STONERIDGE INC
Form DEF 14A
April 10, 2015

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x

Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to § 240.14a-12

Stoneridge, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

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

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials:

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

Not Applicable

(2) Form, Schedule or Registration Statement No.:

Not Applicable

(3) Filing Party:

Not Applicable

(4) Date Filed:

Not Applicable

STONERIDGE, INC.

9400 East Market Street

Warren, Ohio 44484

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Dear Shareholder:

We will hold our 2015 Annual Meeting of Shareholders on Tuesday, May 12, 2015, at 11:00 a.m. Eastern Time, at the Sheraton Cleveland Airport Hotel, 5300 Riverside Drive, Cleveland, Ohio 44135.

The purpose of the Annual Meeting is to consider and vote on the following matters:

1. Election of eight directors, each for a term of one year;
2. Ratification of the appointment of Ernst & Young LLP;
3. An advisory vote on executive compensation; and
4. Any other matters properly brought before the meeting.

Only shareholders of record at the close of business on March 31, 2015 are entitled to notice of and to vote at the meeting or any adjournment thereof. Shareholders are urged to complete, sign and date the enclosed proxy and return it in the enclosed envelope or to vote by telephone or Internet.

By order of the Board of Directors,

ROBERT M. LOESCH,
Secretary

Dated: April 10, 2015

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 12, 2015:

This Proxy Statement and the Company's 2014 Annual Report to Shareholders are also available at *www.edocumentview.com/sri*.

YOUR VOTE IS IMPORTANT.

PLEASE SUBMIT YOUR PROXY BY COMPLETING AND MAILING THE ENCLOSED PROXY CARD OR PROVIDE YOUR VOTE BY TELEPHONE OR INTERNET.

STONERIDGE, INC.

2015 Proxy Statement Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. We are mailing this Proxy Statement to our shareholders on or about April 10, 2015, and it is also available online at www.edocumentview.com/sri. The Board of Directors is soliciting proxies in connection with the 2015 Annual Meeting of Shareholders and encourages you to read the Proxy Statement and vote your shares online, by telephone or by mailing your proxy card or voting instruction form.

Stoneridge, Inc. 2015 Annual Meeting Information

- Date and Time: Tuesday, May 12, 2015, at 11:00 a.m. Eastern Time
- Location: Sheraton Cleveland Airport Hotel, 5300 Riverside Drive, Cleveland, Ohio 44135
- Record Date: March 31, 2015
- Voting: Shareholders as of the record date are entitled to vote. Each share of common shares is entitled to one vote for each Director nominee and one vote for each of the other proposals to be voted on.

Matters to be Considered:

Management Proposals	Board Vote Recommendation	Page (for more information)
1. Elect eight directors named in this Proxy Statement	FOR ALL	5
2. Ratification of the appointment of Ernst & Young LLP	FOR	8
3. Advisory vote on executive compensation	FOR	10

Company Performance

2014 was a year of transformation for the Company. We sold our Wiring business and refinanced our debt enabling us to shift our focus towards growing our remaining technology-driven business segments with a more flexible and lower cost structure. Our operating performance declined from the prior year primarily due to a non-cash goodwill impairment charge related to our PST segment, a loss on the extinguishment of debt, weakness in the Brazilian economy and automotive markets, and unfavorable changes in foreign currency exchange rates.

(In thousands, except earnings per share and share price)	2014	2013
Net sales	$660,579	$659,486
Operating income (loss)	(25,823)	42,403
Income (loss) from continuing operations	(51,204)	20,529
Loss from discontinued operations	(9,387)	(4,021)
Net income (loss) attributable to Stoneridge, Inc.	(47,108)	15,131
Diluted earnings (loss) per share from continuing operations attributable to Stoneridge, Inc.	$(1.40)	$0.70
Diluted loss per share from discontinued operations	$(0.35)	$(0.14)
Diluted earnings (loss) per share attributable to Stoneridge, Inc.	$(1.75)	$0.56
Share Price at December 31	$12.86	$12.75

Net sales increased slightly as a result of higher sales in our Electronics and Control Devices segments which were substantially offset by lower product sales volumes and unfavorable foreign currency translation at our PST segment.

Loss from continuing operations includes a $51.5 million non-cash goodwill impairment charge related our PST segment and loss on extinguishment of debt of $10.6 million related to the refinancing. Our profitability was further negatively impacted by higher material costs due to unfavorable changes in foreign currencies and an unfavorable mix of products sold in our Electronics and PST segments.

Director Nominees

Stoneridge's Directors are elected for one-year terms. Below is a summary of the Director nominees. Additional information about each director nominee and his or her qualifications may be found beginning on page 5 of this Proxy Statement.

Name	**Age**	**Director Since**	**Primary Occupation**	**Independent**	**Committee Memberships**		
					AC	**CC**	**NCGC**
Jonathan B. DeGaynor	48	-	President and CEO of Stoneridge, Inc.				
Jeffrey P. Draime	48	2005	Self-employed business consultant	ü		ü	ü
Douglas C. Jacobs	75	2004	Executive Vice President-Finance and CFO of Brooklyn NY Holdings, LLC	ü	C	ü	
Ira C. Kaplan	61	2009	Executive Chairman of Benesch, Friedlander, Coplan & Aronoff LLP	ü	ü		ü
Kim Korth	60	2006	President and CEO of Dickten Masch Plastics, LLC and TECHNIPLAS™	ü		C	ü
William M. Lasky	67	2004	Former President and CEO of Accuride Corporation	L	ü	ü	C
George S. Mayes, Jr.	56	2012	Executive Vice President and COO of Diebold, Inc.	ü	ü		
Paul J. Schlather	62	2009	Self-employed business consultant	ü	ü		

AC	Audit Committee	C	Committee Chairperson
CC	Compensation Committee	L	Lead Independent Director
NCGC	Nominating and Corporate Governance Committee		

Ratification of the appointment of Ernst & Young LLP

We are asking our shareholders to ratify the appointment of Ernst & Young LLP to serve as our independent registered public accounting firm for the year ending December 31, 2015. The table below summarizes the fees billed to us for services provided during the years ended December 31, 2014 and 2013. For more information, see page 8 of this Proxy Statement.

	2014	2013
Audit Fees	$1,810,555	$1,654,130
Tax Fees	157,777	380,200
Total Fees	$1,968,332	$2,034,330

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Executive Compensation Highlights

Our executive compensation program is designed to attract, retain, motivate and reward talented executives who advance our strategic, operational and financial objectives and, thereby, enhance shareholder value. The primary objectives of our compensation programs for executive officers are to:

- Attract and retain talented executive officers by providing a compensation package that is competitive with that offered by similarly situated companies;
- Create a compensation structure under which a substantial portion of total compensation is based on achievement of performance goals; and
- Align total compensation with the objectives and strategies of our business and shareholders.

Key elements of our 2014 compensation program are as follows:

- Base Salary. Base salary has been targeted at the 50th percentile of our peer group.
- Annual Incentive Plan (AIP). The 2014 AIP was comprised of consolidated and, where appropriate, divisional or functional financial performance metrics. The 2014 AIP target was set as a percentage of base salary and the percentages remained unchanged from 2013. For the consolidated component, achievement under the 2014 AIP was limited to the free cash flow metric.
- Long-Term Incentive Plans. Long-term incentives were awarded under our Long-Term Incentive Plan for 2014 and generally targeted the 75th percentile of our comparator group. These awards will vest in three years and are allocated as follows: 40% performance shares that vest based on achievement of an annual earnings per share target; 10% performance shares that vest based on our Total Shareholder Return compared to a group of peer companies; and 50% shares units that vest based on the passage of time. For 2014, achievement on the first tranche of the EPS-based award was between threshold and target.

For more information related to our executive compensation program, see page 15 of this Proxy Statement.

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STONERIDGE, INC.

PROXY STATEMENT

The Board of Directors (the “Board”) of Stoneridge, Inc. (the “Company”) is sending you this Proxy Statement to ask for your vote as a Stoneridge shareholder on certain matters to be voted on at our Annual Meeting of Shareholders to be held on Tuesday, May 12, 2015, at 11:00 a.m. Eastern Time, at the Sheraton Cleveland Airport Hotel, 5300 Riverside Drive, Cleveland, Ohio 44135. This Proxy Statement and the accompanying notice and proxy will be mailed to you on or about April 10, 2015.

Annual Report; Internet Availability

A copy of our Annual Report to Shareholders for the fiscal year ended December 31, 2014, is enclosed with this Proxy Statement. Additionally, this Proxy Statement and our Annual Report to Shareholders for the fiscal year ended December 31, 2014 are available at *www.edocumentview.com/sri*.

Solicitation of Proxies

The Board is making this solicitation of proxies and we will pay the cost of the solicitation. We have retained Georgeson Inc., at an estimated cost of $8,000, to assist in the solicitation of proxies from brokers, nominees, institutions and individuals. In addition to the solicitation of proxies by mail by Georgeson Inc., our employees may solicit proxies by telephone, facsimile or electronic mail.

Proxies; Revocation of Proxies

The common shares represented by your proxy will be voted in accordance with the instructions as indicated on your proxy. In the absence of any such instructions, they will be voted to (a) elect the director nominees set forth under “Election of Directors”; (b) ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2015; and (c) approve the compensation of our Named Executive Officers. Your presence at the Annual Meeting of Shareholders, without further action, will not revoke your proxy. However, you may revoke your proxy at any time before it has been exercised by (i) signing and delivering a later-dated proxy; (ii) giving notice to the Company in writing at our address indicated on the attached Notice of Annual Meeting of Shareholders; or (iii) in the open meeting. If you hold your common shares in “street name”, in order to change or revoke your voting instructions you must follow the specific voting directions provided to you by your bank, broker or other holder of record.

Voting Eligibility

Only shareholders of record at the close of business on the record date, March 31, 2015, are entitled to receive notice of the Annual Meeting of Shareholders and to vote the common shares held on the record date at the meeting. On the record date, our outstanding voting securities consisted of 28,017,385 common shares, without par value, each of which is entitled to one vote on each matter properly brought before the meeting.

Voting Procedures

If you are a record holder:

- You may vote by mail: Complete and sign your proxy card and mail it in the enclosed, prepaid and addressed envelope.
- You may vote by telephone: Call toll-free 1-800-652-VOTE (8683) on a touch-tone phone and follow the instructions. You will need your proxy card available if you vote by telephone.
- You may vote by Internet: Access *www.envisionreports.com/sri* and follow the instructions. You will need your proxy card available if you vote by Internet.
- You may vote in person at the meeting, however, you are encouraged to vote by mail, telephone or Internet even if you plan to attend the meeting.

