LEVITT CORP
Form NT 10-Q
November 10, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 12b-25
Notification of Late Filing
Commission File Number: 001-31931
CUSIP No. 52742P108

(Check one)
o Form 10-K and Form 10-KSB o Form 11-K
o Form 20-F x Form 10-Q and Form 10-QSB o Form N-SAR
For period ended September 30, 2005
o Transition Report on Form 10-K and Form 10-KSB
o Transition Report on Form 20-F
o Transition Report on Form 11-K
o Transition Report on Form 10-Q and Form 10-QSB
o Transition Report on Form N-SAR
For the transition period ended ____________________________

Read Attached Instruction Sheet Before Preparing Form. Please Print or Type.

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the item(s) to which the notification relates: ______

PART I
REGISTRANT INFORMATION

Full name of registrant Levitt Corporation.
Former name if applicable ____
Address of principal executive office *(Street and Number)* 2100 West Cypress Creek Road
City, State and Zip Code Fort Lauderdale, Florida 33309

PART II
RULE 12B-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check appropriate box.)

X (a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;

X (b) The subject annual report, semi-annual report, transition report on Forms 10-K, 10-KSB, 20-F, 11-K or Form N-SAR, or portion thereof, will be filed on or before the 15th calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q, 10-QSB, or portion thereof will be filed on or before the fifth calendar day following the prescribed due date; and

X (c) The accountant s statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III
NARRATIVE

State below in reasonable detail the reasons why Forms 10-K, 10-KSB, 11-K, 20-F, 10-Q, 10-QSB, N-SAR or the transition report portion thereof could not be filed within the prescribed time period. (Attach extra sheets if needed.)

We were unable to complete the preparation and review of our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2005 (the Form 10-Q), within the required time period, without unreasonable effort or expense due to unanticipated delays in assembling all information and completing all reviews required with respect to the Form 10-Q. We have since filed our Form 10-Q.

PART IV
OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification.

George P. Scanlon	(954) 940-4950
(Name)	(Area Code) (Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) or the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months (or for such shorter period) that the registrant was required to file such report(s) been filed? If the answer is no, identify report(s).

Yes x No o

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes o No x

Levitt Corporation

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 9, 2005	By: /s/ George P. Scanlon George P. Scanlon Executive Vice-President and Chief Financial Officer

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675,830

Compensation of Directors

In May 2008, the Compensation Committee retained compensation consultant PM&P to provide advice and recommendations with respect to competitive benchmarking of our compensation system within our Peer Group (as defined in "Compensation Discussion and Analysis" below) and with respect to specific compensation decisions concerning our non-employee directors. After review of the competitive benchmarking within the Peer Group, in October 2008, the Compensation Committee implemented, beginning in fiscal 2009, changes to the compensation structure of our non-employee directors. In May 2013, PM&P updated its competitive benchmarking review and the Company adopted the following compensation program for fiscal 2013 to better align compensation levels and cash/equity mix with the market:

Non-Executive Director Board Cash Retainer

- $50,000:Annual Cash Retainer (no change)
- $40,000:Additional Annual Cash Retainer for the Non-Executive Chairman (Total cash retainer = $90,000)

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Non-Executive Director Committee Cash Retainers

- $15,000:Audit Chairman (no change)
- $10,000:Compensation Chairman
- $10,000:Corporate Governance and Nominating Committee Chairman
- $7,500:Audit Committee Members (increase from $5,000)
- $5,000:Other Committee Members (no change)

Non-Executive Director Annual Equity Award

- 2,106 RSUs (decreased from 3,200 RSUs)

All non-employee directors received director fees in fiscal 2013. Directors who are also our paid employees are not separately compensated for any services they provide as directors.

On May 14, 2013, Messrs. Beecken, Hood, Jetter, Kowaloff, Kraemer and Sullivan received an award of 2,106 RSUs pursuant to the Company's 2006 Plan. The RSUs vest in three equal annual installments beginning on May 14, 2014.

The compensation earned by our non-employee directors for the fiscal year ended September 30, 2013 is summarized as follows:

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Option Awards ($) (3)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
David K. Beecken	66,042	149,989	—	—	—	—	216,031
William K. Hood	61,042	149,989	—	—	—	—	211,031
Thomas Jetter	68,750	149,989	—	—	—	—	218,739
Arthur D. Kowaloff	63,125	149,989	—	—	—	—	213,114
Harry M. Jansen Kraemer, Jr.	59,167	149,989	—	—	—	—	209,156
Timothy P. Sullivan	57,083	149,989	—	—	—	—	207,072

(1)

- These amounts reflect the grant date fair value of the restricted stock units calculated in accordance with applicable standards for financial statement reporting purposes for the fiscal year ended September 30, 2013 in accordance with FASB ASC Topic 718, Compensation-Stock Compensation. The following are the aggregate number of unvested restricted stock units held by each of our non-employee directors as of September 30, 2013: Mr. Beecken: 5,241; Mr. Hood: 5,241; Mr. Jetter: 5,241; Mr. Kowaloff: 5,241; Mr. Kraemer: 5,241; and Mr. Sullivan: 5,241.

(2)

- As of September 30, 2013, the number of stock options held by each non-employee director and the vesting of such options is as follows:

Name	Vested Stock Options	Unvested Stock Options	Total
David K. Beecken	—	—	—
William K. Hood	45,000	—	45,000
Thomas Jetter	—	—	—
Arthur D. Kowaloff	55,000	—	55,000
Harry M. Jansen Kraemer, Jr.	75,000	—	75,000
Timothy P. Sullivan	—	—	—

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Compensation of Executive Officers

Compensation Discussion and Analysis

Fiscal 2013 Performance Highlights:

- Revenue growth of 12.5% (11.7% constant currency) to $1.1 billion
- GAAP Gross profit up 12.9% to $591.4 million; GAAP Gross profit margin of 53.7%
- GAAP Diluted EPS up 10.7% ($2.61 vs. $2.36) and Non-GAAP Adjusted Diluted EPS up 12.4% ($3.41 vs. $3.03)
- Three-year total shareholder return (TSR) outperformed market and compensation peer group
- Record number of new products introduced at the bi-annual International Dental Show, including our “CAD/CAM for Everyone” product suite

Fiscal 2013 Executive Compensation and Governance Highlights:

- CEO transition successfully completed on February 20, 2013
- Separated CEO and Chairman of the Board role by appointing a Non-Executive Chairman upon Mr. Slovin’s appointment as CEO
- All directors are independent other than the CEO. Non-employee directors attended all scheduled Board and Committee meetings
- Stock ownership requirements for executive officers and directors (6x base salary for CEO; 1x for other named executive officers (“NEOs”) and 5x annual cash retainer for directors)
- Equity plan prohibits repricing and backdating
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- No excise tax gross-ups

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- Revision of the Corporate Governance Guidelines to (i) include a new director resignation policy and (ii) create a new senior independent director position

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- Amendment to the Amended and Restated Certificate of Incorporation to declassify the Board of Directors (described in detail under Proposal 4 above)

Say-on-Frequency and Say-on-Pay
Consistent with the desire of the shareholders (per the Say-on-Frequency vote in early 2011), Sirona has adopted the practice of conducting an annual non-binding advisory vote on NEO compensation. The Compensation Committee has and will continue to monitor the results of the annual advisory Say-on-Pay proposal and incorporate such results as one of many factors considered in connection with the discharge of its responsibilities, although no such factor is assigned a quantitative weighting. Despite receiving near universal support for the Company’s fiscal 2012 compensation program, Sirona, in keeping with evolving corporate governance best practices, implemented certain changes to the Company’s compensation program (see Fiscal 2013 Executive Compensation and Governance Highlights).
Independent Compensation Consultant
Since October 2007, the Compensation Committee has retained PM&P to provide advice and recommendations with respect to the competitiveness of Sirona’s executive and director compensation programs. The Compensation Committee directly engaged PM&P to conduct competitive market assessments for Sirona’s NEO group in fiscal 2008, 2011 2012 and 2013. In the first quarter of fiscal 2013, PM&P provided advice/guidance to the Compensation Committee with respect to the Company’s CEO succession plan. Additionally, PM&P was also engaged to provide competitive market assessments of Sirona’s Non-Employee Director Compensation program in fiscal 2008 and 2011. PM&P has never performed any services other than executive and director compensation consulting for the Company, and performed its services only on behalf of and at the direction of the Compensation Committee.
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The Compensation Committee believes that there was no conflict of interest between the compensation consultant and the Compensation Committee during the year ended September 30, 2013. In reaching this conclusion, the Compensation Committee has analyzed whether the work of PM&P as a compensation consultant has raised any conflict of interest, taking into consideration the following factors: (i) the provision of other services to the Company by PM&P; (ii) the amount of fees from the Company paid to PM&P as a percentage of PM&P's total revenue; (iii) the policies and procedures of PM&P that are designed to prevent conflicts of interest; (iv) any business or personal relationship of PM&P or the individual compensation advisors employed by PM&P with an executive officer of the Company; (v) any business or personal relationship of the individual compensation advisors with any member of the Compensation Committee; and (vi) any stock of the Company owned by PM&P or the individual compensation advisors employed by PM&P.

Our Named Executive Officers for Fiscal 2013:

Executive	Title	Comments
Slovin, J.	President & CEO	Mr. Slovin was appointed CEO on February 20, 2013
Fischer, J.	Former CEO & COB	Mr. Fischer retired on February 20, 2013*
Blank, S.	Former CFO	Ms. Blank's resignation was effective as of October 14, 2013. Mr. Ulrich Michel was appointed CFO & EVP on October 14, 2013
Berthan, R.	EVP	
Friedman, J.	General Counsel & Secretary	
Petersohn, W.	EVP, Sales	

*

- Mr. Fischer's retirement provisions are discussed in detail under the section "Employment Agreements." Additionally, his fiscal 2013 compensation amounts are disclosed in the Summary Compensation Table.

Compensation Philosophy: We do business in a competitive and dynamic industry. Our continued success in such an environment depends, in large part, on our ability to attract and retain talented senior executives. In order to align the compensation delivered to these executives with shareholder interests, a significant portion (approximately 72% of total target compensation) is variable (short- and long-term incentives) and based on corporate performance. As a result, the Compensation Committee's compensation policies are designed to:

(i)

- Provide a competitive level of compensation to attract and retain talented management;

(ii)

- Reward senior executives for corporate performance;

(iii)

- Align the interests of senior executives with our stockholders in order to maximize stockholder value;

(iv)

- Motivate executive officers to achieve our business objectives; and

(v)

• Reward individual performance.

To achieve these compensation objectives, the Compensation Committee has developed a compensation program for the NEOs generally consisting of base salary, annual cash bonus and long-term incentive compensation in the form of stock options, restricted shares/units and/or performance-contingent shares.
Target compensation levels for the NEOs approximate the market as follows:

- Base Salary: 55 th percentile of Market
- Annual Cash Bonus: 65 th percentile of Market
- Long-term Incentive: 65 th percentile of Market

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Base salary levels are positioned just above market median to account for Sirona's greater product complexity and broader geographic reach. However, as mentioned above, compensation is primarily driven by incentive awards tied to Sirona's performance. As in past years, the Compensation Committee continues to believe that the Company's growth targets justify positioning target incentive compensation (short- and long-term) at above-median levels.

The resulting target total compensation pay mix for the President and CEO, Jeffrey T. Slovin, is:

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- Base Salary: 23%

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- Annual Cash Bonus: 23%

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- Long-term Incentive: 54%

The average total compensation pay mix for the other NEOs is structured to be:

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- Base Salary: 30%

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- Annual Cash Bonus: 17%

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- Long-term Incentive: 53%

The Compensation Committee believes that placing heavier weight on long-term incentives helps ensure strong alignment with creating long-term value for shareholders.

Review of Market Data for Peer Companies

Compensation levels for our named executive officers are determined based on a number of factors, including a review of the compensation levels in the marketplace for similar positions. The Peer Group was generally consistent with the Peer Group established in 2007, but updated to take into account changes within the industries and the Company's business. The current peer group ("Peer Group") consists of the following companies:

Align Technology, Inc.	Henry Schein Inc.	Resmed Inc.
CONMED Corporation	Hill-Rom Holdings, Inc.	Steris Corporation
The Cooper Companies Inc.	Hologic, Inc.	Straumann Holding AG
DENTSPLY International Inc.	IDEXX Laboratories Inc.	Nobel Biocare Holding AG
Edward Lifesciences Corp.	Integra LifeSciences Holdings	Patterson Companies Inc.

