oversight relating to the Company’s financial statements and financial reporting process, our systems of internal accounting and financial controls, the internal audit process, the independent audit process of annual financial statements, and investment and financial policies 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. 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. 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, 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. Feldman 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. Based on Ms. Feldmann’s education, experience in preparing, auditing and evaluating financial statements, and extensive audit and audit committee experience, the Board of Directors determined that Ms. Feldmann qualifies as an audit committee financial expert as defined by applicable regulation.

The Audit and Financial Policy Committee met eight times during fiscal 2011. A copy of the Audit and Financial Policy 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 and Corporate Governance Committee

Messrs. McMullen, Breeden and Wareham are the current members of the Compensation and Corporate Governance Committee (sometimes referred to as the Compensation Committee). The Compensation and Corporate Governance 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 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 Incentive Compensation Plan and Senior Executive 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

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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 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 26.

The Compensation and Corporate Governance Committee believes that the design of our executive compensation program continues to provide appropriate incentives and alignment with shareholders, without creating unreasonable risk. The Committee has, however, 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 is continuing to seek shareholder input on our executive compensation in accordance with the provisions of Dodd-Frank as described in this Proxy Statement.

In addition, the Compensation Committee makes recommendations to the Board of Directors concerning the composition, structure and operation of the Board and Board nominee recommendations, in this respect performing nominating committee functions. Finally, it develops and recommends to the Board corporate governance principles for the Company and oversees the process for evaluation of the Board and senior management. All members of the Compensation Committee are independent, within the meaning of the NYSE listing standards, and have no interlocking relationships with the Company, within the meaning of SEC rules. The Compensation and Corporate Governance Committee met three times during fiscal 2011. A copy of the Compensation and Corporate 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 2011. 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.

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 2011.

The Board and Oversight of Risk

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 and Financial Policy Committee monitors internal controls and certain credit, liquidity and operational risks; (2) the Compliance Committee monitors quality, regulatory and litigation risks; and (3) the Compensation and Corporate Governance Committee provides oversight regarding

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potential conflicts, governance and succession risks, and risk with respect to the Company's executive compensation programs. Each committee then provides reports on risk oversight matters in their area of responsibility to the Board. In providing this oversight, the Board and Committees may 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.

Summary Table of Meetings

The following table summarizes the membership of the Board and of each of its Committees during fiscal 2011, as well as the number of times the Board and each Committee met during fiscal 2011.

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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 2011. The Board limits membership of the Audit and Financial Policy Committee and Compensation and Corporate 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 Compensation and Corporate Governance Committee with helping the Company to remain in the forefront of good corporate governance. The Compensation and Corporate 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 Board should be independent. Under our Governance Guidelines, an independent director is one who meets the definition of independence as defined by NYSE listing requirements. A director will not be considered independent if he or she has a material relationship with the Company. Generally, the Board will not consider a director to be independent under the following circumstances:

The director is, or has been within the last three years, an employee of the Company, or an immediate family member of the director is, or has been within the last three years, an executive officer, of the Company;

The director or an immediate family member has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(a) The director or an immediate family member is a current partner of a firm that is our internal or external auditor; (b) the director is a current employee of such a firm; (c) the director has an immediate family member who is a current employee of such a firm who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) the director or an immediate family member was within the last three years (but is no longer) a partner or employee of such a firm and personally worked on our audit within that time;

The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another entity where any of the present executive officers at the same time serves or served on that entity's compensation committee;

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

The director is an executive officer of a charitable organization and, within the last three years, the Company's charitable contributions in any year to the organization (exclusive of gift-match payments) exceed the greater of \$1 million or 2% of the organization's consolidated gross revenues.

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Based upon the foregoing criteria, the Board of Directors has determined that the following directors are independent: Richard C. Breeden, Cynthia L. Feldmann, Jacqueline B. Kosecoff, David B. Lewis, Kevin M. McMullen, Mohsen M. Sohi, John P. Wareham, Loyal W. Wilson, and Michael B. Wood.

Related Person Transactions

During fiscal 2011, we have not been a participant in, and there are not currently proposed, any related person transactions (within the meaning of, and required to be disclosed under, Item 404(a) of Regulation S-K).

Our Director Code of Ethics provides that STERIS directors may not receive any loans, consulting fees, or other material personal profit or benefit in connection with any transaction involving STERIS, other than compensation, expense payments and committee fees as a director (or in the case of a director employed by the Company, compensation as an employee), as approved by the full Board. Other than such payments, a director must disclose to the Company's General Counsel any transaction, or proposed transaction, between a STERIS entity and the director, a member of the director's immediate family, or a business the director or an immediate family member owns, controls, or has a substantial interest in. Directors also may not have a personal or family financial interest in any STERIS supplier, customer, consultant, reseller or competitor that has a reasonable potential for causing a conflict of interest or divided loyalty, or resulting in material personal gain.

Our Code of Business Conduct for employees requires that relationships with third parties, as well as all business decisions, be based on what is required by law and in the best interests of STERIS, and not be motivated or influenced by personal considerations. This Code also requires that employees discuss with their supervisor or the STERIS Legal Department any activity that might create a conflict of interest, including personal financial interests that might reasonably affect their business judgment on behalf of the Company. Our Conflicts of Interest Policy also contains prohibitions with respect to conflicts of interest or transactions involving personal financial gain.

In addition, our Board has adopted a policy with respect to related party transactions. In general, this policy requires that all transactions or proposed transactions between the Company and a related party that exceed \$120,000 and in which the related party has a direct or indirect material interest, be disclosed to and ratified or approved by the Compensation and Corporate Governance Committee or by disinterested members of our full Board. Under this policy, related parties include all of our Directors and executive officers and their immediate family members, and entities owned (more than 5% ownership) by a Director, executive officer or their immediate family members. In fiscal year 2011, there were no related party transactions between us and related parties that required ratification or approval under this policy.

Governance Guidelines

Our Board adopted its Governance Guidelines to assist primarily with the proper management and governance of the activities of the Board. The following is a summary of those Guidelines. A complete copy of the Governance Guidelines may be found at <http://www.steris.com/about/ir/corpgovbridge.cfm>.

Director Retirement Unless otherwise approved by the Board, a director is expected to retire from the Board at the first Shareholders' Meeting following the director's 72nd birthday.

Annual Meeting of Shareholders The Board of Directors encourages all of its members to attend the Annual Meeting of Shareholders. All of the current directors were present at the 2010 Annual Meeting of Shareholders.

Executive Sessions The independent directors of the Board will meet separately as a group at least every other regularly scheduled Board meeting. The Chairman or Lead Director (if the Chairman is not independent) will assume the chair of the meetings of independent directors and assume such further tasks

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as set forth in the Governance Guidelines and as the independent directors may determine from time to time. As indicated under Independence Standards above, the current Chairman has been determined to be independent.

Authority Each member of the Board has complete and open access to management. Board members are expected to use their judgment so as to not distract management from the day-to-day operation of the Company. The Board and each committee have the authority to obtain advice, reports or opinions from internal and external counsel and expert advisors and have the power to hire independent legal, finance and other advisors as they may deem necessary, without consulting with, or obtaining approval from, any officer in advance.

Board and Committee Evaluations The Board has conducted self-evaluations as well as individual director evaluations to assess the effectiveness of the Board and its members. The Chairman (or Lead Director, if the Chairman is not independent) and the Compensation and Corporate Governance Committee coordinate these evaluations. The purpose of these self-evaluations is to increase the effectiveness of the Board and each committee, as well as their individual members. Changes in Board committee structure and director compensation, if any, are to be evaluated and recommended by the Compensation and Corporate Governance Committee, but require the concurrence of the full Board.

New Director Orientation All new directors will be provided an orientation to acquaint them with the Company's business, strategies, long-range plans, financial statements, the Governance Guidelines, and the Director Code of Ethics. New directors will also be introduced to our senior management, internal auditor, and independent auditor. In addition, from time to time, directors will receive information and updates on legal and regulatory changes that affect the Company, its employees and the operation of the Board. The Compensation and Corporate Governance Committee will from time to time make other recommendations regarding further educational opportunities for directors.

Attendance at Meetings In order to effectively oversee management, all directors are expected to attend Board meetings and meetings of committees of which they are members. In discharging this oversight obligation, directors may reasonably rely on the integrity of management and the independent auditor. Directors who attend less than 75% of Board meetings and meetings of committees of which they are members for two consecutive years will be subject to assessment by the Board to determine continued eligibility for directorship.

Shareholder Communications Shareholders and other interested parties may communicate with the Board of Directors as a group, with the non-management directors as a group, or with any individual director by sending written communications to STERIS Corporation, 5960 Heisley Road, Mentor, Ohio 44060-1834, Attention: Secretary. Complaints regarding accounting, internal accounting controls, or auditing matters will be forwarded directly to the chairperson of the Audit and Financial Policy Committee. All other communications will be provided to the individual directors or group of directors to whom they are addressed. Communications that are considered to be improper for submission to the intended recipients will not be provided to the directors. Examples of communications that would be considered improper for submission include, without limitation, solicitations, routine customer matters, communications that do not relate, directly or indirectly, to our business and communications that relate to improper or irrelevant topics.

Ethics Phone line Employees have been instructed that if they have any questions or concerns about compliance with the Company's Policies, applicable laws, or principles as outlined in the STERIS Code of Business Conduct, or are unsure of the right thing to do, they should talk with their supervisor, their local or Corporate Human Resources department personnel, STERIS's Vice President and Chief Compliance Officer, Internal Audit or the STERIS Legal Department, or call the STERIS Ethics Line.

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Ernst & Young LLP was appointed as the Company's independent registered public accounting firm for the fiscal year ending March 31, 2011, by the Audit and Financial Policy Committee of the Board of Directors. A representative of Ernst & Young LLP is expected to be present at the 2011 Annual Meeting with an opportunity to make a statement if so desired and to answer appropriate questions with respect to that firm's audit of the Company's financial statements and records for the fiscal year ended March 31, 2011.

The Audit and Financial Policy Committee has adopted policies and procedures which are intended to control the services provided by Ernst & Young LLP and to monitor their continuing independence. Under these policies, the Audit and Financial Policy Committee must pre-approve all services performed by Ernst & Young LLP. In addition, the Audit and Financial Policy Committee may delegate authority to grant certain pre-approvals to a member of the Committee. Pre-approvals granted by a member of the Committee are reported to the full Audit and Financial Policy Committee at its next regularly scheduled meeting.

The aggregate fees billed for professional services by Ernst & Young LLP for the fiscal years ended March 31, 2011 and March 31, 2010 were:

Type of Fees	Years Ended	
	2011	2010
	March 31,	
	(in thousands)	
Audit Fees	\$ 2,225	\$ 2,055
Audit-Related Fees	200	155
Tax Fees	3	3
All Other Fees	0	0
Total	\$ 2,428	\$ 2,213

All of the services provided by Ernst & Young LLP in fiscal year 2011 were pre-approved in accordance with the Audit and Financial Policy Committee's pre-approval policies and procedures described above. In the above table, Audit Fees are fees paid to Ernst & Young LLP for professional services for the audit of the Company's consolidated financial statements included in Form 10-K and review of financial statements included in Form 10-Qs, for the audit of the Company's internal control over financial reporting and for services that are provided by the accountant in connection with statutory audits; Audit-Related Fees include fees billed by Ernst & Young LLP for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements, benefit plan audits and advisory services; and Tax Fees include fees for tax compliance, tax advice and tax planning.

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REPORT OF THE AUDIT AND FINANCIAL POLICY COMMITTEE

The Board of Directors of the Company has adopted a written Audit and Financial Policy Committee charter. The Audit and Financial Policy Committee has been established in accordance with the Securities Exchange Act of 1934. Based on the review and determination of the Board, members of the Audit and Financial Policy Committee meet the financial literacy and independence criteria to serve on the audit committee of a public company.