If you are a "street name" holder:

- You must vote your common shares through the procedures established by your bank, broker, or other holder of record. Your bank, broker, or other holder of record has enclosed or otherwise provided a voting instruction card for you to use in directing the bank, broker, or other holder of record how to vote your common shares.
- You may vote at the meeting, however, to do so you will first need to ask your bank, broker or other holder of record to furnish you with a legal proxy. You will need to bring the legal proxy with you to the meeting and hand it in with a signed ballot that you can request at the meeting. You will not be able to vote your common shares at the meeting without a legal proxy and signed ballot.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the beneficial ownership of our common shares as of February 28, 2015 by: (a) our directors and nominees for election as directors; (b) each other person who is known by us to own beneficially more than 5% of our outstanding common shares; (c) the executive officers named in the Summary Compensation Table; and (d) all of our executive officers and directors as a group.

Name of Beneficial Owner	**Number of Shares Beneficially Owned** [(1)]	Percent Of Class	
NWQ Investment Management Company, LLC [(2)]	2,844,477	10.2	%
Pzena Investment Management, LLC. [(3)]	2,313,934	8.3	
The Goldman Sachs Group, Inc. [(4)]	2,209,537	7.9	
BlackRock, Inc. [(5)]	1,729,029	6.2	
JPMorgan Chase & Co. [(6)]	1,428,414	5.1	
John C. Corey [(7)]	607,847	2.2	
Jeffrey P. Draime [(8)]	413,514	1.5	
George E. Strickler [(9)]	306,840	1.1	
Thomas A. Beaver [(10)]	137,073	*	
William M. Lasky [(11)]	100,880	*	
Michael D. Sloan [(12)]	93,481	*	
Paul J. Schlather [(13)]	89,877	*	
Richard P. Adante [(14)]	84,950	*	
Ira C. Kaplan [(15)]	39,952	*	
Douglas C. Jacobs [(16)]	35,160	*	
Kim Korth [(17)]	29,900	*	
George S. Mayes, Jr. [(18)]	18,420	*	
Jonathan B. DeGaynor	-	*	
All Executive Officers and Directors as a Group (15 persons)	1,995,899	7.1	%

* Less than 1%.

(1) Unless otherwise indicated, the beneficial owner has sole voting and investment power over such common shares.

(2) According to a Schedule 13G filed with the Securities and Exchange Commission ("SEC") by NWQ Investment Management Company, LLC. The address of NWQ investment Management Company, LLC is 2049 Century Park East, 16th Floor, Los Angeles, California 90067.

(3) According to a Schedule 13G filed with the SEC by Pzena Investment Management, LLC. The address of Pzena Investment Management, LLC is 120 West 45th Street, 20th Floor, New York, New York 10036.

(4) According to a Schedule 13G filed with the SEC by The Goldman Sachs Group, Inc., the filing reflects the securities beneficially owned by certain operating units (collectively the "Goldman Sachs Reporting Units") of Goldman Sachs Group, Inc. and its subsidiaries and affiliates. The Goldman Sachs Reporting Units disclaims beneficial ownership of the securities beneficially owned by (i) any client accounts with respect to which the Goldman Sachs Reporting Units or their employees have voting or investment discretion or both, or with respect to which there are limits on their voting or investment authority or both and (ii) certain investment entities of which Goldman Sachs Reporting Units act as the general partner, managing general partner or other manager, to the extent interests in such entities are held by persons other than the Goldman Sachs Reporting Units. The address of The Goldman Sachs Group, Inc. is 200 West Street, New York, New York 10282.

(5) According to a Schedule 13G filed with the SEC by BlackRock, Inc. The address of BlackRock, Inc. is 55 East 52nd Street, New York, New York 10022.

(6) According to a Schedule 13G filed with the SEC by JPMorgan Chase & Co. The address of JPMorgan Chase & Co. is 270 Park Avenue, New York, New York 10017.

(7) Represents 300,500 restricted common shares, which are subject to forfeiture, 50,000 common shares held in trust for which Mr. Corey's wife is trustee, and 257,347 common shares owned by Mr. Corey directly.

(8) Represents 347,714 common shares held in trust for the benefit of Draime family members, of which Mr. Draime is trustee and 65,800 common shares owned by Mr. Draime directly.

(9) Represents 94,050 restricted common shares, which are subject to forfeiture, and 212,790 common shares owned by Mr. Strickler directly.

(10) Represents 57,050 restricted common shares, which are subject to forfeiture, and 80,023 common shares owned by Mr. Beaver directly.

(11) Represents 100,880 common shares owned by Mr. Lasky directly.

(12) Represents 40,500 restricted common shares, which are subject to forfeiture, and 52,981 common shares owned by Mr. Sloan directly.

(13) Represents 47,500 common shares held in an investment retirement account for the benefit of Mr. Schlather, 42,377 common shares owned by Mr. Schlather directly.

(14) Represents 58,400 restricted common shares, which are subject to forfeiture and 26,550 common shares owned by Mr. Adante directly.

(15) Represents 39,952 common shares owned by Mr. Kaplan directly.

(16) Represents 35,160 common shares owned by Mr. Jacobs directly.

(17) Represents 29,900 common shares owned by Ms. Korth directly.

(18) Represents 18,420 common shares owned by Mr. Mayes directly.

PROPOSAL ONE: ELECTION OF DIRECTORS

In accordance with the Company's Amended and Restated Code of Regulations, the number of directors has been fixed at eight. At the Annual Meeting of Shareholders, shareholders will elect eight directors to hold office until our next Annual Meeting of Shareholders and until their successors are elected and qualified. The Board proposes that the nominees identified below be elected to the Board. Jonathan B. DeGaynor, the Company's new President and Chief Executive Officer, has an employment agreement with the Company which provides that during the term of the agreement, Mr. DeGaynor shall be entitled to be nominated for election to the Board. Mr. Corey was the Company's President and Chief Executive Officer through March 30, 2015 and is expected to continue to serve as a director until the Annual Meeting of Shareholders. He was not nominated by the Board for re-election in 2015. At our Annual Meeting of Shareholders, the common shares represented by proxies, unless otherwise specified, will be voted for the election of the eight nominees hereinafter named.

The director nominees are identified below. If for any reason any of the nominees is not a candidate when the election occurs (which is not expected), the Board expects that proxies will be voted for the election of a substitute nominee designated by the Board. The following information is furnished with respect to each person nominated for election as a director.

The Board of Directors recommends that you vote FOR the following nominees.

Nominees to Serve for a One-Year Term Expiring in 2016

Jonathan B. DeGaynor	Mr. DeGaynor, 48, is the newly appointed President and Chief Executive Officer of the Company and has served in this role since March 30, 2015. Mr. DeGaynor served as the Vice President-Strategic Planning and Innovation of Guardian Industries Corp. ("Guardian"), a manufacturer of industrial glass and other building products for commercial, residential and automotive applications, from October 2014 until March 2015. Prior to that, Mr. DeGaynor served as Vice President-Business Development, Managing Director Asia for SRG Global, Inc., a Guardian company and manufacturer of chrome plated plastic parts for the automotive, commercial truck and consumer goods industries, from August 2008.
	The Company believes that Mr. DeGaynor should serve as a director because he provides services as the Company's President and Chief Executive Officer and because his extensive career in the automotive industry has spanned all phases of engineering, operations leadership, corporate strategy and business leadership. He brings expertise related to development and production of products and technologies. He provides valuable insight to the Board and strengthens the Board's collective qualifications, skills and experience.

Mr. Draime, 48, has served as a director since 2005. Since 2005 Mr. Draime has been a self-employed business consultant. Mr. Draime is a partner and the President of AeroMax Aviation Holdings LLC, a charter aircraft corporation. From 1999 to 2011 he was the owner of QSL Columbus/QSL Dayton, a restaurant franchise.

Jeffrey P. Draime

Mr. Draime served in various roles with the Company from 1988 through 2001, including operations, sales, quality control, product costing, and marketing. Since 2012, Mr. Draime has served as a director of Servantage Dixie Sales, Inc., an independent, full service, value added distributor serving consumer products markets. The Company believes that Mr. Draime should serve as a director because he provides an historical as well as an internal perspective of our business to the Board and strengthens the Board's collective qualifications, skills and experience. Mr. Draime's father, D.M. Draime, was the founder of Stoneridge.

Douglas C. Jacobs

Mr. Jacobs, 75, has served as a director since 2004. He is the Executive Vice President-Finance and Chief Financial Officer of Brooklyn NY Holdings LLC, a privately held investment advisory company established to manage the assets of a family and family trust. Prior to serving in this position, from 1999 until 2005 Mr. Jacobs held various financial positions with the Cleveland Browns. Mr. Jacobs is a former partner of Arthur Andersen LLP.

Mr. Jacobs has served as a director of Standard Pacific Corporation, a national residential home builder in southern California, since 1998 and serves as Chairman of the Audit Committee and a member of the Compensation, Executive and Nominating and Corporate Governance Committees. Mr. Jacobs is a member of the boards of SureFire, Inc., a manufacturer of high-performance flashlights, weapon-mounted lights and other tactical equipment, and M/G Transport Services LLC, a barge line and inland waterways carrier.

Mr. Jacobs qualifies as an audit committee financial expert due to his extensive background in accounting and finance built through his career in public accounting. In addition to his professional and accounting experience described above, the Company believes that Mr. Jacobs should serve as a director because he provides valuable business experience and judgment to the Board, which strengthens the Board’s collective qualifications, skills and experience.

Ira C. Kaplan

Mr. Kaplan, 61, has served as a director since 2009. Since January 2015 he has served as the Executive Chairman of Benesch, Friedlander, Coplan & Aronoff LLP, a national law firm, and served as the Managing Partner from 2008 until 2014. He is a member of the firm’s Executive Committee and has been a partner with the firm since 1987. Mr. Kaplan focuses his practice on mergers and acquisitions as well as public and private debt and equity financings.

Mr. Kaplan counsels clients in governance and business matters in his role at the law firm. In addition to his legal and management experience described above, the Company believes that Mr. Kaplan should serve as a director because he brings thoughtful analysis, sound judgment and insight to best practices to the Board, in addition to his professional experiences, which strengthens the Board’s collective qualifications, skills and experience.

Kim Korth

Ms. Korth, 60, has served as a director since 2006. Since December 2012, Ms. Korth has served as the President and Chief Executive Officer of Dickten Masch Plastics, LLC, a thermoplastics and thermoset manufacturer, and as the President and Chief Executive Officer of TECHNIPLAS™, a privately held group of plastics-focused manufacturing businesses. Prior to that, she served as President, Chief Executive Officer and as a Director of Supreme Corporation, a manufacturer of truck and van bodies, from 2011 to 2012. Ms. Korth is the founder and owner of IRN, Inc., an international automotive consulting firm. She founded the consulting firm in 1983 and is a recognized expert on automotive supplier strategy and issues.