*

- NuVasive Inc., Orthofix International N.V. and Thoratec Corporation were removed from the peer group and Align Technology, Edward Lifesciences, Hill-Rom Holdings and Hologic were added to better reflect Sirona's size and performance.

Base Salaries (Short-term Fixed Pay)

The Compensation Committee generally reviews base salary levels on an annual basis and determines if increases are warranted to align with prevailing market levels. For Fiscal 2013, Mr. Slovin's base salary increase reflects his promotion to Chief Executive Officer, while increases for Ms. Blank, Mr. Petersohn and Mr. Friedman were made to better align with the market 55th percentile. Mr. Berthan was hired as a Vice President of the Company on September 1, 2012 and subsequently promoted to Executive Vice President as of November 16, 2012. He did not receive a base salary increase as a result of his promotion.

Executive	**Fiscal 2012 Base Salary**	**Fiscal 2013 Base Salary**	**Increase %**
Slovin, J.	$475,000	$850,000	79 %
Blank, S.	$479,412	$507,783	6 %
Berthan, R.	—	$288,662	—
Friedman, J.	$310,000	$324,000	5 %
Petersohn, W.	$259,844	$295,223	14 %

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Non-Equity Performance Compensation (Short-Term Variable Pay)

The Compensation Committee believes that annual bonuses can serve an important function by adding a fiscal performance-based incentive to an executive's compensation package. To that end, the Company maintains two bonus programs for the NEOs: Executive Bonus Plan ("Executive Plan") and Employee Profit Sharing Bonus Plan. The Executive Plan covers the President and CEO (Mr. Slovin), CFO (for fiscal 2013, Ms. Blank) and the EVP, Sales (Mr. Petersohn), while the Employee Profit Sharing Bonus Plan covers the EVP (Mr. Berthan) and General Counsel and Secretary (Mr. Friedman).

Executive Bonus Plan

The purpose of the Executive Plan is to provide to senior executive officers selected by the Compensation Committee cash bonus compensation that is (1) performance based and (2) competitive at target performance with the cash bonuses paid to similarly situated senior executives. The Executive Plan replaced the 2008 Executive Bonus Plan (the "2008 Plan") which had previously replaced the cash bonus compensation component of total compensation used in prior years for the participants of the 2008 Plan. The Compensation Committee annually determines target performance metrics based upon budgetary estimates of financial performance approved by the Board of Directors in the first quarter of each fiscal year. The target bonus amount of each participant is a percentage of such participant's annual base salary. The Compensation Committee also determines the percentage of target bonus payable to each participant at performance levels above and below target performance for each of the metrics described below on an annual basis. In fiscal 2013, cash bonuses were targeted at the 65th percentile of the Company's Peer Group. While the Compensation Committee retains discretion to target annual cash bonuses other than in reference to the Peer Group, it did not exercise that discretion in fiscal 2013.

The financial performance metrics used to measure and reward performance under the Executive Plan has two major components: a Revenue Metric and an Earnings Metric.

(a) Revenue Metric: The Revenue Metric is the Company's fiscal year revenue, as reported in its financials. The Revenue Metric is given a weighting of 25% in calculating each participant's bonus. In the event that the actual fiscal year Revenue Metric achieves target, each participant will receive 25% of his or her target bonus. Each participant will receive greater or less than the 25% of target bonus to the extent the Revenue Metric exceeds or is less than the revenue target. Payout range is zero to 2x target (i.e., 0% to 50% of target annual bonus).

(b) Earnings Metric: The Earnings Metric consists solely of an Adjusted EBITDA Metric. The Adjusted EBITDA Metric has been determined by the Committee to be fiscal year net income as reported by the Company in its financials, plus (i) net interest expense, (ii) provision for income taxes, (iii) depreciation and amortization, (iv) option expenses, (v) foreign exchange effect from Patterson exclusivity fee revaluation, (vi) refinancing expenses, (vii) foreign exchange effect from intra-group loans, (viii) non-cash gain/loss on foreign exchange derivatives, (ix) release of the Patterson exclusivity fee (x) and other special items set forth by the Compensation Committee (historically, special items have been: write-off of IPR&D and expenses related to refinancing or secondary offerings by Luxco) less a gain from a patent infringement settlement. The Earnings Metric is given an overall weight of 75%. If the fiscal year Adjusted EBITDA Metric achieves target, each participant will receive 75% of his or her target bonus. Each participant will receive greater or less than the 75% of target bonus to the extent the Adjusted EBITDA Metric exceeds or is less than the adjusted EBITDA target. Payout range is zero to 2x target (i.e., 0% to 150% of target annual bonus).

The bonus awards for all participants in the Executive Plan are calculated with the same method: Fiscal year cash bonus = bonus earned due to actual fiscal year Revenue Metric performance + bonus earned due to actual fiscal year Adjusted EBITDA Metric performance. There are no elements of individual performance considered in determining any award.

The Compensation Committee determined for fiscal 2013 that the target bonus amounts were:

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- Mr. Slovin: 100% of base salary (upon appointment to CEO)

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- Ms. Blank: 70% of base salary

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- Mr. Petersohn: 63% of base salary

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Consistent with Sirona's compensation philosophy, target bonus amounts are within +/-15% of the market 65 th percentile.

Revenue Metric. Each participant would earn 25% of his or her target bonus if actual fiscal year 2013 revenue achieved target of $1,075 million. Each participant would earn greater or less than 25% of target bonus as set forth below, with all other points determined on a straight line basis. Revenue attainment below $1,050 million would yield zero payout and revenue above $1,140 million would result in a capped payout of 2x target.

Fiscal 2013 Revenue	**% of Target Bonus**	
Below $1,050 million	0	%
$1,050 million	12.5	%
$1,075 million	25	%
$1,117 million	37.5	%
$1,140 million	50	%
Greater than $1,140 million	50	%

Adjusted EBITDA Metric. Each participant would earn 75% of his or her target bonus if actual fiscal year 2013 Adjusted EBITDA achieved target of $293 million. Each participant would earn greater or less than 75% of target bonus as set forth below, with all other points determined using the $289 million and the $311 million points, except that no additional bonus was awarded for achieving over $311 million in fiscal year 2013 Adjusted EBITDA. Adjusted EBITDA below $289 million would yield zero payout and Adjusted EBITDA above $311 million would result in a capped payout of 2x target.

Fiscal 2013 Adjusted EBITDA	**% of Target Bonus**	
Below $289 million	0	%
$289 million	37.5	%
$293 million	75	%
$296 million	93.75	%
$305 million	112.5	%
$311 million	150	%
Greater than $311 million	150	%

2013 Fiscal Year Performance and Bonus Results under Executive Plan. The fiscal 2013 results for the Revenue Metric and the Adjusted EBITDA Metric, as derived from the Company's audited fiscal 2013 financial statements in accordance with the definitions approved by the Compensation Committee, were $1,101.5 million and $289.3 million, respectively. After applying the calculations set forth in the charts above for performance below, at or above target, the Compensation Committee determined that the bonus payable to each of the participating named executive officers for each of the Revenue Metric and the Adjusted EBITDA Metric, as a percentage of target bonus, was approximately 33% and approximately 40% respectively, totaling an aggregate cash bonus for each participating named executive officer of 73% of his or her target bonus.

Pursuant to the foregoing, each of the covered executives earned the following:

Executive	**Target Bonus**	**Actual Bonus Earned**	**Actual as % of Target**	
Slovin, J.	$850,000	$620,500	73	%
Blank, S.	€270,900	€197,757	73	%
Petersohn, W.	€141,750	€103,478	73	%

*

- Note, bonus amounts for Ms. Blank and Mr. Petersohn were paid in Euros; the exchange rate used to convert to USD was 1.31210. Mr. Slovin was paid in U.S. dollars.

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There are no payments under the Executive Plan to any person upon termination of employment (for any reason) or upon a change in control of the Company, however, participants may be eligible for such payments under their employment or other agreements with the Company. Please see "Employment Agreements" below.

Employee Profit Sharing Bonus Plan and 2013 Fiscal Year Bonus Results

Mr. Berthan and Mr. Friedman were both eligible to receive cash bonuses under the Employee Profit Sharing Bonus Plan for fiscal 2013. The Chief Executive Officer, in collaboration with the Compensation Committee, annually determines target performance metrics based upon budgetary estimates in the first quarter of each fiscal year.

For fiscal 2013, Mr. Berthan's bonus was guaranteed at €140,000, per his employment agreement. Under normal course, €100,000 of his target bonus will be determined in accordance with Sirona's bonus plan while the remaining €40,000 will be based on performance criteria determined on an annual basis. Additionally, Mr. Berthan has the ability to earn above target with the maximum award capped at €195,000.

Mr. Friedman's bonus is based on two major components: (i) the Company's Earnings Per Share ("EPS") performance, weighted at 50% and (ii) certain qualitative targets relating to the individual projects, weighted at 50%. If target EPS of $3.43 was achieved for the 2013 fiscal year, Mr. Friedman would receive 50% of his target bonus. He would receive greater or less than the target bonus to the extent EPS exceeded or was less than target, subject to a threshold of 66.7% of the target and a cap of 133.3% of the target.

In the event that the actual fiscal year qualitative targets relating to the individual project targets achieved target Mr. Friedman would receive 50% of his target bonus and he would receive greater or less than the 50% of target bonus to the extent the qualitative achievements exceeded or was less than the target, subject to a threshold of 20% and a flattened bonus curve after 120% target achievement.

For fiscal 2013, Mr. Friedman's target bonus was $129,600 (40% of base salary). Fiscal 2013 performance resulted in an EPS level just under target ($3.41 vs. target of $3.43) and Mr. Friedman's performance against qualitative goals was just above target. Therefore, the earned bonus payout is equal to 100% of target or $129,600.

Short-term Variable Pay — Fiscal 2014 Adjustments. The Compensation Committee approved a change to the Executive Plan by selecting the following performance metrics for fiscal 2014:

- Sales Growth:
  - 25% weighting
- Operating Income Margin:
  - 25% weighting
- Diluted EPS:
  - 25% weighting
- Free Cash Flow:
  - 25% weighting

The selected performance metrics focus on top-line growth, bottom-line performance and cash management providing a more balanced approach to shareholder value creation. In addition to the change in performance metrics, the fiscal 2014 Executive Plan will be expanded to unite all NEOs under one common corporate short-term performance program.

Equity Awards (Long-term Variable Pay)

As discussed above, the Compensation Committee targets long-term incentive compensation at the 65 th percentile of the Peer Group. Additionally, the Compensation Committee has determined that granting long-term incentives on an annual basis, rather than on a periodic basis, is more aligned with market practice and is in the best interest of shareholders.

In furtherance of Sirona's desire to award the appropriate mix of stock options, time-vested restricted stock/units and performance-based shares to its NEOs, the Compensation Committee has granted a combination of time-vested restricted stock units and stock options for fiscal 2013. The Compensation Committee determined that this shift is more aligned with market practice and increases the focus on performance. The mix of stock options (46%) and restricted stock units (54%) provide an appropriate balance between performance, desire for shareholder alignment and retention. Stock options are inherently

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performance-oriented and aligned with shareholder interest because stock price appreciation above the exercise price is required before an executive realizes any value. Unlike stock options, a restricted stock unit award has some value regardless of stock price volatility thereby enhancing retention during times of stock price volatility. Moreover, retention is further enhanced by requiring the first tranche (1/3rd) of restricted stock units to vest two years following the grant date and annually thereafter (as opposed to stock options which vest 25% one year following the grant date and 25% each year thereafter). However, in addition to being a retention vehicle, restricted stock units also align with shareholder interests since their value appreciates as the value of the Company's common stock increases.
As Sirona and its marketplace continue to evolve, the Compensation Committee will continue to balance shareholder alignment with the motivational impact of the current equity award mix for the NEOs. To that end, Sirona's fiscal 2014 equity awards (granted on November 26, 2013) consist of time-vested restricted stock units, stock options and performance-based shares. The Compensation Committee decided to introduce a performance-based share instrument focused on relative and absolute performance metrics into the equity mix to enhance the compensation programs linkage between pay and performance. Equity mix reflects:

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• CEO

– Time-vested restricted stock:

• 30%

– Stock options:

• 30%

– Performance shares:

• 40%

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• Other NEOs (excluding Ms. Blank)

– Time-vested restricted stock:

• 50%

– Stock options:

• 25%

– Performance shares

• 25%

The Company does not publicly disclose specific long-term incentive plan targets on a prospective basis due to potential competitive harm. Revealing specific objectives prospectively would provide competitors and other third parties with insights into our confidential planning process and strategies, thereby causing competitive harm.
Severance Payments and Change in Control

In March 2008, the Compensation Committee, after review of the competitive market assessment conducted by PM&P, determined that Ms. Blank and Mr. Slovin should receive payments of up to 24 months annual base salary and two times target bonus in the year of termination in the event that any of them were terminated without cause or if any of them terminated their employment for good reason. The Compensation Committee also decided that equity awards held in the Company by Ms. Blank and Mr. Slovin would be accelerated in the event of a change in control. Mr. Slovin's employment agreement already provided for such acceleration of equity awards held by him.

