Hill-Rom Holdings, Inc.
Form DEF 14A
January 18, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
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Check the appropriate box:

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

Hill-Rom Holdings, Inc.
(Name of Registrant as Specified In Its Charter)

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HILL-ROM HOLDINGS, INC.

NOTICE OF ANNUAL MEETING

To Be Held March 8, 2011

The annual meeting of shareholders of Hill-Rom Holdings, Inc., an Indiana corporation, will be held at the offices of Hill-Rom Holdings, Inc., 1069 State Route 46 East, Batesville, Indiana 47006, on Tuesday, March 8, 2011, at 10:00 a.m., Eastern time, for the following purposes:

(1) To elect three members to the Board of Directors to serve one-year terms expiring at the 2012 annual meeting or until their successors are elected and qualified;

(2) To consider and vote on a non-binding proposal to approve the compensation of Hill-Rom's executive officers, as disclosed in the accompanying proxy statement;

(3) To consider and vote on a non-binding proposal to establish the frequency of the shareholder vote on executive compensation as provided in (2) above;

(4) To consider and vote on the Hill-Rom Holdings, Inc. Short-Term Incentive Plan;

(5) To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of Hill-Rom Holdings, Inc. for fiscal year 2011; and

(6) To transact any other items of business that may properly be brought before the meeting and any postponement or adjournment thereof.

The Board of Directors has fixed the close of business on December 28, 2010, as the record date for determining which shareholders are entitled to notice of and to vote at the meeting.

Your vote is important. Whether or not you plan to attend the meeting, please cast your vote, as instructed in the Notice of Internet Availability of Proxy Materials, over the Internet, by telephone or via mail, as promptly as possible. You may also request a paper proxy card to submit your vote by mail, if you prefer. We encourage you to vote via the Internet. We believe it is convenient for our shareholders, while significantly lowering the cost of our annual meeting and conserving natural resources.

By Order of the Board of Directors

/s/ Susan R. Lichtenstein

Susan R. Lichtenstein
Secretary

January 18, 2011

HILL-ROM HOLDINGS, INC.

PROXY STATEMENT

This proxy statement relates to the solicitation by the Board of Directors of Hill-Rom Holdings, Inc. (“Hill-Rom”, the “Company”, “we”, “us” or “our”), 1069 State Route 46 East, Batesville, Indiana 47006, telephone (812) 934-7777, of proxies for use at the annual meeting of Hill-Rom’s shareholders to be held at our offices on Tuesday, March 8, 2011, at 10:00 a.m., Eastern time, and at any adjournments of the meeting. This proxy statement and the enclosed form of proxy were mailed initially to shareholders on or about January 18, 2011.

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to Be Held on March 8, 2011.

- The proxy statement and annual report to shareholders are available at www.proxyvote.com.

TABLE OF CONTENTS

Table of Contents

GENERAL INFORMATION ABOUT THE ANNUAL MEETING AND VOTING

1. Who may vote?

Shareholders holding shares of Hill-Rom common stock as of the close of business on December 28, 2010, the record date, are entitled to vote at the annual meeting. At the close of business on the record date, there were 63,066,302 shares of common stock outstanding and entitled to vote at the annual meeting. Common stock is the only class of stock outstanding and entitled to vote, and you have one vote for each share of common stock held as of the record date, which may be voted on each proposal presented at the annual meeting.

2. Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a full set of proxy materials?

We generally send our shareholders an important Notice Regarding the Availability of Proxy Materials instead of a paper copy of the proxy materials. Instructions on how to access the proxy materials over the Internet or to request a paper copy may be found in that Notice. In addition, shareholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis. A shareholder's election to receive proxy materials by mail or e-mail will remain in effect until the shareholder terminates the election.

3. How can I elect to receive my proxy materials electronically?

If you would like to reduce the costs incurred by us in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, follow the instructions provided with your proxy materials and on your proxy card or voting instruction card to vote using the Internet or go to https://enroll1.icsdelivery.com/hrc/Default.aspx. When prompted, indicate that you agree to receive or access shareholder communications electronically in the future.

4. Can I vote my shares by filling out and returning the Notice Regarding the Availability of Proxy Materials?

No. The Notice does, however, provide instructions on how to vote by telephone, by Internet, by requesting and returning a paper proxy card, or by submitting a ballot in person at the annual meeting.