Ms. Korth is a member of the board of Unique Fabricating LLC, a niche supplier of acoustic parts for the automotive industry. Ms. Korth has several decades of experience in corporate governance issues, organizational design, and development of strategies for growth and improved financial performance for automotive suppliers. In addition to the knowledge and experience described above, the Company believes that Ms. Korth should serve as a director because she provides insight to industry trends and expectations to the Board, which strengthens the Board's collective qualifications, skills and experience.

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William M. Lasky	Mr. Lasky, 67, has served as a director since 2004. Mr. Lasky served as President and Chief Executive Officer of Accuride Corporation ("Accuride"), a manufacturer and supplier of commercial vehicle components, from 2008 until his retirement in 2011. He has served as the Chairman of the Board of Accuride from 2009 to 2012. On October 8, 2009 Accuride filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code. On February 26, 2010, after successfully completing its plan of reorganization, Accuride emerged from Chapter 11 bankruptcy. Mr. Lasky served as President and Chief Executive Officer of JLG Industries, Inc., a diversified construction and industrial equipment manufacturer, from 1999 through 2006 and served as Chairman of the Board from 2001 through 2006. Since 2011 Mr. Lasky has served as a director of Affinia Group, Inc., a designer, manufacturer and distributor of industrial grade replacement parts and services for automotive and heavy-duty vehicles. In addition to his professional experience described above, the Company believes that Mr. Lasky should serve as a director because he provides in-depth industry knowledge, business acumen and leadership to the Board, which strengthens the Board's collective qualifications, skills and experience.
George S. Mayes, Jr.	Mr. Mayes, 56, has served as a director since 2012. Mr. Mayes was appointed Executive Vice President and Chief Operating Officer of Diebold, Inc., a provider of integrated self-service delivery and security systems and services, in 2013. Prior to that, he served as Executive Vice President of Operations from 2008, as Senior Vice President, Supply Chain Management from 2006 to 2008, and as Vice President, Global Manufacturing upon joining Diebold, Inc. in 2005. Mr. Mayes has extensive experience in lean manufacturing and Six Sigma processes and has managed manufacturing facilities in Canada, Mexico, France, Hungary, Brazil, China, Poland, Italy and the United States. The Company believes that Mr. Mayes should serve as a director because he provides in depth knowledge of manufacturing theories and operations, business acumen and leadership to the Board, which strengthens the Board's collective qualifications, skills and experience.
Paul J. Schlather	Mr. Schlather, 62, has served as a director since 2009. Mr. Schlather was a partner at PricewaterhouseCoopers LLP, serving as co-head to the Private Client Service group from August 2002 until his retirement in 2008. Mr. Schlather currently provides independent business consulting services.

Mr. Schlather qualifies as an audit committee financial expert due to his extensive background in accounting and finance built through his career in public accounting. In addition to his professional and accounting experience described above, the Company believes that Mr. Schlather should serve as a director because he provides financial analysis and business acumen to the Board, which strengthens the Board’s collective qualifications, skills and experience.

PROPOSAL TWO: RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP

The Audit Committee of the Board currently expects to appoint Ernst & Young LLP ("Ernst & Young") as our independent registered public accounting firm for the year ending December 31, 2015. For 2014, Ernst & Young was engaged by us to audit our annual financial statements, assess our internal control over financial reporting and to perform audit-related and tax services. We expect that representatives of Ernst & Young will be present at the Annual Meeting of Shareholders, will have an opportunity to make a statement if they so desire, and are expected to be available to respond to appropriate questions from shareholders.

The Board seeks an indication from our shareholders of their approval or disapproval of the Audit Committee's anticipated appointment of Ernst & Young as our independent registered public accounting firm for the 2015 fiscal year. The submission of this matter for approval by shareholders is not legally required, however, the Board believes that the submission is an opportunity for the shareholders to provide feedback on an important issue of corporate governance. If our shareholders do not approve the appointment of Ernst & Young, the appointment of our independent registered public accounting firm will be re-evaluated by the Audit Committee but will not require the Audit Committee to appoint a different accounting firm. If our shareholders do approve the appointment of Ernst & Young, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interest of the Company and its shareholders. Approval of this proposal requires the affirmative vote of a majority of the common shares present in person or by proxy and entitled to be voted on the proposal at our Annual Meeting of Shareholders. Abstentions will have the same effect as votes against the proposal. Broker non-votes will not be considered common shares present and entitled to vote on the proposal and will not have a positive or negative effect on the outcome of this proposal, however, there should be no broker non-votes on this proposal because brokers should have the discretion to vote uninstructed common shares on this proposal.

The Board of Directors recommends that you vote FOR Proposal Two.

Service Fees Paid to the Independent Registered Public Accounting Firm

The following table sets forth the aggregate fees billed by and paid to Ernst & Young by fee category for the fiscal years ended December 31, 2014 and 2013. The Audit Committee has considered the scope and fee arrangements for all services provided by Ernst & Young, taking into account whether the provision of non-audit-related services is compatible with maintaining Ernst & Young's independence.

	2014	2013
Audit Fees	$1,810,555	$1,654,130

Tax Fees	157,777	380,200
Total Fees	$1,968,332	$2,034,330

Audit Fees. Audit fees include fees associated with the annual audit of our financial statements, the assessment of our internal control over financial reporting as integrated with the annual audit of our financial statements, the quarterly reviews of the financial statements included in our SEC Form 10-Q filings, statutory and regulatory audits and general assistance with the implementation of new regulatory pronouncements.

Tax Fees. Tax fees relate to tax compliance and both domestic and international tax advisory services.

Pre-Approval Policy

The Audit Committee's policy is to approve in advance all audit and permitted non-audit services to be performed for the Company by its independent registered public accounting firm. Pre-approval is generally provided for up to one year, is detailed as to the particular service or category of services and is generally subject to a specific budget. The Audit Committee also pre-approves particular services on a case-by-case basis. In accordance with this policy, the Audit Committee has delegated pre-approval authority to the Chairman of the Audit Committee. The Chairman may pre-approve services and inform the Audit Committee at the next scheduled meeting.

All services provided by Ernst & Young during fiscal year 2014, as noted in the previous table, were authorized and approved by the Audit Committee in compliance with the pre-approval policies and procedures described above.

Audit Committee Report

In accordance with its written charter, the Audit Committee assists the Board in fulfilling its responsibility relating to corporate accounting, our reporting practices, and the quality and integrity of the financial reports and other financial information provided by us to any governmental body or to the public. Management is responsible for the financial statements and the financial reporting process, including assessing the effectiveness of the Company's internal control over financial reporting. The independent registered public accounting firm is responsible for conducting audits and reviews of our financial statements in accordance with standards established by the Public Company Accounting Oversight Board, expressing an opinion on the conformity of the Company's financial statements in accordance with generally accepted accounting principles, and auditing and reporting on the Company's effectiveness of internal control over financial reporting. The Audit Committee is comprised of five directors, each of whom is "independent" for audit committee purposes under the listing standards of the New York Stock Exchange ("NYSE").

In discharging its oversight responsibility as to the audit process, the Audit Committee reviewed and discussed our audited financial statements for the year ended December 31, 2014, with management, including a discussion of the quality, not just the acceptability, of the accounting principles; the reasonableness of significant judgments; and the clarity of disclosures in the financial statements. The Audit Committee also discussed with our independent registered public accounting firm, Ernst & Young, the matters required to be discussed by Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee has received the written disclosures and letter from Ernst & Young required by the applicable requirements of the Public Company Accounting Oversight Board regarding Ernst & Young's communication with the Audit Committee concerning independence. The Audit Committee discussed Ernst & Young's independence with Ernst & Young. The Audit Committee also considered whether the provision of non-audit services by Ernst & Young is compatible with maintaining Ernst & Young's independence.

The Audit Committee discussed with our internal audit director and Ernst & Young the overall scope and plans for their respective audits. The Audit Committee also met with the internal audit director and Ernst & Young, with and without management present, to discuss the results of their examinations, their evaluations of our internal controls, and the overall quality of the Company's financial reporting.

Based on the above-referenced review and discussions with management, the internal audit director and Ernst & Young, the Audit Committee recommended to the Board, and the Board approved, that the audited consolidated financial statements for fiscal 2014 be included in the Company's Annual Report on Form 10-K filed with the SEC.

The Audit Committee

Douglas C. Jacobs, Chairman
Ira C. Kaplan

William M. Lasky
George S. Mayes, Jr.
Paul J. Schlather

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PROPOSAL THREE: SAY-ON-PAY

The Company provides our shareholders with the opportunity to cast an annual advisory non-binding vote to approve the compensation of its Named Executive Officers as disclosed pursuant to the SEC's compensation disclosure rules (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and the narrative disclosures that accompany the compensation tables) (a "say-on-pay proposal"). We believe that it is appropriate to seek the views of shareholders on the design and effectiveness of the Company's executive compensation program.

At the Company's 2014 Annual Meeting of Shareholders, 73% of the shares entitled to vote supported the Company's 2014 say-on-pay proposal. The Compensation Committee believes this affirmed shareholders' support of the Company's approach to executive compensation.

Our goal for the executive compensation program is to attract, motivate, and retain a talented, entrepreneurial and creative team of executives to provide operational and strategic leadership for the Company's success in competitive markets. We seek to accomplish this goal in a way that rewards performance and is aligned with our shareholders' long-term interests. We believe that our executive compensation program, which emphasizes performance-based compensation and long-term equity awards, satisfies this goal and is strongly aligned with the long-term interests of our shareholders.

Base compensation is aligned to be competitive in the industry in which we operate. Performance-based compensation (cash and equity) represents 60-80% of each executive officer's target compensation opportunity, with long-term incentives representing the majority of compensation. Targets for incentive compensation are based on financial performance targets and increasing shareholder value. The Compensation Committee retains the services of an independent compensation consultant to advise on competitive compensation and compensation practices.

The Board recommends that shareholders vote FOR the following resolution:

"RESOLVED that the compensation paid to the Company's Named Executive Officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion, is hereby APPROVED."

Because the vote is advisory, it will not be binding upon the Board or the Compensation Committee. The Board and the Compensation Committee value the opinions of our shareholders and will take into account the outcome of the vote when considering future executive compensation arrangements.

The affirmative vote of a majority of the common shares present or represented by proxy and voting at the annual meeting will constitute approval of this non-binding resolution. If you own common shares through a bank, broker or other holder of record, you must instruct your bank, broker or other holder of record how to vote in order for them to vote your common shares so that your vote can be counted on this proposal. Abstentions will have the same effect as votes against the proposal. Broker non-votes will not be considered common shares present and entitled to vote on this proposal and will not have a positive or negative effect on the outcome of this proposal.

The Board of Directors recommends that you vote FOR Proposal Three.