On December 2, 2008, the Compensation Committee approved amendments to employment agreements of Ms. Blank and Mr. Slovin for the purposes of providing the revised severance and change in control benefits described in the paragraph above. Additionally, Mr. Slovin's employment agreement was further amended to reflect his promotion to Chief Executive Officer. For further detail see terms set forth under the section "Employment Agreements" below.

In connection with Mr. Fischer's retirement following the Annual Meeting, Mr. Fischer and the Company executed a Transition Agreement. The details of the Transition Agreement, including severance payments that will be made to Mr. Fischer, are set forth under the section "Employment Agreements" below.

In connection with Ms. Blank's resignation on October 14, 2013, Ms. Blank and the Company entered into a Separation Agreement in August 2013. The details of the Separation Agreement are set forth under the section "Employment Agreements" below.

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Other Compensation

Executive pension plans are common in European companies but are declining in the United States. In March 2008, the Compensation Committee, after review of the competitive market assessment conducted by PM&P, decided that Mr. Fischer and Ms. Blank should be enrolled in a defined contribution retirement savings plan because they are not eligible to participate in the Company’s 401(k) plan. The Compensation Committee believes that such a retirement savings plan provides a competitive benefit to our Europe-based named executive officers. While such benefit was authorized by the Compensation Committee in fiscal 2008, the retirement saving plan became available to our Europe-based named executive officers during fiscal 2009. For a description of this plan, see “Nonqualified Defined Contribution and other Nonqualified Deferred Compensation.” The Compensation Committee also determined that the Company should provide payments on behalf of some named executive officers for private health care insurance coverage. In fiscal 2013, payments of €3,646 ($4,784 at an average exchange rate of 1.31210 for fiscal 2013), €3,000 ($3,936 at an average exchange rate of 1.31210 for fiscal 2013) and $33,077 were made on behalf of Mr. Fischer, Ms. Blank and Mr. Slovin, respectively. The Compensation Committee also decided in March 2008, after review of the competitive market assessment conducted by PM&P, to continue the Company’s current practice of providing limited auto, housing and tax advisory services to its named executive officers. These perquisites facilitate the performance of our named executive officers’ managerial duties and provide for competitive total compensation when compared to the total compensation of the Peer Group.

Modification of Compensation Policies

The Omnibus Budget Reconciliation Act of 1993 includes potential limitations on tax deductions for compensation in excess of $1,000,000 paid to our executive officers. The Compensation Committee has analyzed the impact of this provision of the tax law on our compensation policies, has determined that historically the effect of this provision on the taxes paid by us has not and would not have been significant and has decided for the present not to modify our compensation policies based on such provision. In the event that a material amount of compensation might potentially not be deductible, it will consider what actions, if any, should be taken to seek to make such compensation deductible without compromising its ability to motivate and reward excellent performance.

Tax Equalization Agreements

In fiscal 2010, the Company entered into agreements with Messrs. Slovin, Fischer and Ms. Blank providing for tax equalization. These payments were in recognition of the fact that these executives are required to spend an increased percentage of their time outside their respective home countries and were designed to make the executives whole on an after-tax basis.

In connection with his September 2010 appointment to President of the Company, Mr. Slovin agreed to be relocated to Bensheim, Germany for two years. During the period of relocation, the Company agreed to make Mr. Slovin whole on an after-tax basis for German employment income and other applicable taxes on his remuneration in excess of the tax that he would owe if his income was subject only to federal, state and local taxation applicable to Mr. Slovin prior to his relocation. This tax equalization payment is calculated by the Company’s outside accounting firm and paid with the monthly payroll. On October 1, 2012, the Company entered into a Letter Amendment to Mr. Slovin’s existing Amended and Restated Employment Agreement, providing that Mr. Slovin’s relocation to Bensheim, Germany will be extended until March 31, 2013. On May 7, 2013, the Company entered into an amendment to Mr. Slovin’s existing Amended and Restated Employment Agreement, providing that Mr. Slovin’s relocation to Germany is to be extended for a period to be determined within the sole discretion of Mr. Slovin. Furthermore, in the event that the Company’s housing, car lease, insurance, maintenance or tuition payments are deemed to be income to Mr. Slovin, Mr. Slovin will receive additional payments to make him whole on an after-tax basis.

On November 15, 2010, the Compensation Committee approved supplement agreements to the service agreements of each of Mr. Fischer and Ms. Blank for the purposes of providing that each of Mr. Fischer and Ms. Blank’s yearly salary and bonus under the service agreement will be paid by the Company pro rata to the days he/she has worked for the Company compared to total days to be worked under the service agreement, with the remaining portion of the yearly salary and bonus to be paid by Sirona Dental GmbH.

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In order to facilitate the payment mechanism, the Company will pay Mr. Fischer and Ms. Blank a fixed amount on a monthly basis in the amount of 20% of the total salary, with the remaining 80% to be paid by Sirona Dental GmbH. Within 30 days following the end of the calendar year, the Company and Sirona Dental GmbH will each compensate the other for the difference between the portion of salary actually paid and the pro rata portion to be paid for such calendar year.

The supplement agreements further provide that Mr. Fischer and Ms. Blank will be subject to tax equalization, by which he/she will remain neutral, subject to certain conditions and limitation, from a tax perspective with respect to (i) compensation received from the Company and/or Sirona Dental GmbH, including any U.S. tax on salary, bonuses, share based compensation (including effects in case of exercises) and (ii) the indirect investment of each of Mr. Fischer and Ms. Blank in the Company, subject to certain limits. Mr. Fischer and Ms. Blank will pay the same amount of income taxes as he/she would have paid had he/she performed all of his/her duties in Austria and did not perform the duties in the U.S. and been subject to a salary split mentioned above. These supplemental agreements were effective for fiscal 2013 for Mr. Fischer until his retirement and Ms. Blank until her resignation.

Report of the Compensation Committee of the Board of Directors

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis provided above. Based on its review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and the Company's Annual Report on Form 10-K for its 2013 fiscal year.

From the members of the Compensation Committee of Sirona Dental Systems, Inc.:

Timothy P. Sullivan, Chairman
William K. Hood
Harry M. Jansen Kraemer, Jr.
Arthur D. Kowaloff

Shareholder Approval of Executive Compensation

Pursuant to section 14A of the Securities Exchange Act, the Company is providing stockholders with the opportunity to cast an advisory (non-binding) vote to approve the compensation of the Company's named executive officers. As an advisory vote, this proposal is non-binding. However, the Board of Directors and the Compensation Committee value the opinions of stockholders and will consider the outcome of the vote when making future compensation decisions for the named executive officers. In light of the results of the stockholder's non-binding advisory vote at the 2010 Annual Meeting with respect to the frequency with which stockholders will vote for the approval of the compensation of the Company's named executive officers, the Company currently intends to hold an annual non-binding advisory vote on such named executive officer compensation.

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Summary Compensation Table

The following table provides summary information concerning compensation paid or accrued by the Company to or on behalf of named executive officers for services rendered during fiscal 2013, fiscal 2012 and fiscal 2011.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($) (2)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (4)	Total ($) (6)
ffrey T. ovin	2013	717,654	—	1,059,440	999,520	620,500	—	588,790	3,985,904
	2012	475,000	—	440,330	388,840	346,465	—	362,979	2,013,614
resident, hief xecutive fficer and irector	2011	442,900	—	768,702	—	620,060	—	386,465	2,218,127
st scher (5)(7)	2013	349,893	—	—	—	255,422	—	71,125	676,440
	2012	792,524	—	1,000,750	883,727	825,810	—	169,603	3,672,414
ormer hairman and hief xecutive fficer	2011	791,222	—	1,524,163	—	1,582,445	—	156,916	4,054,746
mone lank (5)	2013	507,783	—	497,600	427,040	259,477	—	125,098	1,816,998
	2012	479,412	—	440,330	388,840	349,684	—	125,238	1,783,504
ormer xecutive ice resident, hief nancial fficer and irector	2011	470,190	—	768,702	—	670,866	—	122,901	2,032,659
nathan iedman	2013	324,000	—	155,500	133,450	129,600	—	17,437	759,987
	2012	310,000	—	90,068	79,535	123,312	—	13,241	616,156
eneral ounsel and ecretary	2011	296,400	—	147,120	—	153,566	—	13,001	610,087
alter etersohn (5)	2013	295,223	—	435,400	373,660	135,773	—	21,132	1,261,188
	2012	259,844	—	240,180	212,094	155,906	—	20,482	888,506
xecutive ice resident of ales	2011	244,248	—	294,240	—	165,530	—	21,845	725,863
ainer erthan (8)	2013	288,662	—	—	—	183,694	—	11,656	484,012
	2012	—	—	537,240	280,298	—	—	—	817,538
xecutive	2011	—	—	—	—	—	—	—	—

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($) (2)(3)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (4)	Total ($) (6)
ice resident									

(1)

- Represents the aggregate grant date fair value calculated in accordance with applicable standards for financial statement reporting purposes for the fiscal years ended September 30, 2013, September 30, 2012 and September 30, 2011, in accordance with FASB ASC Topic 718. The assumptions used in calculating these amounts are set forth in Note 5, Employee Share-Based Compensation, to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013.

(2)

- 2013, 2012 and 2011 amounts represent amounts earned in fiscal 2013, 2012 and fiscal 2011 by Mr. Slovin, Mr. Fischer and Ms. Blank based on fiscal 2013, fiscal 2012 and fiscal 2011 performance under the Company's Executive Plan. Amounts earned by Mr. Slovin for fiscal 2013 were paid in December 2013, amounts earned by Mr. Slovin in fiscal 2012 were paid in December, 2012 and amounts earned by Mr. Slovin for fiscal 2011 were paid in December 2011. Amounts earned by Mr. Fischer and Ms. Blank in fiscal 2013 were paid in December, 2013. Amounts earned by Mr. Fischer in fiscal 2012 were paid from November, 2012 to February, 2013. Amounts earned by Ms. Blank in fiscal 2012 were paid from November, 2012 to April, 2013 and amounts earned by Mr. Fischer and Ms. Blank in fiscal 2011 were paid from January to June 2012. Bonus payments made to Mr. Petersohn in fiscal 2012 and 2013 are based upon performance under the Executive Bonus Plan and will be paid from January to June 2014. Bonus payments made to Mr. Petersohn in fiscal 2011 and 2012 were based upon the Employee Profit Sharing Bonus Plan.

(3)

- Represents bonus payments made to Mr. Friedman and Mr. Berthan based upon performance under the Employee Profit Sharing Bonus Plan, as described under "Short-term Pay — Non-Equity

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Performance Compensation — Employee Profit Sharing Bonus Plan.” Amount paid to Mr. Friedman was paid in December 2013. The amount paid to Mr. Berthan represents the bonus earned by Mr. Berthan in fiscal 2013 as agreed for the first year of his employment in his employment contract dated February 20, 2012.