5. How can I access the proxy materials over the Internet?

You can view the proxy materials for the annual meeting on the Internet at www.proxyvote.com. Please have your 12 digit control number available, which can be found on your Notice Regarding the Availability of Proxy Materials or on your proxy card or voting instruction form. Our proxy materials are also available on our website at www.hill-rom.com.

6. How does the Board recommend that I vote?

The Board recommends that you vote

- FOR each of the nominees for director,
- FOR the non-binding approval of the compensation of Hill-Rom's executive officers,
- To hold the non-binding advisory shareholder vote on executive compensation EVERY ONE (1) YEAR,
- FOR the approval of the Hill-Rom Holdings, Inc. Short-Term Incentive Plan, and
- FOR the ratification of the appointment of PricewaterhouseCoopers LLP as Hill-Rom's independent registered public accounting firm.

7. How do I vote?

You may vote by any of the following methods:

Table of Contents

- By Telephone or Internet — If you have telephone or Internet access, you may submit your proxy vote by following the instructions provided in the Notice Regarding the Availability of Proxy Materials, or by following the instructions provided with your proxy materials and on your proxy card or voting instruction form.

- By Mail — You may submit your proxy vote by mail by signing a proxy card if your shares are registered directly in your name or, for shares held beneficially in street name, by following the voting instructions included by your broker, trustee or nominee, and mailing it in the enclosed envelope. If you provide specific voting instructions, your shares will be voted as you have instructed.

- In Person at the Annual Meeting — You may vote in person at the annual meeting or may be represented by another person at the meeting by executing a proxy designating that person.

8. If I vote by telephone or Internet and received a proxy card in the mail, do I need to return my proxy card?

No.

9. Can I change my vote?

If you are a shareholder of record, you may revoke your proxy at any time before the voting polls are closed at the annual meeting, by the following methods:

- voting at a later time by telephone or Internet (up to 11:59 p.m. Eastern time on the day before the meeting);

- writing our Corporate Secretary, Susan R. Lichtenstein, Hill-Rom Holdings, Inc., 1069 State Route 46 East, Batesville, Indiana 47006; or

- giving notice of revocation to the Inspector of Election at the annual meeting.

If you are a street name shareholder and you vote by proxy, you may later revoke your proxy by informing the holder of record in accordance with that entity's procedures.

10. What happens if I do not specify a choice for a proposal when returning a proxy?

If you are a shareholder of record and your proxy card is signed and returned without voting instructions, it will be voted according to the recommendation of the Board of Directors.

If you are a beneficial/street name shareholder and fail to provide voting instructions, your broker, bank or other holder of record is permitted to vote your shares on the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm. However, the record holder may not vote on the election of directors or on the proposals to approve our Short-Term Incentive Plan, regarding executive compensation and to establish the frequency of the shareholder vote on executive compensation absent instructions from you. Without your voting instructions on these proposals, a "broker non-vote" will occur.

11. What happens if other matters come up at the annual meeting?

The matters described in the notice of annual meeting are the only matters we know of that will be voted on at the annual meeting. If other matters are properly presented at the annual meeting, the persons named in the enclosed proxy card or voting instruction form will vote your shares according to their best judgment.

-2-

Table of Contents

12. Who will count the votes?

A representative of Broadridge Financial Solutions, Inc., an independent tabulator appointed by the Board of Directors, will count the votes and act as the Inspector of Election. The Inspector of Election will have the authority to receive, inspect, electronically tally and determine the validity of the proxies received.

13. Who can attend the annual meeting?

Admission to the annual meeting is limited to shareholders of Hill-Rom, persons holding validly executed proxies from shareholders who held Hill-Rom common stock on December 28, 2010, and invited guests of Hill-Rom.

In order to be admitted to the annual meeting in person, you should pre-register by contacting Hill-Rom's Investor Relations Department at investors@hill-rom.com or (877) 472-8324, no later than February 25, 2011. Additionally, proof of ownership of Hill-Rom stock must be shown at the door. Failure to pre-register or to provide adequate proof that you were a shareholder on the record date may prevent you from being admitted to the annual meeting. Please read the following rules carefully because they specify the documents that you must bring with you to the annual meeting in order to be admitted. The items that you must bring with you differ depending upon whether you are a record holder or hold your stock in "street name."

If you were a record holder of Hill-Rom common stock on December 28, 2010, then you must bring a valid government-issued personal identification (such as a driver's license or passport).

