

STERIS CORPORATION

COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE CHARTER

ORGANIZATION AND STATEMENT OF POLICY

This Charter governs the operation of the Company's Compensation and Corporate Governance Committee which establishes and administers the Company's policies, programs and procedures with respect to:

- (a) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of these goals and objectives, and, either as a committee or together with the other independent directors (as directed by the Board), determining and approving the CEO's compensation level based on this evaluation;
- (b) making recommendations to the Board with respect to non-CEO compensation, incentive-compensation plans and equity-based plans;
- (c) producing a report on executive compensation for inclusion in the Company's proxy statement for its annual meeting of shareholders in accordance with applicable rules and regulations;
- (d) identifying individuals qualified to become Board members, consistent with criteria approved by the Board;
- (e) selecting, or recommending that the Board select, the director nominees for the next annual meeting of shareholders;
- (f) developing and recommending to the Board corporate governance principles applicable to the Company; and
- (g) overseeing the process for evaluation of the Board and senior management.

COMPOSITION

Size. The Committee shall be appointed by the Board of Directors and shall be comprised of at least three directors, one of whom shall be appointed by the Board as the Chairman of the Committee. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.

Qualifications. Each Committee member will be "independent" under the rules of the New York Stock Exchange. In addition, no person shall serve as a member of the Committee who does not both qualify as an "outside director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended, and satisfy the "non-employee" director standard contained in Rule 16b-3 promulgated under the Securities Exchange Act of 1934.

RESPONSIBILITIES AND PROCESS

The following shall be the principle recurring process of the Committee in carrying out its responsibilities:

Compensation:

- The Committee will review and approve a compensation philosophy for senior management and Board members of the Company.
- The Committee will review and approve, at least annually, corporate goals and objectives relevant to the compensation of the President and CEO. The Committee will also review and evaluate compensation actions, corporate goals, and performance objectives affecting members of the Company's senior management, based on recommendations of the Chief Executive Officer.
 - In determining the long-term incentive component of CEO compensation, the Committee will consider, among other things, the Company's performance and relative shareholder return, the value of similar incentive awards to the CEOs at comparable companies and the awards given to the Company's CEO in past years;
- The Committee will make recommendations to the Board with respect to the approval, adoption and amendment of all cash- and equity-based incentive compensation plans in which any executive officer of the Company participates, including, without limitation, the Company's Management Incentive

Compensation Plan (MICP) and Senior Management Incentive Compensation Plan (SMICP), and other similar plans or programs.

- The Committee will make recommendations to the Board with respect to approval, adoption and amendment of all other equity-based plans and will oversee the Company's equity-based incentive compensation plans and other plans adopted by the Board that contemplate oversight by the Committee, including, without limitation, approving the grant of all stock options or other incentive compensation pursuant to the Company's plans for employees, senior management and members of the Board.
- The Committee will, in consultation with appropriate officers of the Company, oversee regulatory compliance with respect to compensation matters, including, without limitation, overseeing any compensation programs intended to preserve tax deductibility, and, as may be required, establishing performance goals and determining whether performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
- In accordance with the Company's Board Governance Guidelines, the Committee will periodically review director compensation in relation to other comparable companies and in the light of such other factors as the Committee may deem appropriate. The Committee shall discuss this review with the Board.
- At least annually, the Committee shall report to the Board on succession planning, which shall include appropriate contingencies in case the CEO or any other member of senior management retires, resigns or is incapacitated. The Committee shall assist the Board in evaluating potential successors to the CEO.

Composition, structure and operation of the Board and Governance of the Company:

- The Committee will develop, recommend to the Board, and periodically evaluate, guidelines and criteria for selecting nominees to the Board, which may include, without limitation, such factors as the individuals' judgment, skill, diversity, integrity, experience with businesses and other organizations of comparable size, assessment of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board.
- The Committee will review the qualifications of and recommend individuals to be nominated by the Board for election to the Board at each annual meeting of shareholders and at such other times as may be appropriate to fill a vacancy on the Board (whether created by an increase in the size of the Board or otherwise) in accordance with the Company's regulations or otherwise, and review and evaluate any shareholder proposals relating to the nomination by shareholders of any candidates to the Board or the right of any shareholder to do so.
- The Committee will make such recommendations to the Board concerning the organization and operation of the Board and its overall effectiveness as the Committee may deem appropriate, including, without limitation, recommendations with respect to such matters as the size and composition of the Board, the tenure of directors and the number of regularly scheduled meetings held each year by the Board.
- The Committee will develop, recommend to the Board, and periodically evaluate corporate governance guidelines applicable to the Company and will oversee the evaluation of the Board and management in accordance with the Company's corporate governance guidelines. At least annually, the Committee will review those guidelines and recommend changes, as appropriate.
- In response to matters submitted by shareholders for consideration at special or annual meetings of shareholders, the Committee shall designate one or more members of management of the Company to review properly submitted proposals and to obtain all necessary information to allow management designees to present the shareholder proposal to the Committee for further consideration. Upon submission of the shareholder proposal to the Committee, the Committee will evaluate and make recommendations, as appropriate, to the Board of Directors, with respect to such proposals. This evaluation by the Committee may include, without limitation, consideration of (a) the appropriateness of the proposal, (b) applicable requirements of the Articles of Incorporation and Regulations, as

amended from time to time, (c) legal requirements, including requirements under applicable state corporate law, (d) whether the shareholder proposal has been submitted to shareholders for a vote, and if so, the vote received for and against such proposal, (e) the best interest of all shareholders of the Company, (f) the impact that implementation of such proposal would have on the overall operations of the Company, (g) whether the proposal would result in appropriately accomplishing the goals and objectives described in such proposal, and (h) any other considerations that the Committee may deem appropriate. The process of evaluation may include communication directly with the shareholder proponent by the Committee or the management designees, as the Committee may deem appropriate.

- The Committee will consider possible conflicts of interest of Board members and management and make recommendations to prevent, minimize or eliminate such conflicts of interest. Consistent with New York Stock Exchange listing requirements, the Director Code of Ethics, and the Company's Code of Conduct, the Board will cause the Company to promptly disclose any waiver of the Company's conflict of interest policy for a director or executive officer.

DELEGATION OF DUTIES AND RESPONSIBILITIES

- The Committee shall perform any other duties or responsibilities delegated to the Committee by the Board from time to time. The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.
- The Committee, with the assistance of management and any outside advisors the Committee deems appropriate, shall prepare a report for inclusion in the Company's proxy statement relating to the Company's annual meeting of shareholders.

MEETINGS AND REPORTS

The Committee shall meet at least three times each year at such scheduled times as the Chairman of the Committee may determine. Additional meetings may be called by the Chairman or by any two members of the Committee. The Chairman shall, in consultation with the other members of the Committee and appropriate officers of the Company, establish the agenda for each Committee meeting. Each Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Chairman shall supervise the conduct of the meetings and shall have other responsibilities which the Committee may designate from time to time. Action of the Committee may be taken without a meeting with the unanimous written consent of the Committee members. A majority of the Committee members shall constitute a quorum for the transaction of business. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company's articles of incorporation or its regulations. The Committee shall prepare and, through its Chairman, report on the Committee's work to the Board of Directors.

MANAGEMENT SUPPORT AND CONSULTANTS

Management shall provide to the Committee such assistance as the Committee may request to assist the Committee in fulfilling its duties. The Committee shall have appropriate resources and authority to discharge its responsibilities, including, without limitation, appropriate funding in such amount as the Committee deems necessary, to compensate any consultants and any independent advisors retained by the Committee. The Committee shall have the sole authority to retain and terminate any compensation consultant or search firm to assist in the identification of director candidates and the sole authority to set the fees and other retention terms of such consultant or search firms. The Committee may also retain independent counsel and other independent advisors to assist it in carrying out its responsibilities.

ANNUAL REVIEW

At least annually, the Committee shall (a) review this Charter with the Board and recommend any changes to the Board and (b) evaluate its performance against the requirements of this Charter and review this evaluation with the Board. The evaluation shall include the goals and objectives of the Committee for the upcoming year. The Committee shall conduct its review and evaluation in such manner as it deems appropriate.

Consistent with New York Stock Exchange listing requirements, this Charter will be included on the Company's website and will be made available upon request sent to the Company's Secretary. The Company's annual report to shareholders will state that this Charter is available on the Company's website and will be available upon request.