(4)

- Includes all other compensation as described in the following table:

Name	Year	Savings Plan Contribution (a) ($)	Tax Advice (b) ($)	Car Allowance (c) ($)	Housing/ Education Allowance ($)	Healthcare Allowance (f) ($)	Insurance Premiums ($)
Jeffrey T. Slovin	2013	12,815	25,379	18,313	235,888 (e)	33,469	876
	2012	12,263	7,775	18,133	93,031 (e)	30,703	219
	2011	—	5,845	19,480	124,086 (e)	32,983	—
Jost Fischer	2013	5,552	4,550	13,385	20,511 (d)	4,784	—
	2012	32,987	4,677	32,169	48,686 (d)	11,368	—
	2011	35,437	2,973	28,959 (c)	44,000 (d)	12,212	—
Simone Blank	2013	24,930	—	16,224	48,175 (d)	3,936	—
	2012	24,685	—	16,065	48,475 (d)	3,898	—
	2011	26,518	—	18,510	43,600 (d)	4,187	—
Jonathan Friedman	2013	7,946	—	8,615	—	—	876
	2012	6,365	—	6,000	—	—	876
	2011	6,125	—	6,000	—	—	876
Walter Petersohn	2013	—	—	21,132	—	—	—
	2012	—	—	20,482	—	—	—
	2011	—	—	21,845	—	—	—
Rainer Berthan	2013	—	—	11,656	—	—	—
	2012	—	—	—	—	—	—
	2011	—	—	—	—	—	—

(a)

- Amounts for Mr. Slovin and Mr. Friedman reflect matching contributions under the Sirona Dental Systems 401(k) Savings Plan (the “Savings Plan”). Amounts for Mr. Fischer and Ms. Blank in fiscal 2010, 2011, 2012 and 2013 reflect amounts paid beginning in January 2010 into a defined contribution retirement savings plan, as described below under “Nonqualified Defined Contribution and other Nonqualified Deferred Compensation,” with the fiscal 2010 amount reflecting a pro rata amount due to the payment being made for only part of the fiscal year. Amounts paid to Mr. Friedman in fiscal 2013 were paid from October 1, 2012 through September 30, 2013.

(b)

- Represents the value of the tax advice given to Mr. Slovin and Mr. Fischer.

(c)

- Represents payments for car leases.

(d)

- Represents housing payments for Mr. Fischer and Ms. Blank in New York City.

(e)

- Represents (1) housing payments in Germany for Mr. Slovin incurred by the Company on his behalf, (2) family education payments including prepaid tuition expenses for the 2013-2014 school year and (3) relocation expenses for 2013.

(f)

- Includes an allowance for healthcare premiums payable by Mr. Fischer and Ms. Blank. Amounts for Mr. Slovin reflect the premiums paid by the Company to the Company's International Health Insurance for Expatriates.

(g)

- Includes an allowance for life insurance premiums payable by the named executive officer.

(h)

- Represents the aggregate of tax equalization payments and tax 'gross up', paid in respect of compensation or payments relating to the (i) Non-Equity Compensation Plan, tax advice, car allowance, housing/education allowance, and healthcare allowance for Mr. Slovin, (ii) tax advice and housing allowance for Mr. Fischer and (iii) housing allowance for Ms. Blank.

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(5)

- Mr. Fischer, Ms. Blank and Mr. Petersohn were compensated in Euros. All 2013 amounts have been converted to U.S. dollars at an exchange rate of 1.31210, the average exchange rate for the fiscal year ended September 30, 2013, and all 2012 amounts have been converted to U.S. dollars at an exchange rate of 1.29922, the average exchange rate for the fiscal year ended September 30, 2012, and all 2011 amounts (excluding non-equity incentive plan compensation) have been converted to U.S. dollars at an exchange rate of 1.359570, the average exchange rate for the fiscal year ended September 30, 2011.

(6)

- Amounts included in the table above do not include one-time cash payments in an amount totaling $6.625 million made on August 1, 2011 by certain existing shareholders of Luxco, a former significant shareholder of the Company, to the Chief Executive Officer and Chief Financial Officer of the Company in connection with their participation with Luxco. Mr. Fischer was paid $3,975,000 and Ms. Blank was paid $2,650,000. Although the Company did not make such payments, the Company nonetheless was required to record a non-cash compensation charge in that period as a result of such payments.

(7)

- All amounts shown are as of February 28, 2013, Mr. Fischer’s last day of employment with the Company.

(8)

- Mr. Berthan’s base salary for fiscal 2013 was €220,000, or $288,662, based on an exchange rate of 1.31210, the average exchange rate for the fiscal year ended September 30, 2013. Mr. Berthan was hired as a Vice President of the Company on September 1, 2012 and subsequently promoted to Executive Vice President as of November 16, 2012.

Employment Agreements

Mr. Slovin (President and Chief Executive Officer):

In June 2006, the Company entered into an employment agreement with Mr. Slovin that superseded his prior employment and other compensatory arrangements. The employment agreement was subsequently amended on December 2, 2008, September 20, 2010, October 1, 2012 and May 7, 2013 (collectively, the “Employment Agreement”). Pursuant to the Employment Agreement, Mr. Slovin currently serves as President and Chief Executive Officer. Throughout his employment, he will serve as a Director of the Company, subject to election by the stockholders. Mr. Slovin’s annual base salary for fiscal 2011 and 2012 was $442,900 and $475,000, respectively. Mr. Slovin’s annual base salary for fiscal 2013 increased to $850,000 effective upon his promotion to Chief Executive Officer. Mr. Slovin is also eligible to receive a bonus under the Company’s Fiscal 2009 Executive Bonus Plan.

Pursuant to the Employment Agreement, in the event that the Company terminates Mr. Slovin’s employment agreement without cause (as defined in the Employment Agreement), or Mr. Slovin terminates his employment with good reason (as defined in the Employment Agreement), in each case, Mr. Slovin will be entitled to receive severance payments, consisting of his base salary in effect at the time of termination, paid for a period of 24 months, a payment of two times the target bonus he would otherwise have received during the year in which termination occurs, and health and welfare benefits for a maximum of 24 months following termination. In addition, Mr. Slovin agreed not to compete with the Company or solicit or hire any of its current employees or former employees who left employment within the previous six months, during his employment and for a period of twelve months thereafter.

Moreover, according to the Employment Agreement, “cause” is defined as any of the following events: (i) a majority, plus at least one, of the members of the Company’s Board of Directors, excluding employee, determines that (a) the employee has committed an act of fraud against the Company, or (b) the employee has committed an act of malfeasance, recklessness or gross negligence against the Company that is materially injurious to the Company or its customers; or (ii) the employee has materially breached the terms of his employment agreement; or (iii) the employee is indicted for, or convicted of, or pleads no contest to, a felony or a crime involving the employee's moral turpitude. In addition, "good reason" is defined as any of the following events: (i) the Company reduces the amount of the employee's base salary or bonus opportunity; (ii) the Company changes the employee's titles or reduces his responsibilities in a manner that is materially inconsistent with the office he holds; (iii) the failure of employee to be a member of either the Company's Board of Directors or the Company's Executive Committee, if any or (iv) the Company's

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election to provide notice to employee of its intention not to renew the initial term or any successive renewal term of the Employment Agreement. If Mr. Slovin desires to resign for Good Reason, he has agreed to provide the Company 30 to 90 working days notice prior to such resignation, and the Company shall have the opportunity to cure such conduct.
Mr. Michel (Executive Vice President and Chief Financial Officer):
In July 2013, the Company entered into an employment agreement with Mr. Michel, pursuant to which Mr. Michel was hired as the Chief Financial Officer of the Company. Mr. Michel's annual base salary is denominated in Euros. Mr. Michel's annual base salary for fiscal 2014 is €420,000.
In addition to his base salary, Mr. Michel is eligible to receive an annual cash bonus under the Company's Executive Bonus Plan, pursuant to which his bonus target shall be 70% of his then-current salary. Mr. Michel's annual bonus can be as high as 140% of his annual base salary based on extraordinary achievements of performance bonus targets as defined by the Board of Directors.
In the event the Company terminates Mr. Michel's employment agreement for cause, Mr. Michel will have no right to any further compensation other than accrued amounts. "Cause" is defined as (i) conviction in a final judgment by a court of competent jurisdiction of a felony which involves dishonesty or moral turpitude; (ii) any willful act or omission that constitutes a material breach of the employment agreement or (iii) repeatedly engaging in any conduct in willful violation of any applicable written policy of the Company, which conduct, in the reasonable judgment of the Company, is materially detrimental to the business operations or reputation of the Company. The Company may also terminate Mr. Michel's employment agreement without cause with 90 days' written notice, in which case Mr. Michel will be entitled to receive severance payments, consisting of his base salary in effect at the time of termination, paid for a period of 24 months and the bonus that he would have otherwise received during the year in which termination occurs. Pursuant to the employment agreement, Mr. Michel agreed not to compete with the Company or solicit or hire any of its employees who was an employee while Mr. Michel was employed with the Company, during his employment and for a period of twelve months thereafter.
Mr. Berthan (Executive Vice President):
In February 2012, the Company entered into an employment contract with Mr. Berthan, pursuant to which Mr. Berthan was hired as a Vice President of the Company. He was promoted to Executive Vice President responsible for the Company's business segments on November 16, 2012. Mr. Berthan's annual base salary is denominated in Euros. Mr. Berthan's annual base salary for fiscal 2013 was €220,000 ($288,662 at an average exchange rate of 1.31210 for fiscal 2013).
In addition to his base salary, Mr. Berthan is eligible to receive an annual cash bonus based on meeting certain targets set by our Chief Executive Officer in line with the Employee Profit Sharing Bonus Plan as well as other performance criteria. For fiscal 2013, Mr. Berthan's annual cash bonus was guaranteed at target (€140,000 or 64% of base salary). The employment agreement may be terminated by either party upon fifteen months' prior notice, with such termination going into effect as of the end of the calendar quarter. The Company may terminate Mr. Berthan's employment at any time but will still be obligated to pay his compensation in accordance with the employment contract.
Mr. Friedman (General Counsel and Corporate Secretary):
In August 2007, the Company entered into an offer of employment letter agreement with Mr. Friedman. Under the terms of this agreement, Mr. Friedman is employed as the Company's General Counsel. He is also our Corporate Secretary. Mr. Friedman's annual base salary for fiscal 2011 and 2012 was $296,400 and $310,000, respectively. Mr. Friedman's annual base salary for fiscal 2013 was $324,000. In addition to his base salary, at the discretion of the Chief Executive Officer, Mr. Friedman is eligible to receive an annual cash bonus of up to 40% of his base salary pursuant to the Employee Profit Sharing Bonus Plan. If Mr. Friedman's employment with the Company is terminated other than for cause, Mr. Friedman is eligible to receive one year of base salary severance provided that he make himself available to work as a full-time consultant to the Company for the first three months following termination of employment. Mr. Friedman also receives a monthly car allowance.

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Mr. Petersohn (Executive Vice President of Sales):

In October 2007, the Company entered into an employment agreement with Mr. Petersohn. Mr. Petersohn was promoted to Executive Vice President of Sales on September 20, 2010. Mr. Petersohn's annual base salary is denominated in Euros. Mr. Petersohn's annual base salary for fiscal 2011 and 2012 was €175,000 ($244,248 at an average exchange rate of 1.39570 for fiscal 2011) and €200,000 ($259,844 at an average exchange rate of 1.29922 for fiscal 2012), respectively. Mr. Petersohn's annual base salary for fiscal 2013 was €225,000 ($295,223 at an average exchange rate of 1.31210 for fiscal 2013).

In addition to his base salary, Mr. Petersohn is eligible to receive an annual cash bonus pursuant to the Executive Bonus Plan at a target level of 63% of base salary. The employment agreement may be terminated by Mr. Petersohn with a six-month notice period and a 12 month non-compete and by the Company with an 18-month notice period. In addition, either party may terminate the employment agreement for cause.

Mr. Fischer (Former Chairman and Chief Executive Officer):

On November 16, 2012, the Company announced Mr. Fischer's retirement from his position as Chief Executive Officer and Chairman of the Board (collectively the "Positions" and each a "Position") effective as of February 20, 2013. In connection with Mr. Fischer's retirement, Mr. Fischer and the Company entered into a Transition Agreement, dated November 16, 2012 (the "Transition Agreement"). Pursuant to the Transition Agreement, Mr. Fischer retired from the Positions, and the amended and restated service agreement, dated December 2, 2008, as amended by the supplement agreement dated November 15, 2010 (the "Service Agreement") was terminated. Mr. Fischer's retirement from the Positions and his final day of employment with the Company was effective as of February 28, 2013 (the "Separation Date").

As provided in the existing Service Agreement, Mr. Fischer received a severance payment in an amount equal to €1,933,125 ($2,511,555 at an average exchange rate of 1.29922 for fiscal 2012), which represents 1.5 times the sum of (i) Mr. Fischer's most recent annual base salary, (ii) 100% of Mr. Fischer's target bonus for fiscal 2013 and (iii) the monetary value of Mr. Fischer's most recent annual health and welfare benefits (collectively, the "Severance Payment"). Mr. Fischer received an amount equal to 1/3 of the Severance Payment within 10 days of the Separation Date and an amount equal to the remaining 2/3 of the Severance Payment on December 31, 2013.