The Audit and Financial Policy Committee has reviewed and discussed with the Company's management and Ernst & Young LLP, the Company's independent registered public accounting firm, the audited financial statements of the Company contained in the Company's Annual Report on Form 10-K for the year ended March 31, 2011. The Audit and Financial Policy Committee has also discussed with the Company's independent registered public accounting firm the matters required to be discussed pursuant to the Statement on Accounting Standards No. 61, as amended (Codification of Statements on Auditing Standards, *Communication with Audit Committees*), as adopted by the Public Company Accounting Oversight Board in Rule 3200T.

The Audit and Financial Policy Committee has received and reviewed the written disclosures and the letter from Ernst & Young LLP required by the Public Company Accounting Oversight Board regarding Ernst & Young's communications with the Audit and Financial Policy Committee concerning independence, and has discussed with Ernst & Young LLP their independence. The Audit and Financial Policy Committee has also concluded that Ernst & Young LLP's provision of non-audit services to the Company is compatible with their independence.

Based on the review and discussions referred to above, the Audit and Financial Policy Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2011 filed with the Securities and Exchange Commission.

Audit and Financial Policy Committee of the Board of Directors

Cynthia L. Feldmann Chairperson

David B. Lewis

Loyal W. Wilson

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EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation and Corporate Governance Committee Overview

The Compensation and Corporate Governance Committee of our Board of Directors, which we refer to throughout this Compensation Discussion and Analysis as the Committee, was comprised of three members in fiscal year 2011. Each member satisfied the independence standards of the rules of the New York Stock Exchange. The Committee is responsible for approving the compensation of the President and Chief Executive Officer (which we refer to as CEO) and senior management, and our general compensation philosophy. The Committee also approves annual equity grants under our equity incentive compensation plan for eligible employees, as well as the maximum amount payable under our annual cash bonus plans, based upon performance criteria established by the Committee under those plans. The Committee regularly has retained compensation consultants and other advisors to assist with its responsibilities.

General Compensation Philosophy

Our management compensation programs are designed to align management's interests with the long-term interests of shareholders and to support and promote the achievement of our goals and objectives by helping to recruit and retain executive talent required to successfully manage our business. Our management compensation programs seek to align compensation with individual and Company performance to achieve the goals and objectives of the business by providing and balancing incentives for annual financial performance as well as the generation of long-term value, growth and profitability. Therefore, management compensation is generally structured to provide a significant portion of the compensation opportunity on the basis of the long-term performance of STERIS stock, as well as business performance and other factors that influence shareholder value.

Some of the recent executive compensation practices adopted or supported by the Committee include:

Say on pay advisory vote voluntarily submitted to shareholders in 2010 to solicit input regarding the Company's executive compensation policies and procedures;

Recommendation of shareholder approval of an annual advisory vote on the compensation of the Company's named executive officers as described in more detail in this Proxy Statement;

Generally extending the vesting period for full vesting of restricted shares granted to senior management from 3 years to 4 years, beginning in fiscal year 2011;

Generally eliminating continued vesting of equity awards subsequent to termination of employment, beginning with fiscal year 2012 awards;

Expansion of policies providing for clawbacks of incentive compensation paid to key employees in the event of a financial restatement;

Adopting and expanding share ownership guidelines for senior management; and

Maintaining CEO base salary at the same level since 2007.

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The Committee believes that it must maintain flexibility in establishing compensation practices to allow it to address compensation trends, competitive issues, business needs, industry and the broader economic environment, and special situations that will be encountered in the recruitment, retention, and promotion of employees. Therefore, the compensation practices approved by the Committee will likely vary from year to year and from person to person, depending on the particular circumstances.

Table of Contents**Process for Determining Senior Management Compensation**

Senior management compensation is generally reviewed and established on an annual basis by the Committee. Our fiscal year ends on March 31. Therefore, Committee members typically begin the assessment of compensation for senior management in March (the last month of the fiscal year). The Committee typically meets again in April and/or May (early in the new fiscal year) to evaluate the performance of the Company and our named executive officers and, based on that evaluation, establish bonus amounts for the recently completed fiscal year, and finalize base salaries, set bonus criteria, and approve equity awards for senior management for the new fiscal year.

During the first portion of fiscal year 2011, Towers Watson assisted with the annual compensation reviews, providing historical and prospective views regarding total compensation for our executive officers. During the remainder of the fiscal year 2011, these responsibilities were assumed by Pay Governance LLC (Pay Governance) after it split off from Towers Watson. Pay Governance reports to the Committee and is charged with providing the Committee with competitive pay data and compensation trends, analysis and recommendations. Base salaries, cash bonus levels, equity compensation, and total compensation of senior management are examined against data from multiple sources and surveys developed and provided by the compensation consultant, as described below. The Committee generally targets the payment of base salaries, cash bonuses and equity compensation within a range of 25% above or below the midpoint of those components. This is a guideline around which there is likely to be variation, depending on individual factors and business results. Factors used in the process of assessing and determining senior management compensation include individual and team performance, scope of responsibilities and accountability, competitive and other industry compensation data, special circumstances and expertise, business performance, and comparison with compensation of our other senior managers. The CEO also provides recommendations to the Committee for compensation adjustments for the other senior managers.

To help assess the compensation of our executive officers, the Committee and its compensation consultant review market data relating to compensation of each of the named executive officers. This review includes the compensation consultant's analysis of proxy data from certain industrial companies (see listing below), information derived from multiple general compensation surveys, and other executive compensation data maintained by the consultant. This data includes peer companies with a focus on healthcare equipment and supplies and public companies primarily from the S & P 1500, adjusted by the consultant to reflect comparative company revenue. The Committee evaluates this data with the assistance of the consultant to develop a target and related range for base salary, incentive compensation (cash bonus), and long-term equity compensation for each executive position. Companies used by the consultant in the comparison compensation data include:

Advanced Medical Optics	Hill-Rom Holdings	Millipore
Beckman Coulter	Hologic	ResMed
Bio-Rad Laboratories	IDEXX Laboratories	Sirona Dental Systems
CR Bard	Intuitive Surgical	Stryker
CONMED	Invacare	Teleflex
Dentsply International	Kinetic Concepts	Varian Medical Systems
Edwards Lifesciences	Lincare Holdings	West Pharmaceutical Scvs

Executive Compensation Summary for Fiscal Year 2011

The Committee's consideration of the primary elements of compensation (base salary, incentive compensation (bonus) and equity compensation) for all of the named executive officers is based upon a combination of common criteria and measures applicable to all of the officers, as well as individual goals and objectives applicable specifically to each officer. For fiscal 2011, the Committee considered and applied a number of common criteria and measures to evaluate the named executive officers, including:

prior performance and compensation,

the complexity and scope of responsibilities of the officer's position,

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the officer's overall experience as well as experience with STERIS,

market and survey data developed by the compensation consultant,

the recommendation of the CEO, and

Company financial performance measures.

Individual goals and objectives varied for each named executive officer based on their area of responsibility. In fiscal 2011:

Mr. Rosebrough's individual goals and objectives related to regulatory compliance, Customer relations, product quality, new product introduction, employee relations and retention, organizational development, process improvement, profit and cash flow and safety performance.

Mr. Tokich's individual goals and objectives related to financial reporting and compliance, working capital initiatives, investor relations, cost management, organizational restructuring and safety performance.

Dr. Burke's individual goals and objectives related to new product innovation, product design and engineering initiatives, fundamental research strategy, regulatory matters, cost management and safety performance.

Mr. Chapman's individual goals and objectives related to segment financial performance, segment organizational leadership, Customer relations, product launch and transition initiatives, profit and cash flow, safety performance, information technology initiatives and business strategy initiatives.

Mr. Moss's individual goals and objectives related to regulatory compliance, segment financial performance, segment organizational leadership, Customer relations, profit and cash flow, and safety performance.

As CEO, Mr. Rosebrough has the broadest complexity and scope of responsibilities, as he has oversight for all aspects of our operations. All of our named executive officers, as well as other senior managers, report directly to Mr. Rosebrough. As a result of these various factors, individual performance against these factors, the individual's roles and scope of responsibilities, and the Company's performance, each element of compensation will necessarily vary between the named executive officers. In fiscal 2011, the Committee considered the Company's actual financial performance in a highly uncertain economic, political and regulatory environment, and compared that performance against targets. As discussed in more detail below, we achieved an aggregate of 87.2% of our fiscal year 2011 target performance goals for the incentive compensation financial metrics of earnings before interest and taxes and free cash flow. After aggregating these components, payments under our annual incentive compensation (cash bonus) plan are below the targets set for fiscal year 2011, reflecting the challenges in our business during the fiscal year. The Committee believes that our underlying executive compensation program is appropriate to reflect annual financial performance as well as rewarding and motivating behaviors that can create long-term shareholder value. For fiscal year 2011, the Committee evaluated the performance of the named executive officers, applying in each case the common criteria and measures and individual goals and objectives described above, as well as the Company's actual performance against the targeted financial performance for full payment of the incentive Compensation. As a result, the Committee approved the fiscal year 2011 compensation described below for each of the named executive officers.

Principal Components of Compensation for Named Executive Officers

For the named executive officers, our compensation program is designed to recruit and retain management and align compensation with individual and Company performance on both an annual and longer-term basis. Based on this general compensation philosophy, the Committee has established compensation for our named executive officers consisting of the following principal components:

base salary;

annual incentive compensation (cash bonus);

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long-term equity incentive compensation (generally stock options, restricted shares, restricted stock units, and/or other equity incentives); and

benefits and perquisites.

Base Salary:

Base salary for the CEO and other named executive officers is considered a basic component of executive compensation which is necessary to recruit and retain senior managers. In addition, base salary is intended to support compensation practices that are competitive among medical device, hospital supply, pharmaceutical, and other industrial, manufacturing and service companies which we draw from and compete with for executive talent.

Although the payment of base salary is not directly tied to achievement of certain pre-established financial goals, the Committee considers a number of factors in determining base salary, including previous performance, the consultant's data regarding compensation trends and practices, base salaries paid by other medical device, hospital supply, pharmaceutical, and other industrial companies, the complexity and responsibility of the executive's position, the executive's overall experience and achievements against objectives, as well as the general and industry market for executive talent. The Committee believes that the target salary for our executive positions should generally be 25% above or below the mid-point (50th percentile) for similar positions based on the survey data provided by the compensation consultant. While the mid-point may serve as a general guideline, other factors such as experience, time in position, complexity of functions, competitive environment, special skills and past performance are also considered. The Committee believes that base salaries for executives with significant experience and strong past performance should not generally exceed the 75th percentile for similar positions of industrial companies based on survey data. Based on these considerations and the Company's fiscal year operating plan, information from the compensation consultant, and recommendations of the CEO with respect to compensation adjustments for the other named executive officers, the Committee determines the appropriate salary level for the named executive officers. The Board of Directors also reviews the salary actions of the Committee.

With respect to our CEO, Mr. Rosebrough's annual base salary rate of \$750,000 was established as part of his employment agreement approved by our Board, which became effective October 1, 2007. Mr. Rosebrough's employment agreement and the determination of the compensation described in that agreement is further discussed in other parts of this Proxy Statement. At his request, Mr. Rosebrough's base salary rate for fiscal year 2011 has remained unchanged from the time he joined the Company. Although the Committee's assessment of the Company's performance, Mr. Rosebrough's performance, and the compensation consultant's survey data all indicated that an increase in base salary would have been appropriate, Mr. Rosebrough has encouraged the Committee to make no change to his base salary, and the Committee accepted his request. The survey data from the compensation consultant indicated that Mr. Rosebrough's base salary for fiscal year 2011 was below the mid-point.