CORPORATE GOVERNANCE

Corporate Governance Documents and Committee Charters

The Company's Corporate Governance Guidelines, Code of Business Conduct and Ethics, Code of Ethics for Senior Financial Officers and the charters of the Board of Directors' Audit, Compensation, and Nominating and Corporate Governance committees are posted on our website at *www.stoneridge.com.* Written copies of these documents are available without charge to any shareholder upon request. Requests should be directed to Investor Relations at the address listed on the Notice of Annual Meeting of Shareholders.

Corporate Ethics Hotline

We established a corporate ethics hotline as part of our Whistleblower Policy and Procedures to allow persons to lodge complaints about accounting, auditing and internal control matters, and to allow an employee to lodge a concern, confidentially and anonymously, about any accounting and auditing matter. Information about lodging such complaints or making such concerns known is contained in our Whistleblower Policy and Procedures, which is posted on our website at *www.stoneridge.com.*

Director Independence

The NYSE rules require listed companies to have a Board of Directors comprised of at least a majority of independent directors. Under the NYSE rules, a director qualifies as "independent" upon the affirmative determination by the Board of Directors that the director has no material relationship with the Company (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). The Board has not adopted categorical standards of independence. The Board has determined that the following directors and nominees for election of director are independent:

Jeffrey P. Draime	Kim Korth	George S. Mayes, Jr.
Douglas C. Jacobs	William M. Lasky	Paul J. Schlather
Ira C. Kaplan		

The Board of Directors’ Role in Risk Oversight

It is management’s responsibility to manage risk and bring to the Board’s attention the most material risks to the Company. The Board has oversight responsibility of the processes established to report and monitor systems for material risks applicable to us. The Audit Committee regularly reviews enterprise-wide risk management, which includes treasury risks (foreign exchange rates, and credit and debt exposures), financial and accounting risks, legal and compliance risks, and other risk management functions. The Compensation Committee considers risks related to the attraction and retention of talent and related to the design of compensation programs and arrangements. The full Board considers strategic risks and opportunities and regularly receives reports from management on risk and from the committees regarding risk oversight in their areas of responsibility.

Compensation Policies and Risk

Our policies and overall compensation practices for all employees do not create risks that are reasonably likely to have a material adverse affect on the Company. The compensation policies are generally consistent for all of our business units. In addition, incentives are not designed, and do not create, risks that are reasonably likely to have a material adverse effect on the Company as all incentives reward growth and profitability. Our various incentive programs are based on our consistent growth and continued profitability, relying, for example, on the total return on investment, operating profit and total shareholder return. As such, they do not encourage employees to take risks to the detriment or benefit of our results in order to receive incentive compensation, nor are they reasonably likely to have a material adverse effect on the Company.

Anti-Hedging Policy

In 2013 the Board amended our Insider Trading Policy to prohibit Company directors, officers and key employees covered by the pre-clearance procedures of the Insider Trading Policy from engaging in hedging transactions designed to offset decreases in the market value of the Company’s securities, including transactions in put options, call options or other derivative securities, on an exchange or in any other organized market, prepaid variable forwards, equity swaps, collars and exchange funds.

Anti-Pledging Policy

As of the date of this Proxy Statement, there are no executive officers or directors who hold Company securities in a margin account or have Company securities pledged as collateral for a loan. In 2013 the Board amended our Insider Trading Policy to prohibit directors, officers and key employees covered by the pre-clearance provisions of the Insider Trading Policy from holding Company securities in a margin account or pledging Company securities as collateral for a loan.

The Board of Directors

In 2014, the Board held 17 meetings. Each Board member attended at least 75% of the meetings of the Board and of the committees on which he or she serves. Our policy is that directors are to attend the Annual Meeting of Shareholders. All of our current directors attended the 2014 Annual Meeting of Shareholders. Mr. Lasky has been appointed as the lead independent director by the independent directors to preside at the executive sessions of the independent directors. It is the Board's practice to have the independent directors meet regularly in executive session. All directors, except Mr. Corey, the Company's former President and Chief Executive Officer ("CEO"), are independent.

Leadership of the Board

The Board does not have a formal policy regarding the separation of the roles of CEO and Chairman of the Board as the Board believes it is in the best interest of the Company and our shareholders to make that determination based on the position and direction of the Company and the membership of the Board. At this time, the Board has determined that having an independent director serve as Chairman is in the best interest of the Company and our shareholders. This structure ensures a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing Board priorities and procedures. Further, this structure permits our President and CEO to devote more time to focus on the strategic direction and management of our day-to-day operations.

Committees of the Board

The Board has three standing committees to facilitate and assist the Board in the execution of its responsibilities. These committees are the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. Each member of the Audit, Compensation, and Nominating and Corporate Governance Committees is independent as defined under the listing standards of the NYSE. The table below shows the composition of the Board's committees:

Audit Committee	**Compensation Committee**	**Nominating and Corporate Governance Committee**
Douglas C. Jacobs*	Jeffrey P. Draime	Jeffrey P. Draime
Ira C. Kaplan	Douglas C. Jacobs	Ira C. Kaplan
William M. Lasky	Kim Korth*	Kim Korth
George S. Mayes, Jr.	William M. Lasky	William M. Lasky*
Paul J. Schlather		

* Committee Chairperson

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Audit Committee.

This committee held eight meetings in 2014. Information regarding the functions performed by the Audit Committee is set forth in the "Audit Committee Report," included in this Proxy Statement. The Board has determined that each Audit Committee member is financially literate under the listing standards of the NYSE. The Board also determined that Mr. Jacobs and Mr. Schlather each qualify as an "audit committee financial expert" as defined by the SEC rules adopted pursuant to the Sarbanes-Oxley Act of 2002. In addition, under the Sarbanes-Oxley Act of 2002 and the NYSE rules mandated by the SEC, members of the audit committee must have no affiliation with the issuer, other than their Board seat, and receive no compensation in any capacity other than as a director or committee member. Each member of the Audit Committee meets this additional independence standard applicable to audit committee members of NYSE listed companies.

Compensation Committee.

This committee held five meetings in 2014. Each member of our Compensation Committee meets the independence requirements of the NYSE, including the enhanced independence requirements applicable to Compensation Committee members under NYSE rules effective July 1, 2013, is a non-employee director under Rule 16b-3 of the Securities Exchange Act of 1934 and is an outside director under Section 162(m) of the Internal Revenue Code. The Compensation Committee is responsible for establishing and reviewing our compensation philosophy and programs with respect to our executive officers; approving executive officer compensation and benefits; recommending to the Board the approval, amendment and termination of incentive compensation and equity-based plans; and certain other compensation matters, including director compensation. Recommendations regarding compensation of other officers are made to the Compensation Committee by our CEO. The Compensation Committee can exercise its discretion in modifying any amount presented by our CEO. The Compensation Committee regularly reviews the total compensation obligations to each of our executive officers. During 2014, the Compensation Committee retained Total Rewards Strategies LLC to provide compensation related consulting services. Specifically, the compensation consultant provided relevant market data, current trends in executive and director compensation and advice on program design. In accordance with its charter, the Compensation Committee may delegate power and authority as it deems appropriate for any purpose to a subcommittee of not fewer than two members.

Nominating and Corporate Governance Committee.

This committee held two meetings in 2014. The purpose of the Nominating and Corporate Governance Committee is to evaluate the qualifications of director nominees, to recommend candidates for election as directors, to make recommendations concerning the size and composition of the Board, to develop and implement our corporate governance policies and to assess the effectiveness of the Board.

Nominations and Nomination Process

It is the policy of the Nominating and Corporate Governance Committee to consider individuals recommended by shareholders for membership on the Board. If a shareholder desires to recommend an individual for membership on the Board, then that shareholder must provide a written notice (the “Recommendation Notice”) to the Secretary of the Company at Stoneridge, Inc., 9400 East Market Street, Warren, Ohio 44484, on or before January 15 for consideration by this committee for that year’s election of directors at the Annual Meeting of Shareholders.

In order for a recommendation to be considered by the Nominating and Corporate Governance Committee, the Recommendation Notice must contain, at a minimum, the following:

- the name and address, as they appear on the Company’s books, and telephone number of the shareholder making the recommendation, including information on the number of common shares owned and date(s) acquired, and if such person is not a shareholder of record or if such common shares are owned by an entity, evidence of such person’s ownership of such shares or such person’s authority to act on behalf of such entity;

- the full legal name, address and telephone number of the individual being recommended, together with a reasonably detailed description of the background, experience, and qualifications of that individual;

- a written acknowledgment by the individual being recommended that he or she has consented to the recommendation and consents to the Company undertaking an investigation into that individual’s background, experience, and qualifications in the event that the Nominating and Corporate Governance Committee desires to do so;

- any information not already provided about the person’s background, experience and qualifications necessary for us to prepare the disclosure required to be included in our proxy statement about the individual being recommended;

- the disclosure of any relationship of the individual being recommended with us or any of our subsidiaries or affiliates, whether direct or indirect; and

- the disclosure of any relation of the individual being recommended with the shareholder, whether direct or indirect, and, if known to the shareholder, any material interest of such shareholder or individual being recommended in any proposals or other business to be presented at our Annual Meeting of Shareholders (or a statement to the effect that no material interest is known to such shareholder).

The Nominating and Corporate Governance Committee determines, and periodically reviews with the Board, the desired skills and characteristics for directors as well as the composition of the Board as a whole. This assessment considers the directors’ qualifications and independence, as well as diversity, age, skill, and experience in the context of the needs of the Board. Directors should share our values and should possess the following characteristics: high personal and professional integrity; the ability to exercise sound business judgment; an inquiring mind; and the time available to devote to Board activities and the willingness to do so. The Nominating and Corporate Governance Committee does not have a formal policy specifically focusing on the consideration of diversity; however, diversity is one of the factors that the Nominating and Corporate Governance Committee considers when identifying candidates and making its recommendations to the Board. In addition to the foregoing considerations, generally with respect to nominees recommended by shareholders, the Nominating and Corporate Governance Committee will evaluate such recommended nominees considering the additional information regarding them contained in the Recommendation Notices. When seeking candidates for the Board, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management and third-party search firms. Ultimately, the Nominating and Corporate Governance Committee will recommend to the Board prospective nominees who the Nominating and Corporate Governance Committee believes will be effective, in conjunction with the other members of the Board, in collectively serving the long-term best interests of our shareholders.

The Nominating and Corporate Governance Committee recommended to the Board each of the nominees identified in “Election of Directors”" starting on page 5 of this Proxy Statement.

Compensation Committee Interlocks and Insider Participation

None of the members of the Board's Compensation Committee served as an officer at any time or as an employee during 2014. Additionally, no Compensation Committee interlocks existed during 2014.