Mr. Fischer also received his unpaid salary and accrued vacation through the Separation Date within 10 days of the Separation Date. Further, Mr. Fischer received the pro rata portion of his annual bonus for the last financial year, which started on October 1, 2012 through the Separation Date.

As provided in the existing Service Agreement, Mr. Fischer has agreed not to compete with the Company for a period of 12 months after the Separation Date. In addition, if from the Separation Date through the 24 months thereafter, Mr. Fischer does not compete with the Company, the Company will pay Mr. Fischer an additional amount equal to 1/3 of the Severance Payment (€644,375, or $837,185 at an average exchange rate of 1.29922 for fiscal 2012).

The Company will continue to make available to Mr. Fischer the corporate apartment currently leased by the Company for Mr. Fischer's use until the expiration of the current lease on January 31, 2014, as well as the automobile currently leased for Mr. Fischer's use until May 2015.

All stock options and restricted stock units (collectively, "Incentive Equity") held by Mr. Fischer as of the Separation Date which have not otherwise fully vested as of the Separation Date will continue to vest in accordance with the terms and conditions of such Incentive Equity, subject to the following modifications: (i) rather than vesting being conditioned on continued employment with the Company, such vesting shall be conditioned on Mr. Fischer not competing with the Company and (ii) if, during the period beginning on the Separation Date and ending on November 22, 2015, Mr. Fischer does not compete with the Company, then the period permitted for exercising any stock options included in the Incentive Equity will be extended until November 22, 2016. If Mr. Fischer does compete with the Company at any time during the period beginning on the Separation Date and ending on November 22, 2015, then the period permitted for exercising any stock options included in the Incentive Equity will not be extended and rather will revert to the existing terms.

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Ms. Blank (Former Executive Vice President and Chief Financial Officer):

In August 2013, the Company entered into a separation agreement (the "Separation Agreement") with Ms. Blank, providing for her resignation from her positions as Executive Vice President and Chief Financial Officer of the Company as of October 14, 2013 (the "Resignation Date") and the termination of her employment as of January 31, 2014 (the "Separation Date"). As provided in the Separation Agreement, Ms. Blank is entitled to receive a severance payment in an amount equal to €991,350 ($1,300,750 at an average exchange rate of 1.31210 for fiscal 2013), which represents 1.5 times the sum of (i) Ms. Blank's most recent annual base salary, (ii) 100% of Ms. Blank's target bonus for fiscal 2013 and (iii) the monetary value of Ms. Blank's most recent annual health and welfare benefits (collectively, the "Severance Payment"). Ms. Blank will receive an amount equal to 1/3 of the Severance Payment within 10 days of the Separation Date, and an amount equal to 2/3 will be due and payable in 12 equal installments during the 12 months following the Separation Date. In addition, on the Separation Date, the Company may, but is not obligated to, make an additional special departure bonus to Ms. Blank in such amount as is determined by the Company's Board of Directors in its sole discretion, after consultation with the Company's Chief Executive Officer.

Ms. Blank will also receive her unpaid salary and accrued vacation through the Separation Date within 10 days of the Separation Date.

Ms. Blank has agreed not to compete with the Company for a period of 18 months after the Separation Date (the "Noncompete Period"). For each month of the Noncompete Period, Ms. Blank will receive a compensation payment in an amount equal to 1/18 th of €991,350. If and to the extent the Severance Payment is paid, this amount is already included in, and therefore satisfied by payment of, the respective amount of the Severance Payment.

Schick Technologies, Inc. 1996 Plan

General. The 1996 Plan provides for the grant to officers, directors and employees of the Company and consultants, advisors and independent contractors of Schick of both "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, and stock options that are non-qualified for federal income tax purposes, sometimes referred to as non-statutory options.

Administration and Eligibility. The 1996 Plan is administered by the Board of Directors and/or by a duly appointed committee of the Board of Directors. The 1996 Plan is currently administered by the Compensation Committee. The Compensation Committee determines, among other things, which officers, employees, directors, consultants, advisors and contractors will receive options under the 1996 Plan, the type of option (incentive stock options or non-qualified stock options, or both) to be granted, vesting, the number of shares subject to each option, and, subject to certain conditions discussed below, the exercise price of the option and duration of the options. Members of the Compensation Committee are not eligible to receive options under the 1996 Plan.

Terms and Conditions of Option. The exercise price of incentive stock options is determined by the Compensation Committee, but may not be less than the fair market value of our Common Stock on the date of grant and the term of any such option may not exceed ten years from the date of grant. With respect to any participant in the 1996 Plan who owns stock representing more than 10% of the voting power of our outstanding capital stock, the exercise price of any incentive stock option may not be less than 110% of the fair market value of our Common Stock on the date of grant and the term of such option may not exceed five years from the date of grant.

The exercise price of non-qualified stock options is determined by the Compensation Committee on the date of grant, but may not be less than 85% of the fair market value of our Common Stock on the date of grant, and the term of any such option may not exceed ten years from the date of grant.

The Compensation Committee may establish the time or times when an option becomes exercisable subject to limits on such option's term.

Payment of Exercise Price. Payment of the exercise price may be made by cash, check or cash equivalent, by tender of shares of our Common Stock then owned by the optionee, by the assignment of the proceeds of the sale of some or all of the shares of our Common Stock being acquired upon the exercise of an option or by any combination of the foregoing. Options may be granted which do not permit all of the foregoing forms of payment.

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Restrictions on Transfer. Options granted pursuant to the 1996 Plan are not transferable, except by will or the laws of descent and distribution in the event of death. During an optionee's lifetime, the option is exercisable only by the optionee.

Change in Control. In the event of a proposed dissolution, liquidation or sale of the Company, the options terminate immediately prior to the consummation of such proposed event, unless otherwise provided for by the Compensation Committee. The Compensation Committee may, in its sole discretion, give each optionee the right to exercise his or her options, even if such would not otherwise be exercisable.

Pursuant to an amendment of the 1996 Plan, in addition to our employees, employees of, or consultants to, any company that the Company has agreed to acquire, will be eligible to receive non-statutory stock options under the 1996 Plan. After the amendment of the 1996 Plan in 2004, approximately 183 persons were eligible to receive options under the 1996 Plan; provided, however, that after April 22, 2006 no options may be granted under the 1996 Plan. As of September 30, 2011, 134,835 options were outstanding under the 1996 Plan. At the Company's 2008 annual meeting of stockholders, the Company's stockholders approved an amendment of our 1996 Plan to permit an option exchange offer program pursuant to which outstanding underwater options granted under our 1996 Plan were cancelled in a value-for-value exchange for new options for a lesser number of shares granted under our 2006 Plan. This resulted in a reduction of 1,619,750 shares outstanding under the 1996 Plan.

The 2006 Plan

General. The 2006 Plan provides for the grant to officers, directors (including non-employee directors) and employees of the Company and service providers to the Company of both "incentive stock options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, and stock options that are non-qualified for federal income tax purposes, sometimes referred to as non-statutory options, as well as stock appreciation rights, restricted stock, deferred stock, dividend equivalents, other stock-based awards and performance awards.

Administration, Eligibility, and Terms and Conditions of Options. The 2006 Plan is administered by the Compensation Committee or the Board of Directors. The 2006 Plan is currently administered by the Compensation Committee. The Compensation Committee determines, among other things, which officers, employees, directors and service providers will receive awards under the 2006 Plan, the form and substance of grants made under the 2006 Plan and the conditions and restrictions applicable to such grants. The Compensation Committee certifies whether conditions and restrictions applicable to the grant have been met, and may modify the terms of grants made under the 2006 Plan.

The exercise price of stock options is determined by the Compensation Committee, but may not be less than the fair market value of our Common Stock on the date of grant and the term of any such option may not exceed ten years from the date of grant. In the case of an incentive stock option granted to an employee who owns stock representing more than 10% of the voting power of our outstanding capital stock on the date the grant, the exercise price of any incentive stock option may not be less than 110% of the fair market value of our Common Stock on the date of grant and the term of such option may not exceed five years from the date of grant.

Options may be exercised upon payment of the exercise price may be made by cash, by delivery of shares of our Common Stock then owned by the optionee, by simultaneous sale through a broker of shares acquired upon exercise, as permitted by Regulation T of the Federal Reserve Board, by authorizing the Company to withhold shares issuable upon exercise in the number necessary such that the fair market value of such withheld shares equals the aggregate exercise price or by any combination of the foregoing.

Stock Appreciation Rights. SARs entitle a participant to receive the amount by which the fair market value of a share of our Common Stock on the date of exercise exceeds the grant price of the SAR. The grant price and the term of an SAR will be determined by the Compensation Committee, however the grant price shall not be less than 100% of the fair market value of a share of Common Stock as of the date of grant. Furthermore, no SAR may have a term exceeding ten years.

Termination of Options and SARs. Unless otherwise determined by the Compensation Committee, and subject to certain exemptions and conditions, if a participant ceases to be a director, officer or employee of, or to otherwise perform services for us for any reason other than death, disability, retirement

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or termination for cause, all of the participant's options and SARs that were exercisable on the date of such cessation will remain exercisable for, and will otherwise terminate at the end of, a period of 90 days after the date of such cessation. In the case of death or disability, all of the participant's options and SARs that were exercisable on the date of such death or disability will remain so for a period of 180 days from the date of such death or disability. In the case of retirement, all of the participant's options and SARs that were exercisable on the date of retirement will remain exercisable for, and shall otherwise terminate at the end of, a period of 90 days after the date of retirement. In the case of a termination for cause, or if a participant does not become a director, officer or employee of, or does not begin performing other services for us for any reason, all of the participant's options and SARs will expire and be forfeited immediately upon such cessation or non-commencement, whether or not then exercisable.

Restricted Stock and Deferred Shares. Restricted stock is a grant of shares of our Common Stock that may not be sold or disposed of, and that may be forfeited in the event that a participant ceases to be a director, officer, employee or otherwise perform services for us for reasons other than death, disability or retirement prior to the end of a restricted period set by the Compensation Committee. A participant granted restricted stock generally has all of the rights of a stockholder, unless the Compensation Committee determines otherwise. An award of deferred shares confers upon a participant the right to receive shares of our Common Stock at the end of a deferral period set by the Compensation Committee, subject to possible forfeiture of the award in the event of certain terminations of employment prior to the end of the deferral period. Prior to settlement, an award of deferred shares carries no voting or dividend rights or other rights associated with share ownership.

Dividend Equivalents. Dividend equivalents confer the right to receive, currently or on a deferred basis, cash, shares of our Common Stock, other awards or other property equal in value to dividends paid on a specific number of shares of our Common Stock. Dividend equivalents may be granted alone or in connection with another award, and may be paid currently or on a deferred basis. If deferred, dividend equivalents may be deemed to have been reinvested in additional shares of our Common Stock, awards or other investment vehicles and subject to restrictions and risk of forfeiture as determined by the Compensation Committee.

Other Stock-Based Awards. The Compensation Committee is authorized to grant other awards that are denominated or payable in, valued by reference to, or otherwise based on or related to shares of our Common Stock, under the 2006 Plan. These awards may include convertible or exchangeable debt securities, other rights convertible or exchangeable into shares of Common Stock, purchase rights for shares of Common Stock, awards with value and payment contingent upon our performance as a company or any other factors designated by the Compensation Committee. The Compensation Committee will determine the terms and conditions of these awards.

Performance Awards. The Compensation Committee may make performance awards payable in cash, shares of our Common Stock or other awards, subject to the achievement of certain performance goals. The performance goals shall consist of one or more business criteria and a targeted level or levels of performance against such criteria, or other personal or business goals or objectives as the Compensation Committee shall determine. Achievement of the performance goals is measured by the Compensation Committee which may alter or adjust performance goals at its discretion. The Compensation Committee will determine the circumstances under which performance awards shall be paid or forfeited during the performance period or prior to settlement of a performance award.