With respect to the other named executive officers, the Committee applied the common criteria and results of individual performance objectives described above under Executive Compensation Summary, as well as the survey data from the compensation consultant, to assess base salaries for each officer. Base salaries for these officers for fiscal 2011 remained generally at or below the mid-point for their respective positions, other than for Dr. Burke. Dr. Burke's base salary for fiscal 2011 was above the midpoint but below the 75th percentile of the survey data for his position. In determining Dr. Burke's base salary, the Committee took into consideration his education (Ph.D. in microbiology), the unique technical aspects and requirements of his responsibilities as Chief Technology Officer specializing in sterilization sciences, and his significant role in product development and new product innovation. Mr. Rosebrough's base salary is greater than the other named executive officers, reflecting market conditions and the greater complexity and broader responsibilities of his position as CEO.

Table of Contents*Annual Incentive Compensation (bonus):*

Annual incentive compensation (or bonus) is considered necessary to attract and retain key employees. For the named executive officers, this incentive compensation is cash-based and is determined by the Committee based on our annual financial performance, the officer's business segment performance (or a combination thereof), as applicable, and the officer's individual performance against goals and objectives. Our annual incentive compensation is intended to reward past performance when financial objectives are achieved and motivate and help retain qualified individuals who have the opportunity to influence future results, advance business objectives, and enhance shareholder value. This element of compensation is designed to provide competitive awards when financial performance and personal objectives are achieved or exceeded, or a reduced award or no award when these objectives are not achieved.

Annual incentive compensation is generally based on a weighted formula of selected financial targets. An individual's annual incentive compensation target under our Incentive Compensation Plan or Senior Executive Incentive Compensation Plan (which we refer to collectively in this Compensation Discussion and Analysis as the Plans), is expressed as a percentage of base salary. The incentive compensation opportunity increases with the level of responsibility. For fiscal 2011, the target bonus for our CEO was 100% of base salary earned during the fiscal year. The bonus was based on performance against full year fiscal 2011 financial objectives, and could range from 0% to 200% of annual base salary based on actual performance against the established financial objectives, with the Committee having discretion to reduce Mr. Rosebrough's bonus based upon performance against individual objectives. For other senior managers, target bonus percentages range from 30% to 60% of annual base salary and annual incentive payments could range from 0% to 200% of target, based on actual performance against the established financial objectives and individual performance against personal objectives. This method of calculation is reviewed annually by the Committee with the compensation consultant and compared to the compensation consultant's survey data. The compensation consultant's survey data indicates that these incentive compensation ranges and target opportunities for each of the named executive officers are comparable to competitive and general industry compensation practices.

Financial targets for the incentive compensation plan are established annually based on our operating plan financial metrics for the fiscal year as reviewed with the Committee and approved by the Board. Each year, the Committee and the Board evaluate our annual operating plan and consider financial metrics important to shareholder value and designed to support the overall strength and success of our business. After consideration of the compensation consultant data, the recommendation of management, and approval of the Company's operating plan, certain Company financial performance metrics are identified and approved by the Committee to establish criteria to calculate bonus compensation targets under the Plans. The Bonus Plans are generally designed to set target bonus opportunities to reflect market median/50th percentiles for comparable positions and are sufficient to produce median cash bonus compensation if target results are achieved. Bonuses are structured to be sufficient to produce top quartile cash compensation when maximum goals are achieved. For fiscal year 2011, the Committee determined the applicable overall financial metrics to be free cash flow (which we define as cash flow from operating activities less purchases of property, plant, equipment and intangibles, net, plus proceeds from the sale of property, plant, equipment and intangibles) and earnings before interest and taxes (EBIT), excluding in each case the effect of amounts related to the following special items that the Committee considers not representative of ongoing operations: impairment and restructuring charges, gains or losses on sales of assets outside the ordinary course of business, gain or loss on sales or divestiture of a subsidiary, costs associated with divestiture of discontinued operations, acquisition-related costs, and special or one-time regulatory, tax, litigation, settlement, pension, benefit, or governmental charges, costs or expenses. Similar criteria were also approved and applied in fiscal years 2009 and 2010, again with certain adjustments.

The Committee assigned the following weighting to the Plan financial metrics, reflecting the Committee's emphasis on the respective components of financial performance for fiscal year 2011:

free cash flow 25%; and

earnings before interest and taxes (EBIT) 75%.

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For fiscal year 2011, the metrics and financial targets for calculating the potential payout under the Plans were reviewed by the Committee and the Board in April 2010. Target performance for EBIT and free cash flow for 100% payout under the Plans were \$208 million, and \$135 million, respectively. The Plans required a minimum EBIT of \$188 million before any payment would be made under the Plans and a minimum free cash flow of \$110 million before any payment would be made pursuant to the 25% free cash flow metric. Actual financial performance against the Plan criteria for fiscal year 2011, adjusted for the special items discussed above, was EBIT of \$214.8 million and free cash flow of \$43.7 million. Since the free cash flow minimum threshold was not achieved, no payout was made based on this component under the fiscal year 2011 incentive compensation Plans.

This performance resulted in an aggregate performance achievement of 87.2% against the targeted Bonus Plan payment range. The Committee reviewed the Plan terms and criteria and approved the bonus calculations using the 87.2% achievement level. After also considering individual performance against the objectives for each named executive officer described above in the Executive Compensation Summary section of this Compensation Discussion and Analysis, the following incentive compensation determinations for fiscal 2011 were approved:

CEO payment of \$555,900, based on performance against the Senior Executive Incentive Compensation Plan criteria and personal goals and objectives for fiscal year 2011;

Four other named executive officers an aggregate amount of \$671,730, based on performance against the Incentive Compensation Plan criteria and individual goals and objectives; and

604 other eligible employees an aggregate amount not to exceed \$10,146,537 to those 604 employees, based on performance against the Incentive Compensation Plan criteria.

Therefore, the maximum total incentive compensation payments approved by the Committee for distribution to eligible employees under the Plans for fiscal year 2011 was of \$11,472,267, including the payments to the named executive officers.

Long-Term Equity Incentive Compensation

Equity incentives are considered necessary to attract and retain key employees critical to our continuing, long-term success, as well as providing key employees a significant identity and alignment of interest with our shareholders. The Committee views nonqualified stock options, stock appreciation rights, restricted stock and restricted stock units as a critical and direct link between management and shareholders. All value earned through stock options is dependent upon an increase in the value of our stock price. All of our equity compensation plans have included a provision that stock options may not be granted at less than 100% of fair market value on the grant date and that options may not be re-priced.

Prior to fiscal year 2007, equity incentive awards were generally limited to stock options. Stock appreciation rights, restricted stock units and performance units were not granted and restricted shares were awarded only in very limited circumstances. In fiscal year 2007, the Board sought approval to expand the types and forms of equity compensation and proposed the STERIS Corporation 2006 Long-Term Equity Incentive Plan, or the 2006 Plan, for the approval of shareholders. The 2006 Plan was approved by shareholders in July 2006. (The 2006 Plan, as amended and restated, is submitted for approval by shareholders at the 2011 Annual Meeting see the discussion beginning at page 7.)

Long-term equity incentive awards are now made pursuant to the 2006 Plan. The 2006 Plan is administered by the Committee and provides for a variety of equity-based incentive compensation such as stock options, stock appreciation rights, restricted stock units, restricted stock and performance units. The Committee believes the 2006 Plan provides flexibility to design long-term equity compensation consistent with our long-term success and alignment with the interest of shareholders. As to the amount and type of equity incentives, the Committee generally considers the consultant's data regarding competitive trends and practices, the officer's salary and level within our organization, the nature and complexity of the position, the recommendation of the CEO, and the Committee's own evaluation of the performance of named executive officers, since the Committee members

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generally have an opportunity to observe their performance and have information on the level of past awards. The Committee ultimately decides the amount and mix of long-term compensation (stock options, stock appreciation rights, restricted shares and restricted share units) granted to each named executive officer.

The approval of long-term equity incentive compensation is typically made early in the fiscal year (April or May). The compensation consultant provides survey data for equity incentives, reflecting minimum, mid-point and maximum range of survey data for stock options and restricted shares applicable to each named executive officer. For fiscal year 2011, the survey's range was approximately 25% above and below the survey mid-point for both components of equity compensation. In fiscal 2008, the Committee established a guideline for pricing and valuation of annual long-term equity incentive compensation awards for the named executive officers, which would generally be based on the closing price of STERIS common stock on the NYSE Composite Transaction Reporting System on a designated trading day after we announce our prior year fourth quarter and full fiscal year earnings.

Long-term equity compensation grants for fiscal year 2011 were approved by the Committee in April 2010. The value of Mr. Rosebrough's fiscal year 2011 equity grants were approximately 20% below the market survey data provided by compensation consultant, as a result of Mr. Rosebrough's request that his grants be reduced from targets indicated by the consultant. The Committee honored Mr. Rosebrough's request and reduced his fiscal year 2011 equity grant below the recommended targets.

For fiscal year 2011 equity grants to the other named executive officers, the Committee considered survey data of the compensation consultant, common criteria and performance measures applicable to all of the officers, and individual goals and objectives applicable specifically to each officer, each as described above in the Executive Compensation Summary. The CEO also provided recommendations to the Committee regarding equity compensation for the other senior managers. The Committee assessed each of the named executive officers based on these considerations to determine the equity grants for each officer in fiscal year 2011. Because of market factors and the broader complexity and scope of responsibilities of his position, Mr. Rosebrough's long-term equity compensation is greater than the other named executive officers. The Committee approved these fiscal year 2011 long-term equity incentive compensation grants to the named executive officers, finding them to be reasonable and consistent with the survey data, the market for executive talent, and the Committee's philosophy of aligning management compensation with the interests of shareholders and the performance of business objectives. The equity compensation grants for the named executive officers were made subject to the terms and conditions of the agreements and the 2006 Plan described on pages 46 and 47. (Additional discussion of the 2006 Plan, including proposed amendments, which is being submitted for shareholder approval, is found at pages 7 through 14 of the Proxy Statement.)

Benefit and Perquisite Programs

Our named executive officers are eligible to participate in a number of benefit programs, including health, disability and life insurance programs and a qualified 401(k) plan, all of which are available to nonunion employees in the United States. Named executive officers may also participate in other benefit programs including an employee relocation program, a nonqualified deferred compensation program and management continuity (change in control) agreements.

The perquisites approved by the Committee for a limited number of senior managers, including our named executive officers, include tax preparation/financial planning allowance and car allowance. The Committee has also approved club dues and limited personal use of private aircraft by the CEO.

Stock Ownership Guidelines

In April 2010, the Committee revised the stock ownership guidelines approved in July 2006. The revised guidelines increase the ownership guideline level for most senior managers and re-set the time period to achieve the ownership amount. The Committee believes these revised guidelines further align the interests of senior

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management with those of the shareholders. Senior managers (including the named executive officers) are encouraged to maintain a significant equity interest in the Company through ownership of stock that they acquire either with their own funds or through certain long-term incentive awards. The Committee believes that stock ownership helps create economic alignment with shareholders and is a factor in motivating our senior management to enhance shareholder value. The following table outlines the number of Common Shares expected to be owned at various positions within STERIS:

Position:	Share Level:
CEO	120,000
Senior Vice Presidents	30,000
Corporate Vice Presidents	15,000

The following share types are included under these guidelines (stock options do not count toward share ownership):

Shares purchased outright;

Shares acquired from exercised stock options;

Shares purchased through the STERIS 401(k) plan; and/or

Restricted shares.