Communications with the Board of Directors

The Board believes that it is important for interested parties to have the ability to send communications to the Board. Persons who wish to communicate with the Board may do so by sending a letter to the Secretary of the Company at Stoneridge, Inc., 9400 East Market Street, Warren, Ohio 44484. The envelope must contain a clear notation indicating that the enclosed letter is a "Board Communication" or "Director Communication." All such letters must identify the author and clearly state whether the intended recipients are all members of the Board or certain specified individual directors (such as the lead independent director or non-management directors as a group). The Secretary will make copies of all such letters and circulate them to the appropriate director or directors. The directors are not spokespeople for the Company and responses or replies to any communication should not be expected.

Transactions with Related Persons

There were no reportable transactions involving related persons in 2014.

Review and Approval of Transactions with Related Persons

The Board has adopted a written statement of policy with respect to related party transactions. Under the policy, a related party transaction is a transaction required to be disclosed pursuant to Item 404 of Regulation S-K or any other similar transaction involving the Company or the Company's subsidiaries and any Company employee, officer, director, 5% shareholder or an immediate family member of any of the foregoing if the dollar amount of the transaction or series of transactions exceeds $25,000. A related party transaction will not be prohibited merely because it is required to be disclosed or because it involves related parties. Pursuant to the policy, such transactions are presented to the Nominating and Corporate Governance Committee for evaluation and approval by the committee, or if the committee elects, by the full Board. If the transaction is determined to involve a related party, the Nominating and Corporate Governance Committee will either approve or disapprove the proposed transaction. Under the policy, in order to be approved, the proposed transaction must be on terms that are fair to the Company and are comparable to market rates, where applicable.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

2014 Overview

During 2014, the actions of the Compensation Committee (the "Committee") and our pay-for-performance philosophy functioned such that compensation earned by our executives was aligned with our financial performance. Highlights from the year and our performance are as follows:

- On August 1, 2014, we completed the sale of substantially all of the assets and liabilities of our Wiring business. While the Wiring business sale resulted in a loss from discontinued operations of $9.4 million in 2014, we received cash of approximately $71.4 million which was used to deleverage the Company. The sale also enabled management to shift its focus entirely to the three remaining higher margin and more technology-driven business segments.

- We transformed our capital structure in 2014 by refinancing our credit facility in September 2014, increasing our borrowing capacity by $100.0 million which provides flexibility to fund organic growth and potential acquisitions. We redeemed our outstanding $175.0 million 9.5% senior secured notes utilizing proceeds from the sale of the Wiring business and a $100.0 million borrowing on the credit facility. While redemption of the senior secured notes resulted in a loss on extinguishment of debt of $10.6 million, this debt refinancing is expected to reduce the Company's interest expense annually by approximately $12.0 million.

- We recorded a non-cash goodwill impairment charge of $51.5 million related to our PST segment due to a decline in its 2014 operating performance and expected lower future sales and earnings growth expectations resulting from continued weakness in the Brazilian economy and automotive market.

- Net sales increased slightly from the prior year which was below our expectations. Our Control Devices and Electronics segments had increased sales totaling $39.8 million, or 8.7%, which was substantially offset by lower product sales volumes and unfavorable foreign currency exchange rates at our PST segment.

- Our Control Devices segment operating income increased over prior year due to increased sales volume and labor efficiencies, partially offset by higher design and development costs and selling general and administrative costs including higher product liability defense costs. The performance of our Control Devices segment was in line with our expectations for 2014.

- Our Electronics segment operating income decreased from prior year due to higher material costs resulting from an unfavorable change in foreign currency exchange rates, mix of products sold, and higher design and development and selling, general and administrative costs. The performance of our Electronics segment fell below our expectations for 2014.

- The performance of our PST segment fell well below our expectations for 2014. Our PST segment operating income decreased from prior year primarily due to the goodwill impairment charge, lower sales volume resulting from weakness in the Brazilian economy and automotive market, and higher material costs due to an unfavorable change in foreign currency exchange rates and mix of products sold. PST also experienced an increase in labor costs partially due to business realignment costs of $1.6 million. PST is expected to benefit in 2015 from these costs reduction measures implemented.

- Our free cash flow from continuing operations exceeded expectations due to lower than planned capital expenditures related to a customer product launch deferral, lower sales demand at our PST segment and delay of a planned ERP implementation.

As a result:

- Achievement under the annual incentive award was limited to the consolidated free cash flow metric, as actual consolidated operating income performance did not meet expectations for the year. As a result, Mr. Corey, Mr. Strickler, Mr. Adante and Mr. Beaver earned 80% of their AIP target as they are measured only on consolidated financial metrics. Mr. Sloan is measured not only on consolidated financial metrics, but also on divisional financial metrics under which he earned 90% of his AIP target. See “Annual Incentive Awards” below.

- Our 2014 earnings per share, excluding the effects of discontinued operations, goodwill impairment and debt refinancing costs fell between threshold and target for the 2014 performance period of the long-term incentive awards granted in 2012, 2013 and 2014. Based on this achievement level, a portion of each of these awards was earned and will be paid out on the date of vesting. See “Long-Term Incentive Awards” below.

Compensation Philosophy and Objectives

Our Company's compensation programs for executive officers are designed to attract, retain, motivate, and reward talented executives who advance our strategic, operational and financial objectives and thereby enhance shareholder value. The primary objectives of our compensation programs for executive officers are to:

- attract and retain talented executive officers by providing a compensation package that is competitive with that offered by similarly situated companies;
- create a compensation structure under which a substantial portion of total compensation is based on achievement of performance goals; and
- align total compensation with the objectives and strategies of our shareholders and business.

We have a commitment to formulate the components of our compensation program under a pay-for-performance philosophy. A substantial portion of our executive officers' annual and long-term compensation is tied to quantifiable measures of the Company's financial performance and therefore will not be earned if targeted performance is not achieved, as demonstrated in the 2014 Overview, above.

We established the various components of our 2014 compensation payments and awards to meet our objectives as follows:

	Objective Addressed		
Type of Compensation	**Competitive Compensation**	**Performance Objective**	**Retention**
Base salary	ü		
Annual incentive plan awards	ü	ü	
Equity-based awards	ü	ü	ü
Benefits and perquisites	ü		

Mix of Compensation

Our executive compensation is based on our pay-for-performance philosophy, which emphasizes executive performance measures that correlate closely with the achievement of both shorter-term performance objectives and longer-term shareholder value. A large part of our executive officers' annual and long-term compensation is at-risk. The portion of compensation at-risk increases with the executive officer's position level. This provides more upside potential and downside risk for more senior positions because these roles have greater influence on our performance as a whole.

Total Target Compensation

Total target compensation is the value of the compensation package that is intended to be delivered if performance goals are met. Actual compensation depends on the annual and long-term incentive compensation payout levels based upon the applicable performance achievement and, for long-term awards, the price of our common shares. The following charts show the weighting of each element of total target compensation for the CEO and the other Named Executive Officers ("NEO"). These charts demonstrate our pay-for-performance philosophy, as annual and long-term incentive compensation comprises the majority of total target compensation.

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Determination of Compensation

We have structured our executive officers' compensation to provide competitive compensation to attract and retain executive officers, to motivate them to achieve our strategic goals and to reward them for achieving such goals. The Committee historically retains an independent compensation consultant to assist the Committee. For 2014, the Committee retained Total Rewards Strategies LLC ("TRS") to assist the Committee with the following: keeping it appraised about relevant trends and technical developments during its meetings; providing consulting advice regarding long-term incentive and change in control arrangements; providing peer group analysis; and providing market data for the CEO position and other executive officers. Additionally, recommendations and evaluations from the CEO are considered by the Committee when setting the compensation of the other executive officers.

Our executive officers are eligible to receive two forms of annual cash compensation – base salary and an annual incentive award – which together constitute an executive officer's total annual cash compensation. Please note that "total annual cash compensation," as discussed in this Compensation Discussion and Analysis, differs from the "Total Compensation" column of the Summary Compensation Table on page 21, which includes long-term incentive, perquisites and other forms of compensation valued on a basis consistent with financial statement reporting requirements. The levels of base salary and the annual incentive award for our executive officers are established annually under a program intended to maintain parity with the competitive market for executive officers in comparable positions. Our executive compensation levels are designed to be generally aligned with the 50^{th} - 75^{th} percentile of competitive market levels (using our peer group) for each position.

There is no pre-established policy or target for the allocation between cash and non-cash or short-term and long-term incentive compensation. Rather, the Committee reviews competitive market compensation information provided by our compensation consultant and considers the Company's historical compensation practices in determining the appropriate level and mix of incentive compensation for each executive position.

Compensation Benchmarking and Comparator Group

The comparator group is comprised of some of our direct competitors and a broader group of companies in the electronic and motor vehicle parts manufacturing industries that the Committee believes is representative of the labor market from which we recruit executive talent. Factors used to select the comparator group of companies include industry segment, revenue, profitability, number of employees and market capitalization. The Committee reviews and approves the comparator group annually. The companies in the comparator group used in 2014 executive compensation decisions were:

Accuride	Drew Industries	Modine Manufacturing

Altra Holdings	Encore Wire	Richardson Electronics
American Axle	EnPro Industries	Spartan Motors
AMETEK	Esterline Technologies	Standard Motor Products
AVX	Gentex	Superior Industries International
CIRCOR International	Graco	Tennant
Commercial Vehicle Group	Kaydon	Titan International
CTS	KEMET	Trimas
Dana	Littelfuse	Wabash National
Dorman Products	Meritor	

In 2013, the median sales revenue for the comparator group was $1.1 billion while our revenue was $948.0 million, including the Wiring business which was sold in August 2014.

TRS provides the Committee with the 50th and 75th percentiles of the comparator group for base salary, cash bonus, long-term incentives and total overall compensation. The Committee uses as a primary reference point the 50th percentile when determining base salary and annual incentive targets and the 75th percentile when determining long-term incentive targets; each element of pay is adjusted to reflect competitive market conditions. The goal of the executive compensation program is to provide overall compensation between the 50th and 75th percentiles of pay practices of the comparator group of companies. Actual target pay for an individual may be more or less than the referenced percentiles based on the Committee’s evaluation of the individual’s performance and potential. Consistent with the Committee’s philosophy of pay-for-performance, incentive payments can exceed target levels only if overall Company financial targets are exceeded and will fall below target levels if overall financial goals are not achieved.

Consideration of Shareholder Advisory Vote on Executive Compensation

At our 2014 Annual Meeting of Shareholders, our shareholders approved our compensation advisory resolution with 73% of the shares entitled to vote approving the 2013 executive compensation described in our 2014 Proxy Statement. The Committee believes the shareholders vote affirms the Company's approach to executive compensation and decided not to materially alter our compensation policies and programs for 2014.