If a broker, bank, trustee or other nominee was the record holder of your shares of Hill-Rom common stock on December 28, 2010, then you must bring:

- Valid government-issued personal identification (such as a driver's license or passport), and
- Proof that you owned shares of Hill-Rom common stock on December 28, 2010.

If you are a proxy holder for a shareholder of Hill-Rom, then you must bring:

- The validly executed proxy naming you as the proxy holder, signed by a shareholder of Hill-Rom who owned shares of Hill-Rom common stock on December 28, 2010, and
- Valid government-issued personal identification (such as a driver's license or passport), and
- Proof of the shareholder's ownership of shares of Hill-Rom common stock on December 28, 2010.

14. How many votes must each proposal receive to be adopted?

Directors are elected by a plurality of the votes cast by shareholders entitled to vote, which means that nominees who receive the greatest number of votes will be elected even if less than a majority of the votes cast. However, our Corporate Governance Standards provide that, in an uncontested election, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall promptly tender his or her resignation. The Board is required to accept the resignation unless the Board determines that accepting such resignation would not be in the best interests of Hill-Rom and its shareholders.

The non-binding proposal to approve the compensation of our Named Executive Officers and the proposal to ratify the appointment of the independent registered public accounting firm will be approved if the votes cast favoring the action exceed the votes cast opposing the action. The non-binding vote on the frequency of the shareholder vote on executive compensation will be determined by plurality vote, with the frequency receiving the greatest number of votes being the frequency approved by the shareholders.

Table of Contents

15. How are votes, including broker non-votes and abstentions, counted?

Votes are counted in accordance with our By-laws and Indiana law. A broker non-vote or abstention will be counted towards a quorum and as represented at the meeting. A broker non-vote or abstention will not be counted in the election of directors or the votes on any of the other proposals. Shares will not be voted at the annual meeting if a properly executed proxy card covering those shares has not been returned and the holder does not cast votes in respect of those shares in person at the annual meeting.

16. Who pays for the proxy solicitation related to the annual meeting?

We do. In addition to sending you or making available to you these materials, some of our directors and officers as well as management and non-management employees may contact you by telephone, mail, e-mail or in person. You may also be solicited by means of press releases issued by Hill-Rom, postings on our website, www.hill-rom.com, and advertisements in periodicals. None of our officers or employees will receive any extra compensation for soliciting you. We have retained Innisfree M&A Incorporated ("Innisfree") to assist us in soliciting your proxy for an estimated fee of $7,500, plus reasonable out-of-pocket expenses. We will also reimburse banks, nominees, fiduciaries, brokers and other custodians for their costs of sending the Notice Regarding the Availability of Proxy Materials or proxy materials to the beneficial owners of Hill-Rom common stock.

17. If I want to submit a shareholder proposal for the 2012 annual meeting, when is it due and how do I submit it?

In order for shareholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 to be presented at our 2012 annual meeting of shareholders and included in our proxy statement and form of proxy relating to that meeting, such proposals must be submitted to the Secretary of Hill-Rom at our principal offices in Batesville, Indiana no later than September 20, 2011.

In addition, our Amended and Restated Code of By-laws provides that for business to be brought before a shareholders' meeting by a shareholder or for nominations to the Board of Directors to be made by a shareholder for consideration at a shareholders' meeting, notice thereof must be received by the Secretary of Hill-Rom at our principal offices not later than 100 days prior to the anniversary of the immediately preceding annual meeting, or not later than November 29, 2011 for the 2012 annual meeting of shareholders. The notice must also provide certain information set forth in the Amended and Restated Code of By-laws.

18. How can I obtain a copy of the Annual Report on Form 10-K?

You may receive a hardcopy of proxy materials, including the Annual Report on Form 10-K, by following the directions set forth on the Notice Regarding the Availability of Proxy Materials. The Annual Report on Form 10-K is also available at on our website at www.hill-rom.com.

19. Where can I find the voting results of the annual meeting?

We will announce preliminary voting results at the conclusion of the annual meeting and publish the final voting results in a Form 8-K to be filed with the U.S. Securities and Exchange Commission ("SEC") within four business days after the conclusion of the annual meeting.