From April 2010 (or from the time a senior manager thereafter achieves a position subject to these guidelines), each senior manager has a five-year period to attain the applicable share ownership level. A steady increase in share ownership over the five-year period is encouraged. If the share ownership guideline is not achieved within that period, the CEO or the Committee is authorized to take into consideration the facts and circumstances with respect to that failure and take whatever action he or they consider appropriate, including restricting or eliminating future equity awards to the particular officer. At this point, none of the named executive officers are outside of these guidelines.

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies for certain compensation in excess of \$1 million paid to any person who on the last day of the fiscal year is the Company's chief executive officer or among the three highest compensated named executive officers (other than the chief executive officer and chief financial officer). Certain compensation is specifically exempt from the deduction limit to the extent that it does not exceed \$1 million during any fiscal year or is performance based as defined in Section 162(m). Incentive compensation payable under the Senior Executive Incentive Compensation Plan is intended to be performance based for these purposes. Stock options and stock appreciation rights as well as certain other types of equity incentive compensation available under the 2006 Plan also are intended to be performance based and exempt from the deduction limit; however, to avail of this exemption for future awards, it is necessary for the shareholders to again approve the 2006 Plan (see the explanation of Proposal 2 beginning at page 7). The Committee believes that it is generally in our interest to structure compensation to come within the deductibility limits set in Section 162(m) of the Internal Revenue Code. The Committee also believes, however, that it must maintain the flexibility to take actions which it deems to be in the best interests of STERIS but which may not qualify for tax deductibility under Section 162(m).

Agreements Regarding Named Executive Officer Compensation

The Committee reviews and approves, or makes recommendations to the Board to approve, any agreements with the named executive officers relating to compensation or separation payments. There are a limited number of agreements regarding compensation with senior management, including the employment agreement with

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Mr. Rosebrough and a retention agreement with Dr. Burke effective April 1, 2010. These and other agreements are further discussed in Potential Payments to Named Executive Officers upon Termination of Employment or Change in Control beginning on page 42 and continuing through page 54 below. The Committee believes that agreements regarding senior management compensation are generally limited to special circumstances.

Other agreements with the named executive officers provide for possible payments due to an executive's separation arising from a change of control event. The Committee believes these agreements will help protect shareholder value by preserving the continuity of management and encouraging management's continued attention and dedication in the event of potentially disruptive circumstances involving a change of control (e.g., the sale of STERIS). These agreements do not pay any amount unless the employee is terminated or leaves our employment due to specific circumstances within a defined period of time after a change of control event. Further discussion regarding these agreements can be found in Potential Payments to Named Executive Officers upon Termination of Employment or Change in Control beginning on page 42.

Towers Watson/Pay Governance

Towers Watson was engaged by the Compensation and Corporate Governance Committee as the Committee's compensation consultant for executive and director compensation from 2004 through the first portion of fiscal 2011. Thereafter, the Committee engaged Pay Governance as the Committee's compensation consultant.

REPORT OF THE COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

The Compensation and Corporate Governance Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation and Corporate Governance Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and in the STERIS Annual Report on Form 10-K for the year ended March 31, 2011.

Compensation and Corporate Governance Committee of the Board of Directors.

Kevin M. McMullen Chairman

Richard C. Breeden

John P. Wareham

Table of Contents**COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

None of the members of the Board who served on the Compensation and Corporate Governance Committee during fiscal 2011 was ever an officer or employee of the Company or of any of its subsidiaries or had any relationship requiring disclosure under any paragraph of Item 404 of Regulation S-K.

TABULAR AND OTHER EXECUTIVE COMPENSATION DISCLOSURE

The persons named in the below table are sometimes referred to in this Proxy Statement as the named executive officers or NEOs.

FISCAL 2011 SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary (\$) ⁽¹⁾	Bonus (\$) ⁽²⁾	Stock Awards (\$) ⁽³⁾	Option Awards (\$) ⁽⁴⁾	Non-Equity		Total (\$)
						Incentive Plan Compensation (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	
Walter M Rosebrough, Jr. President and Chief Executive Officer	2011	750,000	-	1,115,450	534,359	555,900	96,592	3,052,301
	2010	750,000	-	547,920	413,633	1,140,000	167,950	3,019,503
Michael J. Tokich Senior Vice President and Chief Financial Officer	2011	280,024	-	143,415	96,996	147,477	33,507	701,419
	2010	275,000	-	79,905	66,181	250,800	48,614	720,500
Timothy L. Chapman Senior Vice President and Group President, Healthcare	2011	325,346	-	143,415	105,814	172,218	32,625	779,417
	2010	314,988	100,000	79,905	82,726	287,269	53,640	918,528
Peter A. Burke Senior Vice President and Chief Technology Officer	2011	323,662	-	133,854	105,814	170,239	33,689	767,258
	2010	319,000	100,000	79,905	66,181	290,928	52,801	908,816
Robert E. Moss President, STERIS Isomedix Services and Life Sciences	2011	298,665	-	143,415	96,996	181,796	34,792	755,663

(1) Regular base salary earnings for fiscal 2009, 2010 and 2011.

(2) The amount shown for Mr. Chapman and Dr. Burke were special cash payments for their efforts in connection with particular regulatory and commercial matters. Amounts paid under the Company's Senior Executive Incentive Compensation Plan (applicable in fiscal 2009, 2010 and 2011 to Mr. Rosebrough) or Incentive Compensation Plan (applicable in fiscal 2009, 2010 and 2011 to all NEOs other than Mr. Rosebrough) are reported under the Non-Equity Incentive

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Plan Compensation column.

- (3) The dollar amounts reflect the grant date fair value under FASB ASC topic 718 for awards of restricted stock. The aggregate grant date fair value of stock awards is computed in accordance with FASB ASC Topic 718, utilizing assumptions discussed in the Notes to our financial statements in our Form 10-K for the fiscal years ended March 31, 2009, March 31, 2010 and March 31, 2011. From the date of award of all shares of restricted stock described, the recipient can vote the restricted shares and will receive cash dividends or dividend equivalents at the same times and amounts per share as all other holders of common stock.
- (4) The dollar amounts reflect the grant date fair value under FASB ASC topic 718 for option awards. The aggregate grant date fair value of option awards is computed in accordance with FASB ASC Topic 718, utilizing assumptions discussed in the Notes to our financial statements in our Form 10-K for the fiscal year ended March 31, 2011). For a discussion of specific stock option awards granted in fiscal 2011, see Tabular and Other Executive Compensation Disclosure Grants of Plan-Based Awards in Fiscal 2011 below and the narrative discussion that follows.
- (5) The dollar amounts represent incentive compensation paid for fiscal year 2009, 2010 and 2011 under the Company's Senior Executive Incentive Compensation Plan for Mr. Rosebrough and under the Company's Incentive Compensation Plan for the other NEOs, as discussed in the Compensation Discussion and Analysis Principal Components of Compensation for Named Executive Officers Annual Incentive Compensation (bonus) section.
- (6) Includes for fiscal 2009, 2010 and 2011 for all NEOs the following: auto allowance, tax preparation/financial planning fees, other personal expense, and Company matching contribution to 401(k) plan. In addition, in the case of Mr. Rosebrough, this also includes annual physical expenses (fiscal 2009 and 2010), club dues and personal use of private aircraft utilized by the Company (the value of personal use of private aircraft was calculated based on the aggregate incremental cost of operating the aircraft). Also includes for all NEOs dividends on shares of restricted stock, which dividends also are factored into grant date fair value under FASB ASC topic 718. Dividends during fiscal 2010 were \$2.44 per Common Share, of which \$2.00 per Common Share was attributable to a special dividend. For fiscal 2010, dividends for Messrs. Rosebrough, Burke and Chapman were \$113,760, \$27,430 and \$28,273 respectively. Dividends during fiscal 2011 were \$0.56 per Common Share. For fiscal 2011, dividends for Mr. Rosebrough were \$39,310.

Table of Contents**GRANTS OF PLAN-BASED AWARDS IN FISCAL 2011**

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards:	All Other Option Awards:	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
			Threshold (\$)	Target (\$)	Maximum (\$)	Number of Shares of Stock or Units (#)	Number of Securities Underlying Options (#)		
Walter M Rosebrough, Jr.	5/20/2010 ⁽¹⁾	4/28/2010				35,000		1,115,450	
	5/20/2010 ⁽¹⁾	4/28/2010	0	750,000	1,500,000		60,600	534,359	
Michael J. Tokich	5/20/2010 ⁽¹⁾	4/28/2010				4,500		143,415	
	5/20/2010 ⁽¹⁾	4/28/2010	0	169,125	338,250		11,000	96,996	
Timothy L. Chapman	5/20/2010 ⁽¹⁾	4/28/2010				4,500		143,415	
	5/20/2010 ⁽¹⁾	4/28/2010	0	197,497	394,994		12,000	105,814	
Peter A. Burke	5/20/2010 ⁽¹⁾	4/28/2010				4,200		133,854	
	5/21/2009 ⁽¹⁾	4/28/2010	0	195,228	390,456		12,000	105,814	
Robert E. Moss	5/20/2010 ⁽¹⁾	4/28/2010				4,500		143,415	
	5/20/2010 ⁽¹⁾	4/28/2010	0	180,009	360,018		11,000	96,996	

(1) Restricted stock and stock option grants made as part of the annual long-term equity grant. All restricted stock and stock option awards were granted under the Company's 2006 Long-Term Equity Incentive Plan.

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NARRATIVE SUPPLEMENT TO THE FISCAL 2011 SUMMARY COMPENSATION TABLE AND THE GRANTS OF PLAN-BASED AWARDS IN FISCAL 2011 TABLE

Vesting Schedule

Stock option awards to employees generally vest and become nonforfeitable in increments of 25% per year over a four year period, with full vesting four years after the date of grant. Restricted stock awards to employee recipients prior to fiscal year 2012 generally become vested and nonforfeitable if the recipient remains in continuous employment through the third anniversary of the grant date (the fourth anniversary of the grant date for awards made in fiscal year 2011). Restricted stock awards to employee recipients after fiscal year 2011 also generally become vested and nonforfeitable on the fourth anniversary of the grant date in the case of employees who have not attained age 55 and been employed for at least 5 years on such anniversary; employees who have attained age 55 and been employed for at least 5 years at the time of the grant or meet these criteria during the term of the grant will be subject to installment vesting rules. These various awards may become vested and immediately exercisable upon the recipient's death (or in limited cases, disability) or upon a change in control.

Forfeiture and Post-Employment Treatment

The unvested portion of a stock option award (and the right to acquire the underlying shares) is generally forfeited at termination of employment (unless employment terminates on account of death). The vested portion of a stock option award (and the right to acquire the underlying shares) is forfeited following termination of employment and expiration of the applicable post-employment exercise period and also may be forfeited in the case of a termination of employment for Cause. Unvested restricted stock and unvested restricted stock units (and the underlying shares) are generally forfeited at termination of employment (unless employment terminates on account of death, in which case the vesting may be modified by the Board or Chief Executive Officer or his delegate(s)). There also are exceptions to the general forfeiture rules for awards granted prior to fiscal year 2012 to employees who at the time of grant have at least five consecutive years of service and have reached age 55, subject to the terms of the applicable evidence of award. See Summary of Equity Compensation Equity Incentive Plan. Accelerated vesting also may apply to all of these types of awards upon a change in control. See Summary of Equity Compensation Equity Incentive Plan.

Dividends

Dividends are payable on restricted stock at the same times and in the same amounts as payable generally from time to time on our outstanding Common Shares.

Option Exercise Price

Options granted under our various stock option plans have an exercise price equal to the NYSE Composite Transaction Reporting System closing price of our Common Shares on the date the grant is approved or such later date as may be specified in the approval.