Elements of Compensation

In 2014 the elements of compensation of our executive officers were:

- Base salary;
- Annual cash incentive award;
- Long-term equity-based incentive awards; and
- Benefits and perquisites.

Although all named executive officers are eligible to participate in the same compensation and benefit programs, only Mr. Corey had compensation that is governed by an employment agreement. The terms of Mr. Corey's employment agreement are described under "Employment Agreements."

Base Salaries

Base salary is the foundation of our compensation program for our executive officers. The annual cash incentive compensation awards and long-term incentive awards are based on a percentage of base compensation. The base salary is set at competitive market levels to attract and retain our executive officers. Base salary levels for our executive officers are set on the basis of the executive's responsibilities, the current general industry and competitive market data, as discussed above. In each case, due consideration is given to personal factors, such as the individual's experience, competencies, performance and contributions, and to external factors, such as salaries paid to similarly situated executive officers by like-sized companies. The Committee considers the evaluation and recommendation of the CEO in determining the base salary of the other executive officers. The Committee generally approves all executive officer base salaries at its December meeting, which become effective January 1 of the following year. Executive officers base salaries remain fixed throughout the year unless a promotion or other change in responsibilities occurs. For 2014, the Committee approved increasing Mr. Sloan's base salary to a level that was reflective of the 50% percentile of competitive market data for his position. Prior to 2014, we paid the full cost of health insurance for our NEOs. Beginning in 2014, the NEOs contributed to their healthcare at the same level as all other employees, depending on the coverage they elected. To compensate for the elimination of this benefit, a one-time adjustment was made to increase each NEO's competitive base salary for the amount of their healthcare coverage they are now required to contribute. The one-time adjustment was $2,500 for Mr. Corey and Mr. Sloan, $6,500 for Mr. Strickler, and $3,200 for Mr. Beaver. Mr. Adante does not participate in Stoneridge sponsored healthcare, therefore, no adjustment was necessary. The "Salary" column of the Summary Compensation Table lists the NEO's base salary for 2014.

Annual Incentive Awards

Our executive officers participate in our Annual Incentive Plan ("AIP") which provides for annual cash payments based on the achievement of specific financial goals. As described above, the Company believes that a substantial portion of each executive's overall compensation should be directly tied to quantifiable measures of financial performance. In March 2014, the Committee approved the Company's 2014 AIP targets and metrics. In September 2014, the Committee approved restating the 2014 consolidated AIP targets to exclude the results of the Wiring business which was sold in August 2014. The AIP targets are expressed as a percentage of the executive officer's base salary.

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For 2014, the structure of our AIP included both consolidated financial performance metrics and, where appropriate, divisional or functional focused metrics to incentivize specific performance. The financial performance elements, weighting, target metrics, and achievement for our NEOs are summarized as follows:

	Weight	Target Metric	Achievement
For Mr. Corey, Mr. Strickler, Mr. Adante and Mr. Beaver:			
Consolidated Metrics excluding Wiring Business:			
Operating profit	60%	$39.7 million	0%
Free cash flow	40%	$2.5 million	200%
For Mr. Sloan:			
Consolidated Metrics excluding Wiring Business:			
Operating profit	20%	$39.7 million	0%
Free cash flow	10%	$2.5 million	200%
Divisional Metrics:			
Operating income	35%	$31.7 million	113%
Free cash flow	25%	$19.0 million	91%
Asia Pacific operating income	10%	$0.3 million	76%

The consolidated and divisional financial performance target metrics were based on our 2014 business plan, excluding the results of the Wiring business, and were intended to be challenging but achievable based on industry conditions known at the time they were established. Under the 2014 AIP, the minimum level for achievement for the consolidated and divisional financial metrics was based on 80% of target while the maximum level was based on 130% of target. The following table provides the 2014 AIP target as a percent of base salary, as a dollar amount and the dollar achievement for our NEOs:

	Target Percent of Base Salary	Target	Achieved
John C. Corey	95%	$687,325	$549,860
George E. Strickler	70%	262,290	209,832
Thomas A. Beaver	50%	154,600	123,680
Richard P. Adante	50%	118,125	94,500
Michael D. Sloan	55%	163,625	147,028

For each performance metric, specific levels of achievement for minimum, target, and maximum were set as described above. At target, 100% payout is achieved for each element of the plan; at maximum, 200% payout is achieved; and at minimum, 50% payout is achieved. Below the minimum, no incentive compensation is earned. The AIP incentive compensation payout earned between the minimum and maximum levels is prorated. The payment of compensation under the 2014 plan was subject to our overall performance and is included in the “Non-Equity Incentive Plan Compensation” column of the Summary Compensation Table.

Long-Term Incentive Awards

Under our Long-Term Incentive Plan ("LTIP"), all executive officers may be granted share options, restricted common shares and other equity-based awards. Under our Long-Term Cash Incentive Plan ("LTCIP"), all executive officers may be granted awards payable in cash. We believe that long-term incentive awards are a valuable motivation and retention tool and provide a long-term performance incentive to management. The long-term awards are calculated based on the fair value of the shares, shares equivalent or cash at the time of grant. In 2014, all long-term awards were granted under the LTIP.

The percentages are typically representative of the competitive market data obtained during the annual compensation review process described above. For 2014, the Committee reaffirmed that in order to remain competitive in the overall compensation packages, the long-term incentive awards should approximate the 75th percentile of comparative market data. The expected awards are subject to adjustment based on differences in the scope of the executive officer's responsibilities, performance and ability.

Long-term equity-based incentives are an important tool for retaining executive talent. For 2014, we granted to our executive officers time-based share units, or the right to receive common shares, under the LTIP equal to the equivalent of 50% of the fair value calculation based on the 75th percentile of comparative market data. If the executive officer remains an employee at the end of the three year vesting period, the time-based share units will be earned and common shares will be issued to the executive officers. The grant date fair value of the time-based share units is included in the "Stock Awards" column of the Summary Compensation Table. The time-based share units awarded in 2014 are included in the "All Other Stock Awards" column of the Grants of Plan-Based Awards table.

Long-term equity-based incentives are also important to linking our executive officers' overall compensation to shareholder return. For 2014, we granted performance share awards under the LTIP to our executive officers based on total shareholder return ("TSR") targeting approximately 10% of the long-term incentive fair value calculation based on the 75th percentile of comparative market data. These awards are subject to forfeiture based on our TSR over a three year period, when compared to TSR for a Peer Group of companies over the same period. If our TSR is equal to the 50th percentile of the Peer Group TSR performance, the target number of performance shares will be earned. If our TSR is less than the 25th percentile (minimum) of the Peer Group TSR performance, no performance shares will be earned and if our TSR is equal to the 75th percentile (maximum) or greater of the Peer Group TSR performance, all performance shares will earned. Provided the executive officer remains employed, and depending on TSR performance, the number of performance shares that are earned prorates between the 25th and 75th percentile. The 2014 Peer Group for TSR is comprised of a subset of companies from the executive compensation comparator group and is comprised of the following companies:

Accuride	Esterline Technologies	Modine Manufacturing
American Axle & Manufacturing	Gentex	Standard Motor Products
Commercial Vehicle Group	Graco	Superior Industries International
CTS	Littelfuse	Titan International
EnPro Industries	Meritor, Inc.	

In 2014 we also granted performance shares under our LTIP to our executive officers based on earnings per shares ("EPS") targeting approximately 40% of the long-term incentive fair value calculation based on the 75th percentile of comparative market data. These awards are subject to forfeiture based on our actual annual EPS over three annual performance periods, when compared to minimum, target and maximum annual EPS amounts over the same period. For the 2014 grants, the annual performance period target EPS was or will be set using our Board approved annual budget at the first regular meeting of each year in the performance period. Minimum EPS is generally established at 70% of target and maximum EPS is generally established at 130% of target for each annual performance period. The annual EPS metric for the 2014 performance period was established at a restated target of $0.44, to exclude the effect of the divested Wiring business. The metrics are intended to be challenging but achievable based on industry conditions known at the time they are established. Provided the executive officer remains employed, and depending on annual EPS performance, the number of performance shares earned prorates between minimum and maximum amounts. Actual EPS performance below the minimum level results in no earned performance shares for the annual performance period. For the 2014 annual performance period, achievement was between the minimum and target levels. The performance shares awarded in 2014 are included in the “Estimated Future Payouts Under Equity Incentive Plan Awards” columns of the Grants of Plan-Based Awards table.

The Committee's practice has been to approve the long-term incentive awards at the first regular meeting of the calendar year. Awards were granted in March 2014 in anticipation of having direction on the possible Wiring business divestiture; however, resolution on this transaction did not occur until the second quarter 2014 with the transaction closing in the third quarter of 2014. As a general practice, awards under the long-term incentive plans are approved once a year unless a situation arises whereby a compensation package is approved for a newly hired or promoted executive officer and equity-based compensation is a component.

Perquisites

We provide executive officers with perquisites we and the Committee believe are reasonable and consistent with its overall compensation program to better enable us to attract and retain superior employees for key positions. The Committee periodically reviews the levels of perquisites provided to executive officers.

Perquisites that are provided to executive officers are different by individual and could include an auto allowance, fully paid premiums for healthcare coverage, and country club dues. The incremental costs of the perquisites listed above for the NEOs are included in the "All Other Compensation" column of the Summary Compensation Table.

Employment Agreement

In 2006, we entered into a negotiated employment agreement with Mr. Corey that provided for a minimum base salary of $525,000, participation in the annual incentive plan at a minimum target of 70% of base salary; a monthly car allowance; reimbursement of country club dues and a one-time initiation fee; reimbursement of Mr. Corey's premium on his life insurance policy; participation in the Company's customary benefit plans and reimbursement of out-of-pocket healthcare expenses not to exceed $5,000 per covered family member on an annual basis. In addition, if Mr. Corey is terminated by the Company without cause, the Company will be obligated to provide as severance the same compensation and benefits described below under "Potential Change in Control and Other Post-Employment Payments." In connection with the Company's transition to a new CEO, Mr. Corey's employment agreement was terminated effective March 16, 2015.

The Company has not entered into an employment agreement with any other NEO.

Severance Plan

We adopted the Officers' and Key Employees' Severance Plan (the "Severance Plan") in October 2009. The NEOs covered under the Severance Plan include Mr. Strickler, Mr. Beaver, Mr. Sloan and Mr. Adante. If a covered executive is terminated by us without cause, we will be obligated under the Severance Plan to pay the executive's salary for 12 months (18 months in the case of the Chief Financial Officer, Mr. Strickler) and continue health and welfare benefits coverage over the same period of time. Mr. Corey's severance protection is provided in his employment agreement as described below under "Potential Change in Control and Other Post-Employment Payments."