With respect to performance awards that are intended to be treated as "performance-based compensation" under Section 162(m) of the Internal Revenue Code, the Compensation Committee shall, no later than ninety (90) days following the commencement of any fiscal year in question or any other designated fiscal period or period of service, in writing, (i) designate one or more participants, (ii) select the performance criteria applicable to the performance period, (iii) establish the performance goals, and amounts of such awards, as applicable, which may be earned for such performance period, and (iv) specify the relationship between the performance criteria and the performance goals and the amounts of such awards, as applicable, to be earned by each participant for such performance period. The Compensation Committee may determine performance goals in respect of the performance of the Company, any of its subsidiaries or affiliates or any combination thereof on either a consolidated, business unit or divisional level. Performance goals may be absolute or relative and may be expressed in terms of a progression within a specified range.

Change in Control. In general, if a change in control (as defined in the 2006 Plan) occurs and if a 2006 Plan participant's employment or other service is terminated within twelve months after the change in control (other than a termination by us for "cause," or by the participant without "good reason") the participant's outstanding awards will become fully vested and will remain exercisable for up to 180 days after the date of termination. If, as part of the change in control, we are acquired by another company, outstanding awards may be cashed out and/or canceled.

As of September 30, 2013, the combined total of the number of shares of restricted stock issued under the 2006 Plan, the number of shares covered by restricted stock units and the number of shares covered by options outstanding under the 2006 Plan was 675,830. At the Company's 2008 annual meeting of stockholders, the Company's stockholders approved an amendment to the 2006 Plan to increase the number of shares issuable under the 2006 Plan to 4,550,000.

Grants of Plan-Based Awards for fiscal year ended September 30, 2013

The following table shows all plan-based awards granted to the named executive officers during the fiscal year ended September 30, 2013.

Name	Grant Date		Board Approval Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1) Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant Date Fair Value of Stock and Option Awards
Jeffrey T. Slovin	1/20/2012	(1)	11/13/2012	—	850,000	1,700,000	8,000	20,000	62.20	924,640
	2/20/2013		2/20/2013	—	—	—	8,000	24,000	70.23	1,134,320
Jost Fischer (2)	—		—	—	349,893	699,787	—	—	—	—
Simone Blank	11/20/2012	(1)	11/13/2012	—	355,448	710,896	8,000	20,000	62.20	924,640
Jonathan Friedman	11/20/2012		11/13/2012	56,182	129,600	—	2,500	6,250	62.20	288,950
Walter Petersohn	11/20/2012		11/13/2012	—	185,990	371,980	7,000	17,500	62.20	809,060
Rainer Berthan	—		—	183,694	183,694	255,860	—	—	—	—

(1)

- For a discussion of amounts earned by Mr. Slovin, Ms. Blank and Mr. Petersohn, see "Non-Equity Performance Compensation (Short-term Variable Pay) The Target Amount is the full year amount payable upon achievement of target performance of the measures defined in the Executive Plan. The Maximum Amount is twice the Target Amount, pursuant to the terms of the Executive Plan. Ms. Blank and Mr. Petersohn are compensated in Euros. Amounts earned by Mr. Friedman and Mr. Berthan represent amounts earned in fiscal 2013 based on fiscal 2013 performance under the Employee Profit Sharing Bonus Plan. Note that for Mr. Fischer, target and maximum amounts are prorated to reflect his retirement from the Company on February 28, 2013. For a discussion of amounts earned by Mr. Berthan and Mr. Friedman see "Employee Profit Sharing Bonus Plan and 2013 Fiscal Year Bonus Results."

(2)

- All amounts shown are as of February 28, 2013, Mr. Fischer's last day of employment with the Company.

Outstanding Equity Awards at fiscal year end September 30, 2013
The following table provides information regarding the outstanding equity awards held by each named executive officer as of September 30, 2013.
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	Option Awards					Stock Awards				
ne	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)		Market Value of Shares or Units of Stock That Have Not Vested ($) (7)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (8)	Equi Incen Pla Awar Marke Payo Valu Unear Shar Units Oth Righ Tha Have Vest ($)
	3,659		—	7.50	11/3/2013					
	15,856			10.50	6/9/2014					
	562,735			14.09	9/25/2015					
	75,000			11.90	12/8/2018					
	6,875	20,625		40.03	11/22/2021					
T.		20,000		62.20	11/20/2022					
(9)		24,000		70.23	2/20/2023					
						6,167	(1)	412,757		
						12,334	(2)	825,515	3,000	200,79
						11,000	(3)	736,230		
						8,000	(4)	535,440		
						8,000	(5)	535,440		
	0	46,875	—	40.03	11/22/2021					
						10,167	(1)	680,477		
(10)						23,867	(2)	1,597,418	7,000	468,51
						25,000	(3)	1,673,250		
	150,000		—	11.90	12/8/2018					
	6,875	20,625		40.03	11/22/2021					
	0	20,000		62.20	11/20/2022					
						6,167	(1)	412,757		
						12,334	(2)	825,515	3,000	200,79
						11,000	(3)	736,230		
						8,000	(4)	535,440		
		4,219	—	40.03	11/22/2021					
		6,250		62.20	11/20/2022					
n						1,217	(1)	81,454		
an						2,667	(2)	178,502		
						2,250	(3)	150,593		
						2,500	(4)	167,325		
	20,000		—	11.90	12/8/2018					
nn	7,154			11.73	12/13/2016					
	11,492			11.73	12/11/2017					

Option Awards					Stock Awards		
3,750	11,250		40.03	11/22/2021			
	17,500		62.20	11/20/2022			
					1,667	(1)	111,572
					5,334	(2)	357,005
					6,000	(3)	401,580
					7,000	(4)	468,510
	18,000	—	44.77	7/2/2022			
					12,000	(6)	803,160
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(1)

- The total number of unvested RSU's is comprised of six grants. The first grant from December 8, 2009 vests over four years with one-third vesting on each of December 8, 2011, December 8, 2012 and December 8, 2013.

(2)

- The second grant from November 22, 2010 vests over four years with one-third vesting on each of November 22, 2012, November 22, 2013 and November 22, 2014.

(3)

- The third grant from November 22, 2011 vests over four years with one-third vesting on each of November 22, 2013, November 22, 2014 and November 22, 2015.

(4)

- The fourth grant from November 20, 2012 vests over four years with one-third vesting on each of November 22, 2014, November 22, 2015 and November 22, 2016.

(5)

- The fifth grant from February 20, 2013 vests over four years with one-third vesting on each of November 22, 2015, November 22, 2016 and November 22, 2017.

(6)

- The sixth grant from July 2, 2012 vests over four years with one-third vesting on each of January 1, 2015, July 2, 2015 and July 2, 2016.

(7)

- Represents the market value of unvested restricted stock units calculated by multiplying the number of restricted stock units held by the closing market price of our Common Stock on September 30, 2013.

(8)

- Performance-based restricted stock units shall vest in their entirety at the end of fiscal 2013, provided that the Company has achieved certain established EBITDA levels. See "Equity Awards (Long-term Variable Pay)".

(9)

- Mr. Slovin received 1,130,000 options in connection with the acquisition of Schick Technologies, Inc. on September 25, 2005. The options vested pro rata on a daily basis over a four-year period commencing with the close of the acquisition on June 20, 2006. The exercise price of these options was $25.10. Exchanged options began vesting on March 30, 2010 at the same percentage as the options surrendered at the close of the exchange. On March 30, 2010, 478,539 options vested. Any unvested options continued to vest pro rata on a daily basis until June 20, 2011.

(10)

- All amounts shown are as of February 28, 2013, Mr. Fischer's last day of employment with the Company.

Option exercises and stock vested for fiscal year ended September 30, 2013

	Options		**Restricted Stock Units**	
	Shares Acquired on Exercise	**Value Realized on Exercise ($)**	**Shares Acquired on Vesting**	**Value Realized on Vesting ($)**
Jeffrey T. Slovin	2,126	117,887	12,333	767,113
Jost Fischer (2)	—	—	22,100	1,374,691
Simone Blank	—	—	12,333	767,113
Jonathan Friedman	4,406	194,586	2,550	158,615
Walter Petersohn	—	—	4,333	279,305
Rainer Berthan	—	—	—	—

(1)

- Calculated by multiplying the number of exercised stock options by the difference between the exercise price of those options and the closing market price of our Common Stock on the date of exercise.

(2)

- All amounts shown are as of February 28, 2013, Mr. Fischer's last day of employment with the Company.

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Pension Benefits

None of the named executive officers participate in a defined benefit pension plan.

Nonqualified Defined Contribution and other Nonqualified Deferred Compensation

Mr. Fischer and Ms. Blank participate in a defined contribution retirement savings plan (the “Defined Contribution Plan”). While such benefit was authorized by the Compensation Committee in fiscal 2008, no contributions were made on behalf of Mr. Fischer and Ms. Blank until January 2009. The Company’s contribution for fiscal 2010 was $34,462 for Mr. Fischer and $25,788 for Ms. Blank. The Company’s contribution for fiscal 2011 was $35,437 for Mr. Fischer and $26,518 for Ms. Blank. The Company’s contribution for fiscal 2012 was $32,987 for Mr. Fischer and $24,685 for Ms. Blank. The Company’s contribution for fiscal 2013 was $5,552 for Mr. Fischer and $24,930 for Ms. Blank. These contribution amounts were denominated in Euro and then converted into U.S. dollars at the average exchange rates of 1.35730 for fiscal 2010, 1.39570 for fiscal 2011, 1.29922 for fiscal 2012 and 1.31210 for fiscal 2013.

Employer contributions are used to make payments on an insurance policy. Pursuant to the terms of the policy, the accumulated benefit bears interest as determined pursuant to the insurance policy. This policy has been pledged to the beneficiaries. The only payments to which the beneficiaries are entitled are the proceeds of the insurance policy and the employer has no further obligation. Beginning on the first month following the 65th birthday of such executive, the benefits under the Defined Contribution Plan become automatically due and payable. The executive may also elect to have such benefits begin at any time after his or her 60th birthday. If the executive elects to receive benefits early, the accumulated funds are converted into a retirement pension using actuarial methods at that time. In the case of inability to work, the surrender value of the insurance becomes due and payable. If the executive dies prior to retirement a fully insured death lump sum is converted into an annuity for the executive’s spouse. If the executive dies following retirement, 60% of the accumulated benefit is converted into an annuity for the executive’s spouse. If the beneficiary leaves the Company prior to reaching retirement age, the accumulated benefit is paid to the executive when the executive reaches the normal retirement age. Alternatively, a private continuation of the contract can be agreed.

Nonqualified Defined Compensation

	Executive Contributions in Last Fiscal Year ($) (1)	**Registrant Contributions in Last Fiscal Year ($) (1)**	**Aggregate Earnings in Last Fiscal Year ($)**	**Aggregate Withdrawals/ Distributions ($)**	**Aggregate Balance at Last Fiscal Year End ($) (2)**
Jeffrey T. Slovin	—	—	—	—	—
Jost Fischer (3)	—	$5,552	$3,985	—	$118,738
Simone Blank	—	$24,930	$4,669	—	$105,905
Jonathan Friedman	—	—	—	—	—
Walter Petersohn	—	—	—	—	—

(1)

- These amounts are included in the named executive officer’s compensation for the current fiscal year, as reported in the Summary Compensation Table.

(2)

- The aggregate balance at year end represents the guaranteed policy reserve, which is the surrender value of the insurance contract. The following amounts are also reported in the Summary Compensation Table as 2013 compensation: Mr. Fischer, $5,552; Ms. Blank, $24,930.

(3)

- All amounts shown are as of February 28, 2013, Mr. Fischer's last day of employment with the Company.

Potential Payments upon Termination or Change in Control

The following tables provide information on the compensation payable to each named executive officer upon voluntary termination, disability, death, termination for cause or upon a change in control. The amounts shown assume that the termination was effective as of September 30, 2013 and are estimates of the

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amounts that would be paid to the named executive officer upon his or her separation from the Company. The actual amounts to be paid to each named executive officer can only be determined at the time of such person's separation from the Company. See "Employment Agreements."

Name	Benefit	Termination without Cause or for Good Reason		Disability		Death		Termination for Cause	Voluntary Termination	Change in Control	
effrey . lovin	Salary Continuation	$1,700,000	(1)	—		—		—	—	—	
	Bonus	$1,700,000	(2)	—		—		—	—	—	
	Health and Welfare Benefits	$120,196	(3)	—		—		—	—	—	
	Stock Option Acceleration	—	(4) (5)	$393,525	(4)(5)	$393,525	(4)(5)	—	—	$3,246,172	(4)(
	RSU Acceleration	—		—	(7)	—	(7)	—	—	$649,413	(8)
	Other	55,465	(9)	—		—		—	—	—	

(1)

- Represents Mr. Slovin's annual base salary as in effect on September 30, 2013 for a period of 24 months following termination without cause or termination for good reason. For any termination event, Mr. Slovin would also receive a lump sum payment equal to value of accrued, but unused, vacation days.