Table of Contents

PROPOSALS REQUIRING YOUR VOTE

Proposal No. 1 – Election of Directors

Historically, Hill-Rom's Articles of Incorporation and By-laws provided that members of the Board of Directors shall be classified with respect to the terms that they serve by dividing them into three classes that are as nearly equal in number of members as possible. Prior to the 2011 annual meeting of shareholders, directors in each class were elected for a three-year term unless they resigned or retired earlier. However, the provisions in the Articles of Incorporation and Code of By-laws providing for the classification of the Board of Directors were amended in 2010 to provide that we will elect directors for one-year terms starting with the 2011 annual meeting. This will result in the entire Board being elected annually for one-year terms beginning at the 2013 annual meeting of shareholders.

The Board currently consists of nine members, with three directors in each Class. The terms of the three directors in Class III, Charles E. Golden, W August Hillenbrand and Joanne C. Smith, M.D., expire at the upcoming annual meeting. The shareholders will therefore elect three members of the Board to serve one-year terms expiring at the 2012 annual meeting of shareholders. Unless authority is withheld, all shares represented by proxies submitted pursuant to this solicitation will be voted in favor of electing as directors the nominees listed below for the terms indicated. If any of these nominees should be unable to serve, shares represented by proxies may be voted for a substitute nominee selected by the Board, or the position may become vacant.

The Board of Directors recommends that shareholders vote "FOR" the election to the Board of Directors of each of the nominees named below.

NOMINEES:

CLASS III

Nominees to be elected to serve one-year terms expiring at the 2012 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since
Charles E. Golden	64	Retired Executive Vice President and Chief Financial Officer of Eli Lilly and Company	2002
W August Hillenbrand	70	Retired Chief Executive Officer of Hill-Rom	1972
Joanne C. Smith, M.D.	50	President and Chief Executive Officer of the Rehabilitation Institute of Chicago	2003

CONTINUING DIRECTORS:

CLASS I

Serving terms expiring at the 2012 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since
Rolf A. Classon	65	Chairman of the Board of Hill-Rom	2002
James R. Giertz	53	Senior Vice President and Chief Financial Officer of H.B. Fuller Company	2009
Katherine S. Napier	55	Chief Executive Officer of Arbonne International, LLC	2009

Table of Contents

CLASS II

Serving terms expiring at the 2013 annual meeting:

Name	Age	Principal Occupation	Served As A Director Since
Ronald A. Malone	56	Chairman of Gentiva Health Services, Inc	2007
Eduardo R. Menascé	65	Retired President, Enterprise Solutions Group, Verizon Communications	2004
John J. Greisch	55	President and Chief Executive Officer of Hill-Rom	2010

Rolf A. Classon became Chairman of the Board of Hill-Rom on March 20, 2006, and has served on Hill-Rom's Board since 2002. He served as Interim President and Chief Executive Officer of Hill-Rom from May 11, 2005 until March 20, 2006 and as Vice Chairman of the Board from December 4, 2003 until his election as Interim President and Chief Executive Officer. From 2002 to 2004, Mr. Classon served as Chairman of the Executive Committee of Bayer Healthcare AG, the healthcare division of Bayer AG, a global healthcare and chemicals company, and, from 1995 to 2002, Mr. Classon served as President of Bayer Diagnostics. From 1991 to 1995, Mr. Classon was an Executive Vice President in charge of Bayer Diagnostics' Worldwide Marketing, Sales and Service operations. From 1990 to 1991, Mr. Classon was President and Chief Operating Officer of Pharmacia Biosystems A.B. Prior to 1991, Mr. Classon served as President of Pharmacia Development Company Inc. and Pharmacia A.B.'s Hospital Products Division. Mr. Classon currently serves as a director of Auxilium Pharmaceuticals, Inc., Enzon Pharmaceuticals and Eurand N.V. Mr. Classon served on the board of Millipore Corporation until 2010, and PharmaNet Development Group, Inc. until 2009.

Mr. Classon has extensive experience in the health care industry, including positions in management and on the boards of several companies. His service as a senior officer in numerous large corporations brings an extensive breadth of knowledge and valuable insight to the Board.

James R. Giertz has served as a director of Hill-Rom since December 2009. He has been Senior Vice President and Chief Financial Officer of H.B. Fuller Company, St. Paul, Minnesota, since March 2008. Prior to joining H.B. Fuller, he served as Senior Managing Director, Chief Financial Officer, of Residential Capital, LLC. Prior to this he served twelve years in executive leadership positions at Donaldson Company, Inc., a publicly-traded worldwide provider of filtration systems and replacement parts, initially as the Chief Financial Officer and then as the executive in charge of the company's Industrial Products business segment. In addition, Mr. Giertz has experience with General Motors Corporation where he served as assistant treasurer of the company, and also held international treasury positions in Canada and Europe. Mr. Giertz serves on the Board of Directors of Normandale Community College Foundation and Junior Achievement of the Upper Midwest.