Termination and Change in Control Payments

We have entered into change in control agreements with Mr. Corey, Mr. Strickler, Mr. Beaver, Mr. Sloan, Mr. Adante and certain other senior management employees. These agreements are designed to promote stability and continuity of senior management, both of which are in the best interest of Stoneridge and our shareholders. Our termination and change in control provisions for the NEOs are summarized below under "Potential Change in Control and Other Post-Employment Payments."

Tax Deductibility of Compensation

Section 162(m) of the Internal Revenue Code of 1986, as amended ("the Code") generally disallows a tax deduction to public companies for compensation in excess of $1.0 million that is paid to a company's CEO and the other NEOs excluding the CFO. Qualifying performance-based compensation will not be subject to the deduction limit if certain requirements are met.

The Committee believes that it is generally in our best interest to attempt to structure performance-based compensation, including performance share award grants and annual incentive awards, to NEOs whose compensation may be subject to Section 162(m) of the Code in a manner that satisfies the statute's requirements. Currently, all performance-based compensation is designed to be deductible under Section 162(m) of the Code; however, in the future, the Committee may determine that it is appropriate to pay performance-based compensation, which is not deductible.

Accounting Treatment of Compensation

As one of many factors, the Committee considers the financial impact in determining the amount of and allocation of the different pay elements, including Financial Accounting Standards Board ("FASB") ASC Topic 718 Stock Compensation.

Share Ownership Guidelines

In February 2013 the Committee established share ownership guidelines for our executive officers to enhance the linkage between the interests of our executive officers and those of our shareholders. These guidelines provide that the CEO, CFO and other executive officers must retain Company common shares equal in market value to five, four and three times, respectively, of their annual base salaries. The executive officers have a five year accumulation period from implementation, hire, or promotion to achieve compliance and are restricted from selling any common shares earned under a Company equity-based compensation plan until their ownership guideline has been reached.

Compensation Committee Report

We have reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and, based on that review and discussion, we recommended to the Board that the Compensation Discussion and Analysis be included in this Proxy Statement.

The Compensation Committee

Kim Korth, Chairwoman
Jeffrey P. Draime
Douglas C. Jacobs
William M. Lasky

Summary Compensation Table

The following table provides information regarding the compensation of our Chief Executive Officer, our Chief Financial Officer, and our three most highly compensated executive officers for 2014.

Name and Principal Position	Year	Salary ($)	**Stock Awards ($)(1)**	**Non-Equity Incentive Plan Compensation ($)(2)**	**All Other Compensation ($)(3)**	Total ($)
John C. Corey	2014	$723,500	$ 2,055,328	$ 549,860	$ 73,076	$3,401,764
President & Chief	2013	700,000	2,119,624	-	114,247	2,933,871
Executive Officer	2012	700,000	1,615,216	156,757	90,164	2,562,137
George E. Strickler	2014	374,700	639,960	209,832	32,168	1,256,660
Executive Vice President,	2013	357,500	663,366	-	37,710	1,058,576
Chief Financial Officer & Treasurer	2012	357,500	497,982	57,820	32,260	945,562
Thomas A. Beaver	2014	309,200	497,494	123,680	24,720	955,094
Vice President & President	2013	300,000	402,490	61,200	29,299	792,989
of Global Sales	2012	287,000	359,094	111,094	27,287	784,475
Michael D. Sloan	2014	297,500	363,183	147,028	6,887	814,598
Vice President & President	2013	243,400	285,660	124,151	9,210	662,421
of the Control Devices Division	2012	234,000	257,200	20,378	11,469	523,047
Richard P. Adante	2014	236,250	413,390	94,500	13,542	757,682
Vice President of Operations	2013	236,250	412,012	-	13,589	661,851
	2012	225,000	334,360	41,176	8,909	609,445

(1) The amounts included in the "Stock Awards" column represent the grant date fair value of restricted common share, phantom share, share units and performance share awards computed in accordance with FASB ASC Topic 718. For a discussion of valuation assumptions, see Notes 7 and 8 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014. In 2014 time-based share units and performance share awards were granted to our NEOs. The performance share awards were expected to be earned at the target level when granted. Please see the "Grants of Plan-Based Awards for 2014" table for more information regarding the share units and performance shares granted in 2014.

(2)

The amount shown for each NEO in the "Non-Equity Incentive Plan Compensation" column is attributable to an annual incentive award earned under the AIP in the fiscal year listed.

(3) The amounts shown for 2014 in the "All Other Compensation" column are comprised of the following:

	Auto Allowance	401(k) Match	Group Term Life Insurance	Club Dues	Life Insurance including Gross-up	Healthcare Costs Including Gross-up	Total
Mr. Corey	$ 14,400	$ 7,500	$ 14,478	$ -	$ 22,436	$ 14,262	$ 73,076
Mr. Strickler	9,000	7,500	10,668	5,000	-	-	32,168
Mr. Beaver	14,400	5,964	4,356	-	-	-	24,720
Mr. Sloan	-	4,075	2,812	-	-	-	6,887
Mr. Adante	-	7,095	6,447	-	-	-	13,542

Grants of Plan-Based Awards

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards[1] Threshold ($)	Target ($)	Maximum ($)	Estimated Future Payouts Under Equity Incentive Plan Awards[2] Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units(#)[3]	Grant Date Fair Value of Stock and Option Awards ($)[4]
John C. Corey		$343,663	$687,325	$1,374,650					
	3/25/14				44,000	88,000	132,000	88,000	$2,055,328
George E. Strickler		131,145	262,290	524,580					
	3/25/14				13,700	27,400	41,100	27,400	639,960
Thomas A. Beaver		77,300	154,600	309,200					
	3/25/14				10,650	21,300	31,950	21,300	497,494
Michael D. Sloan		81,813	163,625	327,250					
	3/25/14				7,750	15,500	23,250	15,600	363,183
Richard P. Adante		59,063	118,125	236,250					
	3/25/14				8,850	17,700	26,550	17,700	413,390

(1) The amounts shown reflect awards granted under our 2014 AIP. In March 2014, the Compensation Committee approved the 2014 target AIP awards expressed as a percentage of the executive officer's 2014 approved base salary, and Company performance measures for the purpose of determining the amount paid out under the AIP for each executive officer for the year ended December 31, 2014. Please see "Compensation Discussion and Analysis – Annual Incentive Awards" for more information regarding the Company's 2014 awards and performance measures.

(2)

The amounts shown reflect grants of performance share awards made under our LTIP on March 25, 2014 for all NEOs. The amount of these performance shares that will be earned will be determined on March 25, 2017 (assuming the grantee is still employed on that date) based on our total shareholder return compared to that of a defined peer group for 10% of the awards and based on our EPS performance for 40% of the awards.

(3) The amounts shown reflect grants of time-based share units made under our LTIP. These share units were granted on March 25, 2014 for all NEOs and will be earned on March 25, 2017 (assuming the grantee is still employed on that date).

(4) The amounts included in “Fair Value of Awards” column represent the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718. For a discussion of valuation assumptions, see Note 7 and 8 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014.

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Outstanding Equity Awards at Year-End

Name	Stock Awards Number of Shares or Units of Stock That Have Not Vested (#)		**Market Value of Shares or Units of Stock That Have Not Vested ($)**[1]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)		**Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)**[1]
John C. Corey	94,200	(2)	$ 1,211,412	94,200	(5)	$ 1,211,412
	200,300	(3)	2,575,858	100,200	(6)	1,288,572
	88,000	(4)	1,131,680	100,200	(7)	1,288,572
				88,000	(8)	1,131,680
George E. Strickler	29,000	(2)	372,940	29,100	(5)	374,226
	62,700	(3)	806,322	31,350	(6)	403,161
	27,400	(4)	352,364	31,350	(7)	403,161
				27,400	(8)	352,364
Thomas A. Beaver	20,900	(2)	268,774	21,000	(5)	270,060
	38,000	(3)	488,680	19,050	(6)	244,983
	21,300	(4)	273,918	19,050	(7)	244,983
				21,300	(8)	273,918
Michael D. Sloan	15,000	(2)	192,900	15,000	(5)	192,900
	27,000	(3)	347,220	13,500	(6)	173,610
	15,600	(4)	200,616	13,500	(7)	173,610
				15,500	(8)	199,330
Richard P. Adante	19,500	(2)	250,770	19,500	(5)	250,770
	38,900	(3)	500,254	19,500	(6)	250,770
	17,700	(4)	227,622	19,500	(7)	250,770
				17,700	(8)	227,622

(1) Based on the closing price of our common shares on December 31, 2014 ($12.86), as reported on the NYSE.

(2) These time-based restricted common shares vested on February 10, 2015.

(3) These time-based restricted common shares vest on February 4, 2016.

(4) These time-based share units vest on March 25, 2017.

(5) These performance-based restricted common shares vested on February 10, 2015 subject to achievement of specified financial performance metrics; for the 50% attributable to the TSR metric, achievement between minimum and target was attained and for the 50% attributable to the EPS metric with annual performance periods, no achievement was attained for the first or second performance periods while achievement was attained between threshold and target for the third performance period.

(6) These performance-based restricted common shares are scheduled to vest on February 4, 2016 subject to achievement of specified financial performance metrics.

(7) These performance-based phantom shares are scheduled to vest on February 4, 2016 subject to achievement of specified financial performance metrics.

(8) These performance shares are scheduled to vest on March 25, 2017 subject to achievement of specified financial performance metrics.

Option Exercises and Stock Vested

	Stock Awards(1)	
Name	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
John C. Corey	86,800	$ 883,624
George E. Strickler	32,200	327,796
Thomas A. Beaver	14,250	145,065
Michael D. Sloan	11,550	117,579
Richard P. Adante	-	-

(1) The number of shares includes time-based restricted common shares from the 2011 restricted share grants that vested and were no longer subject to forfeiture on February 14, 2014. The value realized on vesting was based on the average of the high and low market values as recorded on the date of vesting, February 14, 2014.

Potential Change in Control and Other Post-Employment Payments

In December 2011, we entered into a 2011 Amended and Restated Change in Control Agreement (the "CIC Agreement"), eliminating the excise tax gross-up payment, with certain NEOs and certain other senior management employees. Our change in control agreements were designed to provide for continuity of management in the event of change in control of the Company. We think it is important for our executives to be able to react neutrally to a potential change in control and not be influenced by personal financial concerns. We believe our arrangements are consistent with market practice. For our NEOs covered under a CIC Agreement we set the level of benefits, as described below, to remain competitive with our select peer group. All payments under the CIC Agreement are conditioned on a non-compete, non-solicitation and non-disparagement agreement. The CIC Agreements replaced and superseded change in control agreements we previously entered into with these employees.