(2)

- The bonus is 2 times the target bonus Mr. Slovin would have otherwise received during the year in which the termination occurred.

(3)

- Represents health and medical benefits for a period of 24 months following termination without cause or termination for good reason.

(4)

- Pursuant to the terms of the 2006 Plan, if Mr. Slovin dies, becomes disabled or retires, all restrictions on unvested restricted stock units granted to Mr. Slovin shall lapse.

(5)

- If Mr. Slovin's employment is terminated by the Company without cause or for good reason or Mr. Slovin dies or becomes permanently disabled, the unvested stock options that were scheduled to vest during the one year period following such events will instead vest on the date of such event, and the remaining unvested portion would automatically expire.

(6)

- In the event of any change of control of the Company, Mr. Slovin's stock options shall immediately vest and become exercisable.

(7)

- Pursuant to the terms of the 2006 Plan, if Mr. Slovin dies, becomes disabled, or retires, all restrictions on unvested restricted stock units granted to Mr. Slovin shall lapse.

(8)

- Represents the value of unrestricted stock units as of September 30, 2013, calculated by multiplying the number of unvested restricted stock units by the closing market price of our Common Stock on September 30, 2013.

(9)

- Reflects car allowance for 24 months.

Name	Benefit	Termination without Cause		Disability		Death		Termination for Cause	Change in Control	
Jonathan Friedman	Salary	$324,000	(1)	—		—		—	—	
	Stock Option Acceleration	—		—		—		—	$577,874	(2)
	RSU Acceleration	—		—	(3)	—	(3)	—	$143,054	(4)

(1)

- Represents 12 months of Mr. Friedman's base salary as of September 30, 2013, payable if Mr. Friedman makes himself available as a full-time consultant to the Company for the three months after termination of employment.

(2)

- Pursuant to the terms of the 2006 Plan, if there is a Change in Control (as defined in the 2006 Plan) and Mr. Friedman's employment is terminated by the Company without cause, Mr. Friedman dies,

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becomes disabled or retires, or Mr. Friedman terminates his employment for Good Reason (as defined in the 2006 Plan), within 12 months of a change in control, unvested options held by Mr. Friedman will immediately vest. Represents the value of unvested stock options as of September 30, 2013, calculated by multiplying the number of unvested stock options by the difference between the exercise price of those options and the closing market price of our Common Stock on September 30, 2013.

(3)

- Pursuant to the terms of the 2006 Plan, if Mr. Friedman dies, becomes disabled or retires, all restrictions on unvested restricted stock units granted to Mr. Friedman shall lapse.

(4)

- Represents the value of unrestricted stock units as of September 30, 2013, calculated by multiplying the number of unvested restricted stock units by the closing market price of our Common Stock on September 30, 2013.

Name	**Benefit**	**Voluntary Termination/ Termination without Cause (1)**		**Termination with Good Reason (4)**		**Disability (5)**	**Death**	**Termination for Cause (6)**	**Change in Control**	
Walter Petersohn	Salary	$442,834	(2)	$442,834	(2)	$49,204	—	—	—	
	Bonus	$278,985	(3)	$278,985	(3)	$30,998	—	—	—	
	Stock Option Acceleration	—		—		—	—	—	$1,338,667	(7)
	RSU Acceleration	—		—		—	—	—	$385,400	(8)
	Defined Contribution Plan	—		—		—	—	—	—	
	Other (9)	$31,699		$31,699		$3,522	—	—	—	

(1)

- Reflects amounts payable to Mr. Petersohn in the event of termination by Mr. Petersohn or by the Company, in each case without cause and without good reason, with a six-month notice period and a 12 month non-compete if Mr. Petersohn terminates and with an 18 month notice period if the Company terminates, provided the terms of a non-compete provision of his employment agreement are complied with for a period of 18 months following the delivery of a termination notice. Amounts include payments made during the term of the employment agreement for services rendered under the employment agreement (i.e., between the notice of termination and the end of services under Mr. Petersohn’s employment agreement).

(2)

- Represents Mr. Petersohn’s annual salary, as in effect on September 30, 2013, for a period of 18 months. Mr. Petersohn was compensated in Euros. All amounts have been converted to U.S. dollars at an exchange rate of 1.31210, the average exchange rate for the fiscal year ended September 30, 2013.

(3)

- Represents the target bonus amount pursuant to the Executive Bonus Plan, as in effect on September 30, 2013, for a period of 18 months.

(4)

- Reflects amounts payable to Mr. Petersohn in the event of termination by Mr. Petersohn for good reason, without cause and with a six month notice period provided the terms of a non-compete provision of his employment agreement are complied with for a period of 18 months following the delivery of a termination notice. Amounts reflected include payments made during the term of the employment agreement for services rendered under the employment agreement (i.e., between the notice of termination and the end of services under Mr. Petersohn's employment agreement).

(5)

- Pursuant to the terms of his employment agreement, in the event of Mr. Petersohn's illness the Company shall pay Mr. Petersohn pursuant to the terms of statutory and contractual arrangements. The above numbers represents 6 weeks of full remuneration and 4 weeks of half remuneration.

(6)

- Cause as defined by Austrian law.

(7)

- Represents the value of unvested stock as of September 30, 2013, calculated by multiplying the number of unvested stock options by the difference between the exercise price of those options and the closing market price of our Common Stock on September 30, 2013.

(8)

- Represents the value of unrestricted stock units as of September 30, 2013, calculated by multiplying the number of unvested restricted stock units by the closing market price of our Common Stock on September 30, 2013.

(9)

- Reflects car allowance for 24 months.

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Name	Benefit	Voluntary Termination/ Termination without Cause (1)		Termination with Good Reason (4)		Disability (5)	Death	Termination for Cause (6)	Change in Control	
Rainer Berthan	Salary	432,993	(2)	432,993	(2)	36,083	—	—	—	
	Bonus	275,541	(3)	275,541	(3)	22,962	—	—	—	
	Stock Option Acceleration	—		—		—	—	—	803,160	(7)
	RSU Acceleration	—		—		—	—	—	398,880	(8)
	Defined Contribution Plan	—		—		—	—	—	—	
	Other (9)	17,484		17,484		1,457	—	—	—	

(1)

- Reflects amounts payable to Mr. Berthan in the event of termination by Mr. Berthan or by the Company, in each case without cause and without good reason, with a 15-month notice period to the end of a quarter. Amounts include payments made during the term of the employment agreement for services rendered under the employment agreement (i.e., between the notice of termination and the end of services under Mr. Berthan's employment agreement).

(2)

- Represents Mr. Berthan's annual salary, as in effect on September 30, 2013, for a period of 18 months. Mr. Berthan was compensated in Euros. All amounts have been converted to U.S. dollars at an exchange rate of 1,31210, the average exchange rate for the fiscal year ended September 30, 2013.

(3)

- Represents the target bonus amount for a period of 18 months pursuant to the Bonus Plan as agreed in his employment agreement dated February 20, 2012.

(4)

- Reflects amounts payable to Mr. Berthan in the event of termination by Mr. Berthan for good reason, without cause and with a six month notice period provided the terms of a non-compete provision of his employment agreement are complied with for a period of 18 months following the delivery of a termination notice. Amounts reflected include payments made during the term of the employment agreement for services rendered under the employment agreement (i.e., between the notice of termination and the end of services under Mr. Berthan's employment agreement).

(5)

- Pursuant to the terms of his employment agreement, in the event of Mr. Berthan's illness the Company shall pay Mr. Berthan pursuant to the terms of statutory and contractual arrangements. The above numbers represents 6 weeks of full remuneration.

(6)

- Cause as defined by German law.

(7)

- Represents the value of unvested stock as of September 30, 2013, calculated by multiplying the number of unvested stock options by the difference between the exercise price of those options and the closing market price of our Common Stock on September 30, 2013.

(8)

- Represents the value of unrestricted stock units as of September 30, 2013, calculated by multiplying the number of unvested restricted stock units by the closing market price of our Common Stock on September 30, 2013.

(9)

- Reflects car allowance for 24 months.

Mr. Fischer retired from his positions as Chief Executive Officer and Chairman of the Board as of February 28, 2013 (the "Separation Date"). He received a severance payment of €1,933,125 ($2,511,555 at an average exchange rate of 1.29922 for fiscal 2012). Mr. Fischer also received his accrued vacation through the Separation Date in the amount of €640,000 ($831,501 at an average exchange rate of 1.29922 for fiscal 2012). Further, Mr. Fischer received the pro rata portion of his annual bonus for the last financial year, which started on October 1, 2012 through the Separation Date, in the amount of $255,422. If Mr. Fischer does not compete with the Company for 24 months after the Separation Date, the Company will pay Mr. Fischer an additional amount of €644,375 ($837,185 at an average exchange rate of 1.29922 for fiscal 2012).
The Company will continue to make available to Mr. Fischer the corporate apartment currently leased by the Company for Mr. Fischer's use until the expiration of the current lease on January 31, 2014. The cost to lease the apartment from the Separation Date to the end of fiscal 2013 was $28,673.84. The Company
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will continue to make available the automobile currently leased for Mr. Fischer's use until May 2015. The cost to lease the automobile from the Separation Date to the end of fiscal 2013 was €14,173.53. The Company also provided tax advice for Mr. Fischer till the end of fiscal 2013, which amounted to €4,846.21 ($6,296 at an average exchange rate of 1.29922 for fiscal 2012).

Ms. Blank resigned from her positions as Executive Vice President, Chief Financial Officer and director as of October 14, 2013 (the "Resignation Date"), and the termination of her employment is effective on January 31, 2014 (the "Separation Date"). She is entitled to receive a severance payment of €991,350 ($1,300,750 at an average exchange rate of 1.31210 for fiscal 2013) (the "Severance Payment"). She will receive an amount equal to 1/3 of the Severance Payment within 10 days of the Separation Date, and an amount equal to 2/3 will be due and payable in 12 equal installments during the 12 months following the Separation Date.

Ms. Blank will also receive her accrued vacation through the Separation Date within 10 days of the Separation Date. If Ms. Blank does not compete with the Company for a period of 18 months after the Separation Date (the "Noncompete Period"), she will receive a monthly compensation payment in an amount equal to 1/18 th of €991,350 ($1,300,750 at an average exchange rate of 1.31210 for fiscal 2013). If and to the extent the Severance Payment is paid, this amount is already included in, and therefore satisfied by payment of, the respective amount of the Severance Payment. In addition, on the Separation Date, the Company may, but is not obligated to, make an additional special departure bonus to Ms. Blank in such amount as is determined by the Company's Board of Directors in its sole discretion, after consultation with the Company's Chief Executive Officer.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

Review, Approval or Ratification of Transactions with Related Persons

Pursuant to the charter of our Audit Committee, the Audit Committee must review, in advance, any proposed transaction between the Company and any related party. No such related-party transaction may be consummated by the Company without the approval of the Audit Committee. All related party transactions reported since the beginning of the Company's 2013 fiscal year were approved in accordance with such policies and procedures.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy statements and annual reports with respect to two or more stockholders sharing the same address by delivering a single proxy statement addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies. This year, a number of brokers with account holders who are Sirona Dental Systems, Inc.'s stockholders will be "householding" our proxy materials. A single proxy statement will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate proxy statement and annual report, please call or write your broker or direct your written request to Legal Department, Sirona Dental Systems, Inc., 30-30 47th Avenue, Suite 500, Long Island City, New York, New York 11101 or contact Jonathan Friedman, Esq. at (718) 482-2163. Stockholders who currently receive multiple copies of the proxy statement at their address and would like to request "householding" of their communications should contact their broker.

SOLICITATION OF PROXIES

The Company is paying the costs for the solicitation of proxies, including the cost of preparing and mailing this Proxy Statement. In addition to this solicitation by mail, regular employees of the Company

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may solicit proxies in person or by telephone. We have also retained Georgeson Inc., New York, NY to assist in the solicitation of brokers, banks, institutional and other shareholders for a fee of approximately $9,000. The Company will reimburse brokers, banks and other custodians and nominees for their reasonable out-of-pocket expenses incurred in sending proxy materials to the Company's stockholders.