Agreements with Named Executive Officers

We entered into an employment agreement with Mr. Rosebrough on September 7, 2007. Under the terms of this agreement, Mr. Rosebrough is to be paid an annual base salary at a rate of \$750,000, subject to annual or other periodic review. The employment agreement also provides the terms upon which Mr. Rosebrough will participate in the Company's Senior Executive Incentive Compensation Plan, benefit plans and stock option and other equity incentive compensation programs. For more information regarding Mr. Rosebrough's employment agreement see Potential Payments to Named Executive Officers Upon Termination of Employment or Change in Control.

We entered into an executive retention agreement with Dr. Burke effective as of April 1, 2010. This agreement, which expires, in effect, on March 31, 2014, provides that, for the term of the agreement, Dr. Burke would receive a base salary of not less than his fiscal year 2010 salary of \$26,583 per month and will be eligible to participate in the Company's Incentive Compensation Plan, benefit plans and equity programs.

Table of Contents**OUTSTANDING EQUITY AWARDS AT MARCH 31, 2011**

Name	Option Grant Date	Option Awards				Stock Awards		
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$)(1)	
Walter M Rosebrough, Jr.	10/15/2007	75,000	25,000	28.32	10/1/2017			
	10/15/2007	26,250	8,750	28.32	10/1/2017			
	5/21/2008	49,100	49,100	30.84	5/21/2018			
	5/21/2009	18,750	56,250	22.83	5/21/2019			
	5/20/2010	0	60,600	31.87	5/20/2020			
						5/21/2008	24,000	828,960
					5/21/2009	24,000	828,960	
					5/20/2010	35,000	1,208,900	
Michael J. Tokich	4/23/2002	15,000	0	19.60	5/23/2012			
	4/23/2003	13,100	0	22.58	5/23/2013			
	4/22/2004	11,000	0	27.44	5/22/2014			
	5/16/2005	7,500	0	24.45	6/16/2015			
	9/12/2006	4,200	0	24.72	9/12/2016			
	7/27/2007	3,393	1,132	27.68	7/27/2017			
	11/1/2007	1,500	500	27.45	11/1/2017			
	3/14/2008	10,200	3,400	26.41	3/14/2018			
	5/21/2009	3,000	9,000	22.83	5/21/2019			
	5/20/2010	0	11,000	31.87	5/20/2020			
					5/21/2009	3,500	120,890	
					5/20/2010	4,500	155,430	
Timothy L. Chapman	1/3/2006	10,000	0	25.50	2/3/2016			
	9/12/2006	8,000	0	24.72	9/12/2016			
	7/27/2007	6,825	2,275	27.68	7/27/2017			
	2/5/2008	7,500	2,500	24.14	2/5/2018			
	5/21/2008	5,774	5,776	30.84	5/21/2018			
	5/21/2009	3,750	11,250	22.83	5/21/2019			
	5/20/2010	0	12,000	31.87	5/20/2020			
						5/21/2008	3,850	132,979
					5/21/2009	3,500	120,890	
					5/20/2010	4,500	155,430	
Peter A. Burke	4/23/2003	3,000	0	22.58	5/23/2013			
	4/22/2004	24,000	0	27.44	5/22/2014			
	5/16/2005	24,000	0	24.45	6/16/2015			
	9/12/2006	11,000	0	24.72	9/12/2016			
	7/27/2007	8,550	2,850	27.68	7/27/2017			
	5/21/2008	5,250	5,250	30.84	5/21/2018			
	5/21/2009	3,000	9,000	22.83	5/21/2019			
	5/20/2010	0	12,000	31.87	5/20/2020			
						5/21/2008	3,500	120,890
						5/21/2009	3,500	120,890
					5/20/2010	4,200	145,068	
Robert E. Moss	4/22/2003	4,700	0	22.58	5/23/2013			
	4/22/2004	5,300	0	27.44	5/22/2014			
	5/16/2005	18,000	0	24.45	6/16/2015			
	9/12/2006	8,000	0	24.72	9/12/2016			
	7/27/2007	6,187	2,063	27.68	7/27/2017			
	5/21/2008	4,564	4,566	30.84	5/21/2018			
	5/21/2009	2,250	6,750	22.83	5/21/2019			
	10/06/2009	750	2,250	30.51	10/06/2019			

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5/20/2010	0	11,000	31.87	5/20/2020			
					5/21/2008	3,135	108,283
					5/21/2009	3,000	103,620
					10/06/2009	500	17,270
					5/20/2010	4,500	155,430

- (1) Market Value is computed by multiplying the number of shares or units of stock by the NYSE Composite Transaction Reporting System closing price of STERIS's common shares on March 31, 2011.

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The vesting schedule for each grant in the above table is shown below, based on the option or stock award grant date, as applicable.

OPTION AWARDS VESTING SCHEDULE

Grant Date	Vesting Schedule
4/23/2002	25% exercisable on 4/23/2003, 4/23/2004, 4/23/2005 and 4/23/2006
4/23/2003	25% exercisable on 4/23/2004, 4/23/2005, 4/23/2006 and 4/23/2007
4/22/2004	25% exercisable on 4/22/2005, 4/22/2006, 4/22/2007 and 4/22/2008
5/16/2005	25% exercisable on 5/16/2006, 5/16/2007, 5/16/2008 and 5/16/2009
1/3/2006	25% exercisable on 1/3/2007, 1/3/2008, 1/3/2009 and 1/3/2010 (Chapman)
9/12/2006	25% exercisable on 9/12/2007, 9/12/2008, 9/12/2009 and 9/12/2010
7/27/2007	25% exercisable on 7/27/2008, 7/27/2009, 7/27/2010 and 7/27/2011
10/15/2007	25% exercisable on 10/1/2008, 10/1/2009, 10/1/2010 and 10/1/2011 (Rosebrough)
11/1/2007	25% exercisable on 11/1/2008, 11/1/2009, 11/1/2010 and 11/1/2011 (Tokich)
2/5/2008	25% exercisable on 2/5/2009, 2/5/2010, 2/5/2011 and 2/5/2012 (Chapman)
3/14/2008	25% exercisable on 3/14/2009, 3/14/2010, 3/14/2011 and 3/14/2012 (Tokich)
5/21/2008	25% exercisable on 5/21/2009, 5/21/2010, 5/21/2011 and 5/21/2012
5/21/2009	25% exercisable on 5/21/2010, 5/21/2011, 5/21/2012 and 5/21/2013
10/06/2009	25% exercisable on 10/06/2010, 10/06/2011, 10/06/2012 and 10/06/2013 (Moss)
5/20/2010	25% exercisable on 5/20/2011, 5/20/2012, 5/20/2013 and 5/20/2014

STOCK AWARDS VESTING SCHEDULE

Grant Date	Vesting Schedule*
5/21/2008	100% on 5/23/2011 (All NEOs except Tokich)
5/21/2009	100% on 5/21/2012 (All NEOs)
10/06/2009	100% on 10/08/2012 (Moss)
5/20/2010	100% on 5/20/2014 (All NEOs)

* All awards are restricted stock

Table of Contents**OPTION EXERCISES AND STOCK VESTED IN FISCAL 2011**

Name	Option Awards		Stock Awards	
	Number of Shares		Number of Shares	
	Acquired on	Value Realized on	Acquired on	Value Realized on
	Exercise (#)	Exercise (\$) ⁽¹⁾	Vesting (#)	Vesting (\$) ⁽²⁾
Walter M Rosebrough, Jr.	0	0	23,000	768,890
Michael J. Tokich ⁽³⁾	0	0	1,500	47,865
	0	0	4,600	150,052
	4,000	86,120		
	5,000	111,650		
Timothy L. Chapman	0	0	4,000	127,640
Peter A. Burke ⁽⁴⁾	5,000	73,850		
	5,000	67,950		
	7,000	102,760		
			4,000	127,640
Robert E. Moss ⁽⁵⁾			3,900	124,449

(1) Value realized based on the gain, equal to the difference between the closing price of the Common Shares on the option exercise date and the option exercise price, times the number of option shares being exercised.

(2) Value realized based on the closing price of the Common shares on the date of vesting.

(3) Mr. Tokich elected to have 480 common shares withheld to cover the required tax withholding due on the vesting of these 1,500 restricted shares. These common shares vested on July 27, 2010. Mr. Tokich also elected to have 1,533 common shares withheld to cover the required tax withholding due on the vesting of these 4,600 restricted shares. These common shares vested on March 14, 2011.

(4) Dr. Burke elected to have 1,278 common shares withheld to cover the required tax withholding due on the vesting of his 4,000 restricted shares. These common shares vested on July 27, 2010.

(5) Mr. Moss elected to have 1,247 common shares withheld to cover the required tax withholding due on the vesting of his 3,900 restricted shares. These common shares vested on July 27, 2010.

Table of Contents**NONQUALIFIED DEFERRED COMPENSATION FOR FISCAL 2011**

Name	Executive Contributions in Fiscal 2011 (\$)	Company Contributions in Fiscal 2011 (\$)	Aggregate Earnings in Fiscal 2011 (\$)	Aggregate Withdrawals/ Distributions in Fiscal 2011 (\$)	Aggregate Balance at 3/31/11 (\$)
Walter M Rosebrough, Jr.	-	-	-	-	-
Michael J. Tokich	-	-	10,236	-	87,817
Timothy L. Chapman	-	-	-	-	-
Peter A. Burke	72,732 ⁽¹⁾	-	3,308	-	90,316
Robert E. Moss	-	-	-	-	-

(1) These contributions also are included in the amounts shown in the Summary Compensation Table for Dr. Burke for Non-Equity Incentive Compensation for the 2010 fiscal year.

DEFERRED COMPENSATION PLAN

The Company has established and maintains a nonqualified deferred compensation plan, or the Deferred Compensation Plan, pursuant to which each eligible employee may elect to defer receipt of up to 25% of base salary and up to 100% of incentive compensation (bonus) and/or commissions. To be eligible to participate, an employee must be in a salary grade and earn a salary above specified levels and must meet certain residence and other tests. All of the named executive officers are eligible to participate in this plan.

Amounts deferred by each participant are credited to an account established in the name of the participant. Deferrals may be allocated among various available hypothetical investment options, as selected by the participant. There are currently several available hypothetical investment options. No Company match is made on amounts deferred.

Under the Deferred Compensation Plan, a participant is entitled to receive distribution of the participant's account balance (amounts deferred, together with earnings (losses)) after the earliest to occur of the following: death, disability, retirement (termination of employment at or after age 65), other termination of employment, change of control (if the participant elected to have a distribution upon a change of control) or a specified date selected by the participant (which date must be at least two years after the making of the election) as an in service distribution date. At the time of his or her deferral election, a participant may designate how the participant will receive distribution if the distribution is triggered by retirement, disability or a change of control. Distribution options are a single lump sum or annual installments over a period of years (not to exceed ten). If a distribution election is not made or a distribution is made for another reason, the distribution will be in a lump sum. Also, if a participant's account balance is less than \$50,000 at the time of a triggering event, the distribution will be made in a lump sum. Distributions to persons who are specified employees under Section 409A of the Internal Revenue Code may be delayed. A change of control for distribution purposes is a change of control of the Company within the meaning of Section 409A of the Internal Revenue Code.

The Deferred Compensation Plan is not funded, within the meaning of the Employee Retirement Income Security Act of 1974, and participants have only an unsecured contractual commitment by the Company to pay amounts owed under the Deferred Compensation Plan. Amounts owed may be subject to the claims of the Company's creditors in the event of the Company's insolvency.