We believe that the CIC Agreements should compensate executives displaced by a change in control and not serve as an incentive to increase personal wealth. Therefore, our CIC Agreements are "double trigger" arrangements. In order for the executives to receive the payments and benefits set forth in the agreement, both of the following must occur:

· a change in control of the Company; and

- a triggering event:
- the Company separates NEO from service, other than in the case of a termination for cause, within two years of the change in control; or
- NEO separates from service for good reason (defined as material reduction in NEO's title, responsibilities, power or authority, or assignment of duties that are materially inconsistent to previous duties, or material reduction in NEO's compensation and benefits, or require NEO to work from any location more than 100 miles from previous location) within two years of the change in control.

If the events listed above occur and the executive delivers a release to the Company, we will be obligated to provide the following to our CEO and CFO:

- three times the greater of the CEO or CFO's annual base salary at the time of a triggering event or at the time of the occurrence of a change in control;
- three times the greater of the CEO or CFO's maximum annual incentive compensation he would have been entitled to at the time of a triggering event or at the occurrence of a change in control, in each case based upon the assumption that personal and company targets or performance goals were achieved in that year at the maximum level;

- an amount equal to the pro rata amount of annual incentive compensation the CEO or CFO would have been entitled to at the time of a triggering event calculated based on the performance goals that were achieved in the year in which the triggering event occurred; and

- continued life and health insurance benefits for twenty-four months following termination.

If the events listed above occur and the executive delivers a release to the Company, we will be obligated to provide the following to Mr. Beaver, Mr. Sloan and Mr. Adante:

- two times the greater of the NEO's annual base salary at the time of a triggering event or at the time of the occurrence of a change in control;

- two times the greater of the NEO's average annual incentive award over the last three completed fiscal years or the last five completed fiscal years;

- an amount equal to the pro rata amount of annual incentive compensation the NEO would have been entitled to at the time of a triggering event calculated based on the performance goals that were achieved in the year in which the triggering event occurred; and

- continued life and health insurance benefits for twenty-four months following termination.

Upon a change in control as defined in our LTIP, the restricted common shares included on the "Outstanding Equity Awards at Year-End" table that are not performance-based vest and are no longer subject to forfeiture; the performance-based restricted common shares and phantom shares included on the "Outstanding Equity Awards at Year End" table vest and are no longer subject to forfeiture based on target achievement levels.

In October 2009, we adopted the Officers' and Key Employees' Severance Plan (the "Severance Plan"). The NEOs covered under the Severance Plan include Mr. Strickler, Mr. Beaver, Mr. Sloan and Mr. Adante. If we terminate a covered executive without cause, we will be obligated under the Severance Plan to pay the executive's salary for 12 months (18 months in the case of the Chief Financial Officer, Mr. Strickler) and continue health and welfare benefits coverage over the same period of time. Mr. Corey's severance protection is provided in his employment agreement as described above.

No severance is payable if the NEO's employment is terminated for "cause," if they resign, or upon death.

Value of Payment Presuming Hypothetical December 31, 2014 Termination Date

Upon resignation, no payments are due to any NEO in the table below. Assuming the events described in the table below occurred on December 31, 2014, each NEO would be eligible for the following payments and benefits:

	Termination Without Cause	Non-Termination Change in Control	Change in Control and NEO Resigns for Good Reason or is Terminated Without Cause	Disability	Death
John C. Corey					
Base Salary	$ 1,447,000	$ -	$ 2,170,500	$ 180,875	$ -
Annual Incentive Award	-	-	4,123,950	-	-
Unvested and Accelerated Restricted Common Shares and Share Units	3,089,538	4,918,950	4,918,950	3,089,538	3,089,538
Unvested and Accelerated Performance Shares, Restricted Common Shares and Phantom Shares	2,154,523	2,798,336	3,657,384	2,154,523	2,154,523
Health and Welfare Benefits	71,337	-	71,337	-	-
Total	$ 6,762,398	$ 7,717,286	$ 14,942,121	$ 5,424,936	$ 5,244,061
George E. Strickler					
Base Salary	$ 562,050	$ -	$ 1,124,100	$ -	$ -
Annual Incentive Award	-	-	1,573,740	-	-
Unvested and Accelerated Restricted Common Shares and Share Units	960,629	1,531,626	1,531,626	960,629	960,629
Unvested and Accelerated Performance Shares, Restricted Common Shares and Phantom Shares	670,582	870,622	1,139,396	670,582	670,582
Health and Welfare Benefits	27,020	-	36,027	-	-
Total	$ 2,220,281	$ 2,402,248	$ 5,404,889	$ 1,631,211	$ 1,631,211
Thomas A. Beaver					
Base Salary	$ 309,200	$ -	$ 618,400	$ -	$ -
Annual Incentive Award	-	-	155,733	-	-
Unvested and Accelerated Restricted Common Shares and Share Units	638,255	1,031,372	1,031,372	638,255	638,255
Unvested and Accelerated Performance Shares, Restricted Common Shares and Phantom Shares	449,687	617,280	780,602	449,687	449,687
Health and Welfare Benefits	9,294	-	18,589	-	-
Total	$ 1,406,436	$ 1,648,652	$ 2,604,696	$ 1,087,942	$ 1,087,942
Michael D. Sloan					
Base Salary	$ 297,500	$ -	$ 595,000	$ -	$ -
Annual Incentive Award	-	-	197,622	-	-
Unvested and Accelerated Restricted Common Shares and Share Units	456,852	740,736	740,736	456,852	456,852
Unvested and Accelerated Performance Shares, Restricted Common Shares and Phantom Shares	320,947	443,670	559,410	320,947	320,947

Health and Welfare Benefits	20,815	-	41,631	-	-
Total	$ 1,096,114	$ 1,184,406	$ 2,134,399	$777,799	$777,799
Richard P. Adante					
Base Salary	$ 236,250	$ -	$ 472,500	$ -	$ -
Annual Incentive Award	-	-	90,451	-	-
Unvested and Accelerated Restricted Common Shares and Share Units	616,817	978,646	978,646	616,817	616,817
Unvested and Accelerated Performance Shares, Restricted Common Shares and Phantom Shares	430,727	561,982	729,162	430,727	430,727
Health and Welfare Benefits	930	-	1,860	-	-
Total	$ 1,284,724	$ 1,540,628	$ 2,272,619	$1,047,544	$1,047,544

DIRECTORS' COMPENSATION

Cash Compensation

For 2014, the Board approved that each non-employee director of the Company receive an annual retainer of $70,000 for serving as our director and attending Board and Committee meetings. The non-executive Chairman receives twice the annual retainer of the other directors. The Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee chairperson receives additional compensation of $10,000, $7,500, and $5,000, respectively, per year. We reimburse out-of-pocket expenses incurred by all directors in connection with attending Board and Committee meetings.

Equity Compensation

Pursuant to the Directors' Restricted Shares Plan, non-employee directors are eligible to receive awards of restricted common shares. In 2014 all directors were granted 6,910 restricted common shares. The restrictions for those common shares lapsed on February 4, 2015.

Director Compensation Table

Name	Fees Earned or Paid in Cash ($)	**Stock Awards ($)[(1)]**	Total ($)
Jeffrey P. Draime	$ 70,000	$ 74,974	$144,974
Douglas C. Jacobs	80,000	74,974	154,974
Ira C. Kaplan	70,000	74,974	144,974
Kim Korth	77,500	74,974	152,474
William M. Lasky	145,000	74,974	219,974
George S. Mayes, Jr.	70,000	74,974	144,974
Paul J. Schlather	70,000	74,974	144,974

(1) The amounts included in the "Stock Awards" column represent fair value at grant date of restricted common share awards to directors, computed in accordance with FASB ASC Topic 718. For a discussion of the valuation assumptions, see Note 7 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014.

Share Ownership Guidelines

The Board established share ownership guidelines for all non-employee directors in February 2013. These guidelines provide that each director should own Company common shares equal in market value to four times the cash portion of the Board's annual retainer. The Directors have a five year accumulation period from implementation of the guideline or appointment to the Board to achieve compliance and are restricted from selling any common shares earned under a Company equity-based compensation plan until their ownership guideline has been reached.

OTHER INFORMATION

Shareholder’s Proposals for 2016 Annual Meeting of Shareholders

Proposals of shareholders intended to be presented, pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 (the “Exchange Act”), at our 2016 Annual Meeting of Shareholders must be received by the Company at Stoneridge, Inc., 9400 East Market Street, Warren, Ohio 44484, on or before December 11, 2015, for inclusion in our proxy statement and form of proxy relating to the 2016 Annual Meeting of Shareholders. In order for a shareholder’s proposal outside of Rule 14a-8 under the Exchange Act to be considered timely within the meaning of Rule 14a-4(c) of the Exchange Act, such proposal must be received by the Company at the address listed in the immediately preceding sentence not later than February 24, 2016.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and owners of more than 10% of our common shares, to file with the SEC and the NYSE initial reports of ownership and reports of changes in ownership of our common shares and other equity securities. Executive officers, directors and owners of more than 10% of the common shares are required by SEC regulations to furnish us with copies of all forms they file pursuant to Section 16(a).

To our knowledge, based solely on our review of the copies of such reports furnished to us and written representations that no other reports were required during the fiscal year ended December 31, 2014, all Section 16(a) filing requirements applicable to our executive officers, directors and more than 10% beneficial owners were complied with.

Other Matters

If the enclosed proxy is executed and returned to us via mail, telephone or Internet, the persons named in it will vote the common shares represented by that proxy at the meeting. The form of proxy permits specification of a vote for the election of directors as set forth under “Election of Directors,” the withholding of authority to vote in the election of directors, or the withholding of authority to vote for one or more specified nominees. When a choice has been specified in the proxy, the common shares represented will be voted in accordance with that specification. If no specification is made, those common shares will be voted at the meeting to elect directors as set forth under “Election of Directors,” and FOR the proposals to (i) ratify the appointment of Ernst & Young as our independent auditors for the year ending December 31, 2015; and (ii) approve of the advisory resolution on executive compensation.

Director nominees who receive the greatest number of affirmative votes will be elected directors. Broker non-votes and abstaining votes will be counted as “present” for purposes of determining whether a quorum has been achieved at the meeting, but will not be counted in favor of or against any nominee. The voting standards for each of the other known matters to be considered at the meeting are set forth within the above proposals. All other matters to be considered at the meeting require for approval the favorable vote of a majority of the shares entitled to vote and represented at the meeting in person or by proxy.

The holders of shares of a majority of the common shares outstanding on the record date, present in person or by proxy, shall constitute a quorum for the transaction of business to be considered at the Annual Meeting of Shareholders.

If any other matter properly comes before the meeting, the persons named in the proxy will vote thereon in accordance with their judgment. We do not know of any other matter that may be presented for action at the meeting and we have not received any timely notice that any of our shareholders intend to present a proposal at the meeting.

By order of the Board of Directors,

ROBERT M. LOESCH,
Secretary

Dated: April 10, 2015