PROPOSALS FOR THE 2014 ANNUAL MEETING

Pursuant to federal securities laws, any proposal by a stockholder to be presented at the 2014 Annual Meeting of Stockholders and to be included in the Company's proxy statement must be received at the Company's executive office at 30-30, Suite 500, 47th Avenue, Long Island City, New York 11101, no later than the close of business on September 24, 2014 and must otherwise comply with the SEC's rules, to be considered for inclusion in our proxy materials relating to our 2014 Annual Meeting of Stockholders. Proposals should be sent to the attention of the Secretary. If you intend to present any such proposal at next year's annual meeting, you must give timely notice thereof in writing to the Secretary at the address above.

Additionally, pursuant to the Company's By-laws, in order for business to be properly brought before an annual meeting of stockholders by a stockholder, the stockholder must give written notice of such stockholder's intent to bring a matter before the annual meeting not less than ninety days prior to the date of such meeting; provided, however, that if less than ninety days' notice or prior public disclosure of the date of such meeting is given to stockholders or made, the stockholder must give such written notice no later than the close of business on the tenth (10th) day following the day on which notice or public disclosure of the date of such meeting is given or made. To be timely for purposes of the 2014 Annual Meeting, such notice must be received at the Company's executive office on or before November 21, 2014.

Notice of a proposal must include, as to each matter, (i) a brief description (which includes all material aspects thereof) of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) your name and address, as they appear on the stock records of the Company, (iii) the class and number of shares of each class of capital stock of the Company that are owned beneficially and of record by you, your affiliates, all groups of which you are a member and all persons with whom you are acting in concert (in each case, identifying them) and (iv) any material direct or indirect interest of you and your affiliates, groups or persons in such business.

In order for a shareholder to nominate a candidate for director, under our By-laws, timely notice of the nomination must be received by us in advance of the meeting. To be timely, as shareholder's notice must be received at the Company's executive office on or before November 21, 2014. Notice of a nomination must include:

(i) as to each individual whom such stockholder proposes to nominate for election as a director, (a) the name, date of birth, business address and residential address of such individual, (b) the principal occupation or employment of such individual for at least the five years preceding the date of such notice, (c) the classes and number of each class of the capital stock of the Company that are owned beneficially and of record by such individual, his affiliates, all persons with whom he is acting in concert and all groups of which he is a member (in each case, identifying them) and (d) all information relating to such individual that is required to be disclosed in solicitations of proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder; and

(ii) as to the stockholder giving such notice, (A) the name and address of such stockholder, as they appear on the stock records of the Company, (B) the classes and number of shares of each class of capital stock of the Company that are owned beneficially and of record by such stockholder, his affiliates, all persons acting in concert with him and all groups of which he is a member (in each case, identifying them) and (C) any professional, commercial, business or familial relationship of such stockholder, affiliates, persons or groups (in each case, identifying them) to such nominees, his affiliates, any person acting in concert with him or any group of which he is a member (in each case, identifying them).

Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

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You may contact our Secretary at our principal executive offices for a copy of the relevant By-Law provisions regarding the requirements for making stockholder proposals and nominating director candidates.

GENERAL

The Company's Annual Report for the fiscal year ended September 30, 2013 is being mailed to stockholders together with this Proxy Statement. The Annual Report is not part of the soliciting materials.

The information set forth in this Proxy Statement under the captions "Report of the Compensation Committee" and "Report of the Audit Committee" shall not be deemed to be (i) incorporated by reference into any filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that in any such filing the Company expressly incorporates such information by reference, or (ii) "soliciting material" or to be "filed" with the SEC.

OTHER MATTERS

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order Of The Board Of Directors

Jonathan Friedman
Secretary
January 27, 2014

A copy of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013, including the financial statements and the financial statement schedules thereto, is available without charge upon written request to: Corporate Secretary, Sirona Dental Systems, Inc., 30-30 47th Avenue, Suite 500, Long Island City, New York, 11101.

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Appendix A

CERTIFICATE OF AMENDMENT
TO
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
SIRONA DENTAL SYSTEMS, INC.

Pursuant to Section 242 of the General Corporation Law of the State of Delaware (the “General Corporation Law”), Sirona Dental Systems, Inc., a Delaware corporation (the “Corporation”), hereby certifies as follows:

1. That the Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended, is hereby further amended by deleting Article SEVENTH thereof and replacing it with the following:

“SEVENTH: DIRECTORS

The business and affairs of the Corporation shall be managed by or under the direction of the Board. The number of directors shall, at the time this Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Corporation becomes effective pursuant to the Law (the “Effective Time”), be the number of directors then in office and shall thereafter, subject to any limitations which may be set forth in the By-Laws and subject to the right, if any, of holders of shares of Preferred Stock outstanding to elect additional directors expressly set forth in the resolution or resolutions providing for the issuance of such shares, be such number or such greater or lesser number as may be fixed from time to time and at any time by a resolution or resolutions adopted by the affirmative vote of a majority of the Whole Board.

At each annual meeting of stockholders commencing with the 2014 annual meeting (i.e., the next annual meeting of stockholders following the 2013 annual meeting of stockholders held in February 2014), the directors shall be elected annually for terms of one year, except that any director in office at the 2014 annual meeting whose term expires at the 2015 or 2016 annual meeting (a “Continuing Classified Director”), or any successor to any such director, shall continue to hold office until the end of the term for which such director was elected or appointed and until such director’s successor shall have been duly elected or qualified, or until such director’s earlier death, resignation, retirement, disqualification or removal. For the avoidance of doubt, at the 2014 annual meeting, the directors whose terms expire at such meeting (or such directors’ successors) shall be elected to hold office for a one-year term expiring at the 2015 annual meeting; at the 2015 annual meeting of stockholders, the directors whose terms expire at such meeting (or such directors’ successors) shall be elected to hold office for a one-year term expiring at the 2016 annual meeting of stockholders; at the 2016 annual meeting of stockholders, the directors whose terms expire at such meeting (or such directors’ successors) shall be elected to hold office for a one-year term expiring at the 2017 annual meeting of stockholders; and at the 2017 annual meeting of stockholders and at each annual meeting of stockholders thereafter, all directors shall be elected to hold office for a one-year term expiring at the next annual meeting of stockholders. Except as otherwise provided in the By-Laws, the election of directors is not required to be conducted by written ballot.

Subject to the special rights, if any, of one or more series of Preferred Stock to elect directors, any director may be removed, with or without cause, but only upon the affirmative vote of holders of at least 75% of the voting power of all shares of capital stock of the Corporation then outstanding and entitled to vote generally for the election of directors, except that any Continuing Classified Director and any director appointed to fill a vacancy caused by the death, resignation, retirement, disqualification or removal of any Continuing Classified Director may be removed only for cause and only upon the affirmative vote of the holders of at least 75% of the voting power of all shares of capital stock of the Corporation then outstanding and entitled to vote in the election of directors.

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Except for the special rights, if any, of holders of one or more series of Preferred Stock then outstanding to fill such vacancies, and except as otherwise required by the law, any vacancies on the Board resulting from an increase in the authorized number of directors, or from the death, resignation, retirement, disqualification or removal of a director or any other cause, shall be filled exclusively by a majority vote of the directors then in office (even though they constitute less than a quorum), unless no directors are then in office in which (but only in which) event such vacancies may be filled by the stockholders. No decrease in the authorized number of directors shall shorten the term of any incumbent director.

In connection with managing the business and affairs of the Corporation, including, but not limited to, determining whether and to what extent any action may be in the best interests of the Corporation or the stockholders, approving or disapproving any action or determining whether to make any recommendation and what recommendation to make to stockholders with respect to any matter, each director and the Board (and any committee of the Board) may consider: (i) the long-term and short-term interests of the employees, suppliers, creditors and customers of the Corporation and its subsidiaries; (ii) the long-term and short-term interests of the communities in which the Corporation and its subsidiaries conduct any business or other activities; and (iii) the long-term and short-term interests of the Corporation, its subsidiaries and the stockholders, including the possibility that such interests may best be served by the continued independence of the Corporation."

2. The foregoing amendments to the Amended and Restated Certificate of Incorporation of the Corporation, as heretofore amended, have been duly adopted in accordance with the provisions of Section 242 of the General Corporation Law.

[Signature Page Follows]

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IN WITNESS WHEREOF, the undersigned has caused this Certificate of Amendment to be executed by its duly authorized officer this __ day of _____________, 2014.

SIRONA DENTAL SYSTEMS, INC.
By:
Name:
Title:

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Sirona Dental Systems, Inc.01QFLD1 U PX +Using a black ink pen, mark your votes with an X as shown inthis example. Please do not write outside the designated areas.Annual Meeting Proxy Card.C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign BelowPlease sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.Date (mm/dd/yyyy) — Please print date below. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box.+B Non-Voting ItemsA Proposals — The Board of Directors of the Company recommends a vote FOR each of the nominees listed in Proposal 1 and FORProposals 2, 3 and 4.Change of Address — Please print new address below.For Against Abstain2. To ratify the selection of KPMG AG,Wirtschaftsprüfungsgesellschaft, Frankfurt, Germany("KPMG") as the Company's independent auditor for thefiscal year ending September 30, 2014.4. To adopt amendments to the Company's Amended andRestated Certificate of Incorporation to declassify theBoard of Directors.1. To elect four (4) directors to serve for three-year terms or until their respective successors are elected and qualified:Mark here to WITHHOLDvote from all nomineesMark here to voteFOR all nomineesFor All EXCEPT - To withhold authority to vote for anynominee(s), write the name(s) of such nominee(s) below.____01 - William K. Hood 02 - Thomas Jetter 03 - Harry M. Jansen Kraemer, Jr. 04 - Jeffrey T. SlovinIMPORTANT ANNUAL MEETING INFORMATIONFor Against Abstain3. To approve, on an advisory basis, the compensationof the Company's named executive officers asdisclosed in the Proxy Statement.5. To transact such other business as may properlycome before the meeting or any adjournments thereof.MMMMMMMMMMMMMMMMMMMMMMMMMMM000000000.000000 ext000000000.000000 ext000000000.000000 ext000000000.000000 ext000000000.000000 ext000000000.000000 ext1234 5678 9012 345MMMMMMM 1 7 8 7 2 6 1MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE ANDMR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE ANDMR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MMMMMMMMMC 1234567890 J N TC123456789000004MR A SAMPLEDESIGNATION (IF ANY)ADD 1ADD 2ADD 3ADD 4ADD 5ADD 6ENDORSEMENT_LINE______________ SACKPACK_____________Vote by Internet• Log on to the Internet and go tohttp://proxy.georgeson.com/• Follow the steps outlined on the secured website.Vote by telephone• Call toll free 1-877-456-7915 within the USA,US territories & Canada any time on a touch tonetelephone. There is NO CHARGE to you for the call.•Follow the instructions provided by the recorded message.qIF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.qElectronic Voting InstructionsYou can vote by Internet or telephone!Available 24 hours a day, 7 days a week!Instead of mailing your proxy, you may choose one of the two votingmethods outlined below to vote your proxy.VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.Proxies submitted by the Internet or telephone must be received by5:00 p.m. EDT, on February 18, 2014.

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IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.ANNUAL MEETING OF HOLDERS OF COMMON SHARESProxy — Sirona Dental Systems, Inc.TO BE HELD ON FEBRUARY 19, 2014THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORSThe undersigned appoints Jonathan Friedman with full power of substitution and revocation as Proxy to vote all shares of stock standing in my name on thebooks of Sirona Dental Systems, Inc. (the “Company”) at the close of business on December 23, 2013, which the undersigned would be entitled to vote ifpersonally present at the Annual Meeting of Stockholders of the Company to be held at the offices of Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois,on February 19, 2014, at 11:00 AM, Central Time, and at any and all adjournments, upon the matters set forth in the Notice of the meeting. The Proxy is furtherauthorized to vote in her or his discretion as to any other matters which may come before the meeting. At the time of preparation of the Proxy Statement, theBoard of Directors knows of no business to come before the meeting other than that referred to in the Proxy Statement.THE SHARES COVERED BY THIS PROXY WILL BE VOTED IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN AND WHEN NO INSTRUCTIONSARE GIVEN WILL BE VOTED FOR PROPOSALS 1, 2, 3 AND 4, AS DESCRIBED IN THE ACCOMPANYING NOTICE OF ANNUAL MEETING ANDPROXY STATEMENT AND ON THIS PROXY.The proxy statement and annual report to stockholders are available at http://www.sirona.com.