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POTENTIAL PAYMENTS TO NAMED EXECUTIVE OFFICERS UPON TERMINATION OF EMPLOYMENT OR CHANGE IN CONTROL

We maintain various contracts, agreements, plans, policies, and arrangements (collectively, agreements) that may provide for payments or the provision of other benefits following or in connection with any termination or constructive termination of employment or a change in control of the Company or change in a named executive officer's responsibilities. Some of these agreements are available generally to all of our salaried employees on the same basis as, and do not discriminate in scope, terms or operation in favor of, our executive officers. None of the named executive officers are covered by a Company maintained defined benefit pension plan or other tax-qualified plan, other than our 401(k) plan. The only agreements concerning compensation to which any of the named executive officers are party or in which any of the named executive officers participate, other than the Deferred Compensation Plan, that are not available generally to all our salaried employees are described below.

Change of Control Agreements

We are a party to change of control agreements with all of the named executive officers.

The agreements generally provide that if, at any time within two years after the occurrence of a change of control (as defined), the officer's employment is terminated by STERIS (except for cause, disability, or death) or the officer terminates employment because the officer's base salary or the officer's bonus opportunity, participation or amount is reduced or relocation is made a condition of the officer's employment, we will pay to the officer a lump sum severance benefit equal to three years' compensation (base salary and average annual incentive compensation (as defined)) or two years' compensation in the case of Mr. Tokich. Any termination of employment of an officer occurring within one year prior to a change of control and in contemplation of the change of control is deemed to be a termination of employment immediately after the change of control becomes irrevocable, and the officer is entitled to payments and benefits under his agreement as if his employment had continued through the date the change of control became irrevocable and had then been terminated. Each such change of control agreement also provides a three-month period, commencing on the first anniversary of the change of control, during which the officer may voluntarily resign and receive a lump sum severance benefit equal to two years' compensation (base salary and average annual incentive compensation) or one year's compensation in the case of Mr. Tokich if, at any time before the officer's resignation, the officer determines in good faith that (a) the officer's position, responsibilities, duties, or status with STERIS are materially changed from those in effect before the change of control, (b) the officer's reporting relationships with superior executive officers have been materially changed from those in effect before the change of control, or (c) the officer's career prospects have been in any way diminished as a result of the change of control.

An officer who is entitled to a lump sum severance benefit under a change of control agreement also will be (a) paid (i) accrued base salary and vacation pay through the date of termination, and (ii) payments under the Senior Executive Incentive Compensation Plan or Incentive Compensation Plan (or other applicable incentive compensation plan) for the last completed fiscal year, if not already paid, and for the pro rata portion of the current fiscal year, and (b) be entitled to receive health, dental and life insurance coverage through the (A) third anniversary (or the second anniversary, depending upon whether the lump sum payment is equal to three or two years' of compensation) of the termination date, in the case of all the named executive officers with these agreements other than Mr. Tokich, or the second anniversary (or the first anniversary, depending upon whether the lump sum payment is equal to two or one year of compensation) of the termination date, in the case of Mr. Tokich, or if earlier (B) the date the officer secures other employment.

In addition, if after a change of control and prior to an officer's termination of employment the officer is unable to perform services for us for any period by reason of disability, we will pay and provide to the officer all compensation and health and dental coverage and life insurance coverage to which the officer would have been entitled had the officer continued to be actively employed by us, through the earliest of the following dates: (a) the first date on which he is no longer so disabled to such an extent that he is unable to perform services for

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us, (b) the date on which he becomes eligible for payment of long-term disability benefits under a long-term disability plan generally applicable to our executives, (c) the date on which we have paid and provided 24 months of compensation and benefits during his disability, or (d) the date of his death. In addition, each change of control agreement provides that from and after a change in control we will reimburse the officer for expenses of defending any action to have his agreement declared invalid or unenforceable and in certain other specified circumstances.

Each change of control agreement also provides that if any payment or distribution (a parachute payment) made to an officer pursuant to the agreement or under any other plan, agreement, arrangement, including without limitation any income recognized upon a stock option exercise, exceeds the limit specified in Section 280G of the Internal Revenue Code and gives rise to excise tax liability (and/or related penalties and interest) on the part of the officer, a tax gross-up will be provided to the officer so that the officer will receive the same after-tax payment as would have been the case in respect of the parachute payment if Section 280G did not apply.

For purposes of the change of control agreements, *cause* includes conviction of a felony, dishonesty in the course of employment that is materially inimical to the best interests of the Company, unreasonable neglect of the officer's duties and responsibilities, or competing with the Company. The agreements contain several alternate definitions of what constitutes a *change of control*. These may include any person or group becoming the beneficial owner of 15% or more (but less than 50%) of the then outstanding Common Shares after the date of the applicable agreement, or 50% or more of the then outstanding Common Shares after the date of the applicable agreement, the commencement or public announcement of a tender offer for 15% or more of the Common Shares, or certain changes in a majority of the Board membership within a 24-month period.

Retention Agreement

We are a party to an executive retention agreement with Dr. Burke that became effective as of April 1, 2010. Under this agreement, Dr. Burke is to be paid a base salary of not less than his base salary for the 2010 fiscal year, and is eligible to participate in the Company's Incentive Compensation Plan, benefit plans and equity programs. Under this agreement, if Dr. Burke's employment is terminated prior to March 31, 2014 by the Company without *Cause* or by Dr. Burke for *Good Reason* (as those terms are defined in the agreement), Dr. Burke is entitled to receive, subject to the conditions of the agreement, (a) as severance payments, his then-current salary for twelve months, or if such termination occurs prior to March 31, 2013, for the number of months remaining from the date of his termination to March 31, 2013, if greater than twelve (12), (b) continuation of medical and dental benefits until the earliest of the end of the period equal to the number of months of severance payments he is entitled to receive, the expiration of COBRA coverage eligibility or his eligibility under another employer's plans, and (c) a pro-rated bonus to the extent earned. The severance is payable on the same schedule as his salary would have been paid, subject to certain required delays that would have been necessary in order to prevent the payments from being includible in Dr. Burke's income for federal income tax purposes under Section 409(A)(a)(i)(A) of the Internal Revenue Code. The agreement also permits Dr. Burke to accelerate all payments due if the Company breaches its obligations under the agreement in any material respect following Dr. Burke's termination of employment. If Dr. Burke is entitled to payment or other benefits under his retention agreement and his change of control agreement, based upon the same event, he will be entitled to payment and other benefits under whichever agreement provides the greater payments and benefits, but not under both agreements.

Receipt of severance and the other agreement benefits described above are contingent upon Dr. Burke's execution of a release and waiver of all claims against the Company and such severance and benefits would terminate upon any material breach by him of the agreement or upon the termination of his employment for *Cause* or upon his termination without *Good Reason*.

For these purposes, any material breach, default or violation by Dr. Burke under his change of control agreement, stock option agreements, restricted share agreements, confidentiality and other agreements (including the

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non-compete, non-interference, and non-disclosure restrictive covenants contained in or executed in connection with the stock option or restricted share agreements), between the Company and Dr. Burke, also constituted a breach of the executive retention agreement, if so determined by Company. A breach of these covenants entitled the Company to the rights described under Summary of Equity Compensation Equity Incentive Plan. The executive retention agreement also contained restrictions on disclosure of confidential information.

Agreement with Mr. Rosebrough

In connection with Mr. Rosebrough's employment as President and CEO, we entered into an employment agreement with Mr. Rosebrough dated September 7, 2007. The agreement was effective October 1, 2007 and for an initial term of three years. The agreement automatically renewed for an additional one year term beginning October 1, 2010. Thereafter the agreement continues to automatically renew for additional consecutive terms of one year each, unless the Company gives Mr. Rosebrough notice of nonrenewal at least thirty days prior to the end of the then applicable term. Notwithstanding the foregoing, the term of the agreement will end upon termination of Mr. Rosebrough's employment for any reason.

Mr. Rosebrough's agreement provides for an initial base salary at a rate of \$750,000 per year for the fiscal year ending March 31, 2008, with such base salary thereafter to be subject to annual or other periodic review. Mr. Rosebrough's base salary has remained at a rate of \$750,000 through the end of the fiscal year ending March 31, 2011. Mr. Rosebrough also is entitled to participate in the Senior Executive Incentive Compensation Plan or SEICP. For fiscal 2011 his participation was at a target rate of 100% of base salary and with a maximum award limit of 200% of base salary; for subsequent fiscal years Mr. Rosebrough is eligible to participate in the SEICP and receive an incentive award based on achievement of specified performance goals as determined by criteria and other performance measures and target attainment established by the Compensation and Corporate Governance Committee. Mr. Rosebrough also is entitled to participate in restricted stock, stock option and other equity incentive compensation awards under the 2006 Long-Term Equity Incentive Compensation Plan or other approved plans as determined by the Board or the Compensation and Corporate Governance Committee. Mr. Rosebrough is also entitled to participate in the standard benefit programs under which STERIS's salaried nonunion employees located at its headquarters are from time to time generally eligible (exclusive of any such severance, separation or termination programs or benefits) as well as additional fringe benefits and perquisites.

Should the Company's financial statements for any fiscal year falling within the term of his agreement be required to be restated due to material noncompliance, as a result of misconduct, with any financial reporting requirement, the Board or Compensation and Corporate Governance Committee may require Mr. Rosebrough to return or forfeit, as applicable, all or a portion of any bonus or incentive award (including equity awards) made to him with respect to any fiscal year the financial results of which are negatively affected by such restatement. In that case, the amount to be recovered would equal the amount by which the bonus or incentive compensation award exceeded the amount that would have been payable had the Company's financial statements been initially filed as restated, as determined by the Board or the Compensation and Corporate Governance Committee. Recovery may be effected through a variety of means, as determined by the Compensation and Corporate Governance Committee.

Upon termination of Mr. Rosebrough's employment during the term of his employment agreement by reason of death or Disability, a termination by the Company without Cause or a termination by Mr. Rosebrough for Good Reason (as such terms are defined in the agreement), Mr. Rosebrough's agreement provides for the following (payable in accordance with the requirements of Internal Revenue Code Section 409A): (i) an amount equal to twenty-four (24) months of salary continuation, car allowance and financial planning/tax preparation allowance, paid in twenty-four (24) monthly installments, to commence on the first day of the first month following the 60th day after termination, or if on the date of termination he is a specified employee (within the meaning of Code Section 409A) and the payments are considered to be the deferral of compensation, the Company will pay all amounts of such deferred compensation that would have been due during the six-month period following his termination of employment on the first day of the seventh month following the termination

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date (or, if earlier, as soon as practicable after the date of his death); (ii) the annual one-time incentive payment he would have been paid, if any, under the SEICP (as herein after defined), relating to the fiscal year of termination if his employment had not been terminated, prorated to the date of termination, such payment to be based on applicable targets, threshold and other SEICP criteria and terms and actual performance relative thereto for such fiscal year, and to be made at the same time that annual incentive payments for such fiscal year are made to other senior executives of the Company; and (iii) eighteen (18) months of continuation of coverage under STERIS medical and dental plans pursuant to COBRA (with Mr. Rosebrough being required to pay the normal cost of such COBRA coverage). And regardless of the reason for termination, upon termination of Mr. Rosebrough's employment during the term of his agreement he also is entitled to receive the following: (i) any accrued but unpaid base salary and paid time off, (ii) any plan benefits that by their terms extend beyond termination of employment but only to the extent provided in any such benefit plan in which he has participated as an employee of STERIS; and (iii) any COBRA benefits to which he is entitled by law and not otherwise entitled to receive under his employment agreement.

