
CANTEL MEDICAL CORP.

STOCK RETENTION AND OWNERSHIP GUIDELINES
(Adopted as of October 16, 2013)

A. Purpose

The Board of Directors of Cantel Medical Corp. (the “Company”) believes that the Company’s non-employee directors and executive officers should maintain a meaningful level of share ownership in the Company to further align their interests with those of the Company’s stockholders and to further promote the Company’s commitment to sound corporate governance. Therefore, the Board of Directors has adopted these stock retention and ownership guidelines (the “Guidelines”) for the non-employee directors and executive officers of the Company listed below.

B. Participants

The Guidelines apply to the Company’s non-employee directors, Chairman of the Board, President and Chief Executive Officer, Executive Vice Presidents, Chief Operating Officer, Chief Financial Officer, Senior Vice Presidents and any other officer designated by the Board of Directors as a participant (each, a “Participant,” and collectively, the “Participants”).

C. Determination of the Stock Ownership Guidelines

The stock ownership guidelines are determined as a multiple of an executive officer’s base salary or a non-employee director’s annual cash retainer, as applicable, and are then converted to a fixed number of shares. The stock price used to calculate the applicable number of shares with respect to each Participant as of a given date will be the average stock price over the ten (10) trading days prior to such date. The individual stock ownership guideline established for each Participant is as follows:

- Chairman of the Board – three (3) times annual base salary;
- President and Chief Executive Officer – three (3) times annual base salary;
- Chief Operating Officer – two (2) times annual base salary;
- All other executive officers who are Participants – one and a half (1.5) times annual base salary; and
- All non-employee directors – three (3) times annual retainer.

D. Stock Retention

Until a Participant has met his or her individual stock ownership guideline, such Participant must retain at least fifty percent (50%) of the net shares received (after the date of adoption of the Guidelines) resulting from the exercise of stock options or the vesting of restricted stock. “Net shares” are defined as those shares that remain after shares are sold or withheld, as the case may be, to pay any applicable exercise price and/or satisfy any tax obligations arising in connection with the exercise of such stock options or the vesting of such restricted stock.

E. Shares Counted Toward Meeting the Stock Ownership Guidelines

Shares that count toward meeting the stock ownership guidelines include the following:

- Shares owned by the Participant or his or her immediate family members residing in the same household;
- Shares held in trusts or other entities established for the benefit of the Participant and/or his or her immediate family members;
- Shares purchased on the open market;
- Shares held in qualified plans (e.g., 401(k) plans);
- Restricted shares (whether vested or unvested) granted by the Company to, and held by, the Participant; and
- Shares underlying vested (but not unvested) stock options granted by the Company to, and held by, the Participant.

F. Compliance

Each Participant as of the date of adoption of the Guidelines is required to meet his or her individual stock ownership guideline on or before July 31, 2018. If a Participant’s individual stock ownership guideline increases because of a change in title, annual base salary or annual cash retainer, the Participant will be required to meet the new applicable stock ownership guideline on or before July 31st of the year which includes the fifth anniversary of the date of such change. Any person who becomes a Participant after the date of adoption of the Guidelines will be required to meet the applicable stock ownership guideline on or before July 31st of the year which includes the fifth anniversary of the date that such person first became a Participant.

The Compensation Committee of the Company's Board of Directors (the "Committee") will review each Participant's progress and/or compliance with the Guidelines on an annual basis. The Committee may, in its sole discretion, impose restrictions or conditions on any Participant as it deems necessary or appropriate in order to accomplish the purpose of the Guidelines, such as mandating that a Participant retain all or a greater percentage of his or her vested shares. Once a Participant satisfies his or her individual stock ownership guideline, such Participant will be considered to remain in compliance with the Guidelines despite future fluctuations in stock price, as long as such Participant's holdings do not decline below the number of shares applied to satisfy the Guidelines at the time such Participant first met his or her individual stock ownership guideline.

Notwithstanding anything to the contrary contained herein, the Guidelines will not preclude any Participant from participating (with respect to any and all shares held by such Participant) in any corporate transaction in which stockholders generally are eligible to participate, including, but not limited to, mergers and other stock acquisition transactions.

The Guidelines may be waived for a Participant, at the discretion of the Committee, if compliance would create a financial hardship on the Participant or prevent the Participant from complying with a court order (e.g., a divorce settlement). In such event, the Participant must submit to the Committee a written description of the circumstances relating to which a waiver is being requested. The Committee will make the final decision as to whether to grant a waiver and/or to develop an alternative stock ownership guideline for such Participant that reflects both the purpose of the Guidelines and such Participant's individual circumstances.

G. Administration

The Committee has the authority to interpret and administer the Guidelines. From time to time, the Committee will review and re-evaluate the Guidelines and make recommendations to the Company's Board of Directors for modifications as may be necessary or appropriate.