Notwithstanding the foregoing, if Mr. Rosebrough is otherwise entitled to benefits under both his employment agreement and his change in control agreement (discussed previously in this Section under "Change of Control Agreements") based on the same event, he will be entitled to severance benefits under either his employment agreement or his change in control agreement, whichever provides for greater benefits, but will not be entitled to benefits under both agreements.

For purposes of the employment agreement, "Cause" includes but is not limited to material breach of Mr. Rosebrough's employment agreement or any other of his "Other Agreements" (consisting of his change of control agreement, restricted stock and restricted stock unit agreements, non-qualified stock option agreement, non-disclosure and non-competition agreement and the Company's Code of Business Conduct), which has not been cured within the applicable time period set forth in the relevant agreement, and, if not so specified, promptly (taking into account the nature of the misconduct, and the actions that must be taken to effect the cure) after receipt of notice. A discussion of the restrictive covenants contained in stock option and restricted stock unit agreements may be found later in this Section under "Summary of Equity Compensation Equity Incentive Plan."

Table of Contents**SUMMARY OF EQUITY COMPENSATION PLANS**

The table below presents information concerning all equity compensation plans and individual compensation arrangements in effect as of our fiscal year ended March 31, 2011:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Security Holders	3,274,395	\$ 25.95	3,519,891
Equity Compensation Plans Not Approved by Security Holders	-	\$ -	-
Total	3,274,395	\$ 25.95	3,519,891

Equity Incentive Plan

The 2006 Long-Term Incentive Plan authorizes the issuance or grant of various stock and stock related incentives, including stock options, restricted stock, restricted stock units, performance units and SARs to employees and non-employee directors. All grants of stock options, restricted stock, restricted stock units and SARs made subsequent to original approval of the 2006 Plan have been made pursuant to the 2006 Plan. Most stock option grants made prior to the approval of the 2006 Plan were pursuant to various other previously established plans. In connection with the adoption of the 2006 Plan, we discontinued the grant of options or other equity incentives under the previously established plans. However, a number of options granted under the previously established plans remain outstanding. As of March 31, 2011, there were three million five hundred and nineteen thousand eight hundred and ninety-one (3,519,891) shares remaining available for grant from the 2006 Plan.

In general, upon termination of an award recipient's employment or Board service, the nonvested portions of his or her stock option grants and other equity incentive awards are immediately forfeited. However, unvested option grants may become vested and nonforfeitable upon an optionee's death and unvested restricted stock awards or restricted stock units may be modified by the Company to give the award recipient the benefit of the award or unit through the date of death. Additionally, for grants made prior to fiscal year 2012, if an award recipient who is a non-employee director or who received an award prior to the 2012 fiscal year retires from employment after having attained age 55 and having been employed for at least five consecutive years without having engaged in any Detrimental Activity (as defined), unless otherwise specified by the terms of the award, stock options, restricted stock, restricted stock units and other equity incentive awards held by the award recipient at the date of retirement will continue to vest as though the recipient remained in the service of the Company through the fifth anniversary of the date of retirement provided the recipient remains in Good Standing (as defined) and subject to other plan terms. If a recipient fails to remain in Good Standing, any outstanding stock options and other equity incentive compensation awards may be forfeited.

Under the 2006 Plan as well as the previously established plans, upon the occurrence of a change in control, all options and other awards then outstanding, to the extent unvested, generally vest and become immediately exercisable, without further action. While the definition of change in control varies somewhat from plan to plan, in general a change in control under each includes any of the following: the acquisition by any person or group of 25% or more of the combined voting power of the Company's outstanding voting stock; certain changes in the composition of a majority of the Board membership; the consummation of certain reorganizations, mergers or

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consolidations or disposition of all or substantially all of the assets of the Company or certain other business transactions involving the Company; or approval by the shareholders of a complete liquidation or dissolution of the Company.

In connection with the grant of stock options and receipt of restricted stock and restricted stock units under the 2006 Plan and previously established plans, optionees and other award recipients agree to restrictive covenants concerning non-competition, non-interference and non-disclosure. If the recipient breaches any of these covenants, in addition to any other remedies we may have, awards then held by the recipient and stock then held that was received pursuant to awards may be forfeited.

The amendment and restatement of the 2006 Plan has been proposed for approval by the shareholders. Among other changes, the amendment and restatement of the 2006 Plan would increase the number of shares available for grant by 1,600,000. A more detailed description of the 2006 Plan provisions can be found under PROPOSAL 2 AMENDMENT AND RESTATEMENT OF THE STERIS CORPORATION 2006 LONG-TERM EQUITY INCENTIVE COMPENSATION PLAN.

Incentive Compensation Plan

We have established and maintain an Incentive Compensation Plan (sometimes referred to as the Bonus Plan), for key employees. The Bonus Plan is intended to support our compensation philosophy and encourage achievement of objectives by key employees whose responsibilities affect the performance of the business. Participants are selected annually. During fiscal 2011, all named executive officers, other than Mr. Rosebrough, were participants in the Bonus Plan. Mr. Rosebrough was a participant in the SEICP during fiscal 2011.

Annually each Bonus Plan participant is assigned a target bonus based upon his or her position and level of responsibility within the Company. The target bonus is an amount equal to the percentage of the participant's base salary that he or she would receive as a bonus if all of the objectives established for, or otherwise applicable to, the participant are achieved. If the objectives are exceeded, a larger bonus may be payable. If the objectives are not attained, a smaller bonus or no bonus may be payable. Generally, a participant is not entitled to a bonus in respect of a particular fiscal year unless he or she remains in the employ of the Company through the end of that fiscal year.

The Bonus Plan also provides that if a Change of Control occurs within five days after the occurrence of the first Change of Control during the fiscal year, each participant may be paid an interim lump-sum cash payment with respect to his or her participation in the Bonus Plan, with the amount of the interim payment to be equal to the dollar amount of the participant's target bonus for the entire fiscal year multiplied by a fraction, the numerator of which is the number of months between the beginning of the fiscal year and the end of the month in which the Change of Control occurs and the denominator of which is 12. The making of the interim payment will not reduce the obligation to make a final payment under the terms of the Bonus Plan, but the amount of any interim payment will be an offset against any later payment due under the Bonus Plan in respect of the fiscal year. A participant is not required to refund any portion of the interim payment.

For purposes of the Bonus Plan, a Change of Control includes the following: the acquisition by any person or group of 50% or more (or in some cases as little as 15%) of the Company's outstanding Common Shares; a person's commencement or public announcement of an intention to commence a tender offer that would result in such person becoming beneficial owner of 15% or more of the Company's outstanding Common Shares; certain changes in the composition of a majority of the Board membership within a 24 month period; the consummation of certain mergers or consolidations, or dispositions of all or substantially all of the assets of the Company; or a person's proposal of a Control Share Acquisition of the Company within the meaning of the Ohio General Corporation Law.

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Senior Executive Incentive Compensation Plan

We have established and maintain a Senior Executive Incentive Compensation Plan (sometimes referred to as the SEICP) for the CEO and any other executive officer or employee designated by the Compensation and Corporate Governance Committee. The SEICP is intended to support our compensation philosophy and encourage achievement of objectives by key employees by providing incentives for superior performance. Participants are selected by the Compensation and Corporate Governance Committee in its sole discretion. During fiscal 2011, Mr. Rosebrough was the only participant in the SEICP. The SEICP was amended and restated in its entirety during fiscal 2011, effective April 1, 2010. This amendment and restatement was approved by our Shareholders at the 2010 Annual Meeting of Shareholders.

Annually, the Compensation and Corporate Governance Committee establishes the performance objectives for each SEICP participant and the amount of incentive compensation payable (or formula for determining such amount) if the specified performance objectives for such fiscal year are achieved or exceeded. Performance objectives may be described in terms of Company-wide objectives or objectives that are related to the performance of the individual participant or of the subsidiary, division, department or function within the Company or one or more subsidiaries in which the participant is employed or for which the participant has responsibilities. The performance objectives shall be limited to specified levels of Company (or subsidiary, division, department or function) performance, or such performance relative to peer company performance, in one or more, or a combination, of the following: earnings per share, return on invested capital, return on total capital, return on assets, return on equity, total shareholder return, stock value, net income, revenue, free cash flow, cash flow, operating profit, gross margin and/or contribution margin, earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, productivity improvement, and expense or liability reduction. The Compensation and Corporate Governance Committee may further specify in respect of the specific performance objectives a minimum acceptable level of achievement below which no incentive compensation payment will be made and set forth a formula for determining the amount of any payment to be made if performance is at or above the minimum acceptable level but falls short of full achievement of the specific performance objectives or exceeds full achievement of the specified performance objectives. The Committee retains the discretion to reduce the amount of any incentive compensation that would be otherwise payable to a participant (including a reduction in such amount to zero). The Compensation and Corporate Governance Committee is required to determine, as soon as reasonably practicable after the end of each fiscal year, whether the performance objectives have been achieved and the amount of incentive compensation payable, and to document such determinations.

The maximum incentive compensation that may be paid to a participant under the SEICP in respect of any fiscal year may not exceed the lesser of two and one-half (2 1/2) times the participant's annual base salary or \$2,500,000. Any incentive compensation payable under the SEICP in respect of any fiscal year must be paid no later than two and one-half months after the end of the fiscal year.

POTENTIAL PAYMENTS UPON TERMINATION OF EMPLOYMENT OR CHANGE IN CONTROL TABLES

Introduction

The tables below estimate and summarize the potential payments and benefits under compensation and benefit plans and contractual agreements to which the named executive officers are a party or a participant that may be realizable by each of the named executive officers in the event of a termination of employment and/or change in control under the circumstances described in the footnotes and column headings to the tables, as supplemented by the narrative descriptions of agreements and/or plans addressing or containing provisions relating to change in control and/or termination payments and benefits. These narrative descriptions are found under Potential Payments to Named Executive Officers Upon Termination of Employment or Change in Control above beginning on page 42.

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Excluded Amounts

The amounts shown in the tables below do not include payments and benefits to the extent they are provided on a non-discriminatory basis to salaried employees generally upon termination of employment. These include accrued salary and vacation pay, regular severance benefits, and distributions of plan balances under our 401(k) plan. The tables also do not include amounts receivable under the Deferred Compensation Plan. See the narrative following the Nonqualified Deferred Compensation for Fiscal 2011 table on page 41 for information about the Deferred Compensation Plan.

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	Walter M Rosebrough, Jr.⁽¹⁾				Change in
					Control with
					termination
					by
	Termination by				STERIS or by
	the Company				Change in
	without Cause or				Control with
	termination by				termination for
	the employee for				Good Faith
	Death or	Good	without	determination⁽⁵⁾	Executive for
	Disability^{(2)&(3)}	Reason^{(2)&(3)}	termination⁽⁴⁾	Good Faith	reduction of
	(\$)	(\$)	(\$)	(\$)	compensation or
	(\$)	(\$)	(\$)	(\$)	mandatory
	(\$)	(\$)	(\$)	(\$)	relocation⁽⁶⁾
Severance Payment	1,500,000	1,500,000	-	3,195,900	4,793,850
Stock Options ⁽⁴⁾	1,226,260	-	1,226,260	1,226,260	1,226,260
Restricted Stock	-	-	2,866,820	2,866,820	2,866,820
2011 Target Bonus ⁽⁷⁾	555,900	555,900	-	555,900	555,900
Health, Dental, & Life Benefits ⁽⁸⁾	-	-	-	20,516	30,774
Other Benefits ⁽⁹⁾	41,000	41,000	-	-	-
Excise Tax Gross Up	-	-	-	-	2,102,692
Totals	3,323,160	2,096,900	4,093,080	7,865,396	11,576,296

(1) For purposes of this disclosure, the Change in Control date and all termination events are assumed to occur on March 31, 2011. The stock closing price as of such date was \$34.54.

(2) Pursuant to Mr. Rosebrough's employment agreement, in the event of termination by reason of death or Disability, termination by the Company without Cause, or termination by Mr. Rosebrough with Good Reason, Mr. Rosebrough is entitled to salary continuation, car allowance, and financial planning/tax preparation allowance for a period of 24 months, the annual one-time incentive payment under the STERIS Corporation Senior Executive Incentive Compensation Plan relating to the fiscal year of termination prorated to the termination date, and, at his own expense, eighteen months of continuation of coverage in the medical and dental plans pursuant to COBRA.

(3) Mr. Rosebrough is entitled to accelerated vesting of all his stock options upon his death. The amount shown in the table above represents the full value of his nonvested stock options based on the stock closing price of \$34.54 on March 31, 2011. There is no accelerated vesting of stock options upon Disability. All restricted stock awards are generally forfeitable upon death or Disability, except that, upon death, restricted stock awards may be modified in such manner as the Board or the Chief Executive Officer or his delegatee or delegates, as applicable, may specify to give Mr. Rosebrough the benefit of those awards through that date. For purposes of the foregoing table, no modification to vesting is assumed. Upon termination by the Company without Cause or termination by Mr. Rosebrough with Good Reason, Mr. Rosebrough is not entitled to accelerated vesting of stock options or restricted stock units.

(4) In the event of a Change in Control with or without termination, Mr. Rosebrough will be entitled to accelerated vesting of stock options and restricted stock. Vested values for stock options and restricted stock are shown in the Change in Control columns.

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- (5) Pursuant to Mr. Rosebrough's change in control agreement, in the event of a Change in Control with termination for Good Faith determination (as defined in his agreement), he will be entitled to a lump sum severance payment based on a multiple of two (2) times his current base salary and his average annual incentive compensation (as defined). For purposes of the incentive compensation portion of this calculation, an average of his most recent bonus (fiscal 2011 bonus) and prior year bonus (fiscal 2010 bonus) has been used.
- (6) Pursuant to Mr. Rosebrough's change in control agreement, in the event of a Change in Control with termination by STERIS, other than for Cause, death or Disability, or by executive for reduction of compensation or mandatory relocation (as defined in his agreement), he will be entitled to a lump sum severance payment based on a multiple of three (3) times his current base salary and his average annual incentive compensation (as defined). For purposes of the incentive compensation portion of this calculation, an average of his most recent bonus (fiscal 2011 bonus) and prior year bonus (fiscal 2010 bonus) has been used.
- (7) Mr. Rosebrough is entitled to a special pro-rata STERIS Corporation Senior Executive Incentive Compensation Plan payment under his Change in Control agreement. This bonus is based on Mr. Rosebrough's fiscal year 2011 actual bonus. The 2011 fiscal year approved amount of bonus payout was based on achievement of a corporate performance level of 87.2% under the STERIS Corporation Senior Executive Incentive Compensation Plan, for the pro-rata portion of the year. The proration is 100% because the assumed termination date is the fiscal year end.
- (8) Pursuant to Mr. Rosebrough's change in control agreement, in the event of a Change in Control with termination for Good Faith determination (as defined in his agreement), he will be entitled to continuation of health, dental and life benefits for a period of two (2) years. In the event of a Change in Control with termination by STERIS, other than for Cause, Disability or death, or by executive for reduction of compensation or mandatory relocation, he will be entitled to continuation of health, dental and life benefits for a period of three (3) years.
- (9) In the event of termination, Mr. Rosebrough is entitled to other benefits for various periods as defined by his employment agreement. Other benefits include an automobile allowance and expense reimbursement for tax return preparation. However, Mr. Rosebrough is not entitled to other benefits in the event of a Change in Control with termination pursuant to section 5(d) of his employment agreement, which provides for entitlement to severance benefits under either his employment agreement or change in control agreement, but not both.

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Michael J. Tokich^{(1)&(2)}			
	Change in Control without termination⁽³⁾	Change in Control with termination for Good Faith determination⁽⁴⁾	Change in Control with termination by STERIS or by Executive for reduction of compensation or mandatory relocation⁽⁵⁾
	(\$)	(\$)	(\$)
Severance Payment	-	481,014	962,027
Stock Options ⁽³⁾	173,707	173,707	173,707
Restricted Stock	276,320	276,320	276,320
2011 Target Bonus ⁽⁶⁾	-	147,477	147,477
Health, Dental, and Life Benefits ⁽⁷⁾	-	13,713	27,426
Excise Tax Gross Up	-	-	-
Totals	450,027	1,092,231	1,586,957

- (1) For purposes of this disclosure, the Change in Control date and all termination events are assumed to occur on March 31, 2011. The stock closing price as of such date was \$34.54.
- (2) Mr. Tokich and STERIS have not entered into an employment agreement. Therefore, in the event of termination without a Change in Control, no contractual termination payments are required.
- (3) In the event of a Change in Control with or without termination, Mr. Tokich will be entitled to accelerated vesting of stock options. In the event of Mr. Tokich's death, he will be entitled to accelerated vesting of stock options. Values attributable to accelerated vesting for stock options and restricted stock are shown in the Change in Control columns. Upon death, restricted stock awards may be modified in such manner as the Board or the Chief Executive Officer or his delegatee or delegates, as applicable, may specify to give Mr. Tokich the benefit of those awards through that date. For purposes of the foregoing table, no modification to vesting is assumed. Upon termination by the Company or Mr. Tokich for any other reason, Mr. Tokich is not entitled to accelerated vesting of stock options or restricted stock awards.
- (4) Pursuant to Mr. Tokich's change in control agreement, in the event of a Change in Control with termination for Good Faith determination (as defined in his agreement), he will be entitled to a lump sum severance payment based on a multiple of one (1) times his current base salary and his average annual incentive compensation (as defined). For purposes of the incentive compensation portion of this calculation, an average of his most recent bonus (fiscal 2011 bonus) and prior year bonus (fiscal 2010 bonus) has been used.
- (5) Pursuant to Mr. Tokich's change in control agreement, in the event of a Change in Control with termination by STERIS other than for Cause, death or Disability or by executive for reduction of compensation or mandatory relocation (as defined in his agreement), he will be entitled to a lump sum severance payment based on a multiple of two (2) times his current base salary and his average annual incentive compensation (as defined). For purposes of the incentive compensation portion of this calculation, an average of his most recent bonus (fiscal 2011 bonus) and prior year bonus (fiscal 2010 bonus) has been used.
- (6) Mr. Tokich is entitled to a special pro-rata STERIS Corporation Incentive Compensation Plan payment under his Change in Control agreement. This bonus is based on Mr. Tokich's fiscal year 2011 actual bonus. The 2011 fiscal year approved amount of bonus payout was based on achievement of a corporate performance level of 87.2% under the STERIS Corporation Incentive Compensation Plan, for the pro-rata portion of the year. The proration is 100% because

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the assumed termination date is the fiscal year end.

- (7) Pursuant to Mr. Tokich's change in control agreement, in the event of a Change in Control with termination for Good Faith determination (as defined in his agreement) he will be entitled to continuation of health, dental, and life coverage for a period of one (1) year. In the event of a Change in Control with termination by STERIS other than for Cause, death or Disability, or termination by Mr. Tokich for reduction of compensation or mandatory relocation, he will be entitled to continuation of health, dental and life coverage for a period of two (2) years.

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Timothy L. Chapman^{(1)&(2)}			
	Change in Control with termination by STERIS or by Executive for reduction of compensation or mandatory relocation⁽⁵⁾		
	Change in Control without termination⁽³⁾	Change in Control with termination for Good Faith determination⁽⁴⁾	
	(\$)	(\$)	(\$)
Severance Payment	-	1,217,811	1,826,717
Stock Options ⁽³⁾	226,752	226,752	226,752
Restricted Stock	409,299	409,299	409,299
2011 Target Bonus ⁽⁶⁾	-	172,218	172,218
Health, Dental, and Life Benefits ⁽⁷⁾	-	30,796	46,194
Excise Tax Gross Up	-	-	772,540
Totals	636,051	2,056,876	3,453,720

- (1) For purposes of this disclosure, the Change in Control date and all termination events are assumed to occur on March 31, 2011. The stock closing price as of such date was \$34.54.
- (2) Mr. Chapman and STERIS have not entered into an employment agreement. Therefore, in the event of termination without a Change in Control, no contractual termination payments are required.
- (3) In the event of a Change in Control with or without termination, Mr. Chapman will be entitled to accelerated vesting of stock options. In the event of Mr. Chapman's death, he will be entitled to accelerated vesting of stock options. Values attributable to accelerated vesting for stock options and restricted stock are shown in the "Change in Control" columns. Upon death, restricted stock awards may be modified in such manner as the Board or the Chief Executive Officer or his delegatee or delegates, as applicable, may specify to give Mr. Chapman the benefit of those awards through that date. For purposes of the foregoing table, no modification to vesting is assumed. Upon termination by the Company or Mr. Chapman for any other reason, Mr. Chapman is not entitled to accelerated vesting of stock options or restricted stock awards.
- (4) Pursuant to Mr. Chapman's change in control agreement, in the event of a Change in Control with termination for Good Faith determination (as defined in his agreement), he will be entitled to a lump sum severance payment based on a multiple of two (2) times his current base salary and his average annual incentive compensation (as defined). For purposes of the incentive compensation portion of this calculation, an average of his most recent bonus (fiscal 2011 bonus) and prior year bonus (fiscal 2010 bonus) has been used.
- (5) Pursuant to Mr. Chapman's change in control agreement, in the event of a change in control with termination by STERIS other than for Cause, death or Disability, or by executive for reduction of compensation or mandatory relocation (as defined in his agreement), he will be entitled to a lump sum severance payment based on a multiple of three (3) times his current base salary and his average annual incentive compensation (as defined). For purposes of the incentive compensation portion of this calculation, an average of his most recent bonus (fiscal 2011 bonus) and prior year bonus (fiscal 2010 bonus) has been used.
- (6) Mr. Chapman is entitled to a special pro-rata STERIS Corporation Incentive Compensation Plan payment under his change in control agreement. This bonus is based on Mr. Chapman's fiscal year 2011 actual bonus. The 2011 fiscal year approved amount of bonus payout was based on achievement of a corporate performance level of 87.2% under the STERIS Corporation Incentive Compensation Plan, for the pro-rata portion of the year. The proration is 100% because

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the assumed termination date is the fiscal year end.

- (7) Pursuant to Mr. Chapman's change in control agreement, in the event of a Change in Control with termination for Good Faith determination (as defined in his agreement) he will be entitled to continuation of health, dental, and life coverage for a period of two (2) years. In the event of a Change in Control with termination by STERIS other than for Cause, death or Disability, or termination by Mr. Chapman for reduction of compensation or mandatory relocation, he will be entitled to continuation of health, dental and life coverage for a period of three (3) years.

Table of Contents**Peter A. Burke^{(1)&(2)}**

	Termination without Cause or for Good Reason⁽²⁾	Change in Control without termination⁽³⁾	Change in Control with termination for Good Faith determination⁽⁴⁾	Change in Control with termination by STERIS or by Executive for reduction of compensation or mandatory relocation⁽⁵⁾
	(\$)	(\$)	(\$)	(\$)
Severance Payment	650,760	-	1,211,927	1,817,891
Stock Options ⁽³⁾	-	176,406	176,406	176,406
Restricted Stock	-	386,848	386,848	386,848
2011 Target Bonus ⁽⁶⁾	170,239	-	170,239	170,239
Health, Dental, and Life Benefits ⁽⁷⁾	20,933	-	22,973	34,459
Excise Tax Gross Up	-	-	-	-
Totals	841,932			