Mr. Giertz has extensive experience in finance and operations, and his service as a senior officer in large corporations brings knowledge and valuable insight to the Board. In addition, his international operations experience is a valuable asset to the Board.

Charles E. Golden has served as director of Hill-Rom since 2002. He served as Executive Vice President and Chief Financial Officer and a director of Eli Lilly and Company, an international developer, manufacturer and seller of pharmaceutical products, from 1996 until his retirement in 2006. Prior to joining Eli Lilly, he had been associated with General Motors Corporation since 1970, where he held a number of positions, including Corporate Vice President, Chairman and Managing Director of the Vauxhall Motors subsidiary and Corporate Treasurer. He is currently on the boards of Eaton Corporation and Unilever NV/PLC. He also serves as a director of the Lilly Endowment and Clarian Health Partners.

Table of Contents

Mr. Golden has a comprehensive knowledge of both U.S. GAAP and IFRS, has extensive experience in financial statement preparation, accounting, corporate finance, risk management and investor relations both in the U.S. and Europe. His significant financial, management and health care experience brings valuable financial operations rigor and insight to the Board.

John J. Greisch was elected as President and Chief Executive Officer of Hill-Rom in January 2010. Previously, he held various executive positions with Baxter International, Inc., since 2002, including President, International Operations, since 2006; Chief Financial Officer from 2004 to 2006; and President, Bioscience Division, from 2003 to 2004. Prior to his time at Baxter, Mr. Greisch was President and Chief Executive Officer of Fleetpride Corporation, a private distribution company serving the transportation industry. Mr. Greisch serves on the Board of Directors of the Children's Memorial Hospital Foundation and on the Board of Trustees of the John G. Shedd Aquarium. Mr. Greisch resigned from the board of TomoTherapy, Inc. in January 2010.

As the CEO of Hill-Rom, Mr. Greisch brings substantial health care experience, valuable operational insights and business knowledge to the Board.

W August Hillenbrand has served as a director of Hill-Rom since 1972. He was Chief Executive Officer of Hill-Rom from 1989 until 2000. Mr. Hillenbrand also served as President of Hill-Rom from 1981 until 1999. Prior to his retirement in December 2000, Hill-Rom had employed Mr. Hillenbrand throughout his business career. Mr. Hillenbrand is the Chief Executive Officer of Hillenbrand Capital Partners, an unaffiliated family investment partnership. He is on the Board of Directors of Hillenbrand, Inc., which Hill-Rom spun-off during 2008, as well as the Ocean Reef Cultural Center, the Ocean Reef Medical Center, and the Ocean Reef Medical Center Foundation. Mr. Hillenbrand retired from the boards of DPL Inc. and Pella Corporation in 2008.

Mr. Hillenbrand's long history with Hill-Rom and its predecessor entities brings valuable insight and historical context to the Board. In addition, his knowledge of Hill-Rom's operations and business arising from his long history of service with the company provides a useful perspective for the Board's other directors.

Ronald A. Malone has served as a director of Hill-Rom since July 2007. He has been Chairman of the Board of Directors of Gentiva Health Services, Inc. since January 2011, having served as Executive Chairman from January 2009 to December 2010 and as Chairman and Chief Executive Officer from June 2002 to December 2008. He served as Executive Vice President of Gentiva from March 2000 to June 2002 and as President of Gentiva's home health services division from January 2001 to June 2002. Prior to joining Gentiva, he served in various positions with Olsten Corporation including Executive Vice President of Olsten Corporation and President, Olsten Staffing Services, United States and Canada. He is a director of the National Association for Home Care & Hospice and a director and president of the Alliance for Home Health Quality and Innovation.

Mr. Malone has an extensive knowledge of the home health industry and expertise in pending healthcare reform legislation. In addition, his experience as an officer of other health care companies provides the Board with valuable operational experience.

Eduardo R. Menascé has served as a director of Hill-Rom since September 2004. He is the retired President of the Enterprise Solutions Group for Verizon Communications, Inc. Prior to Verizon, he was the President and Chief Executive Officer of CTI MOVIL S.A. (Argentina), a business unit of GTE Corporation, from 1996 to 2000, and also held senior positions at CANTV in Venezuela, Wagner Lockheed and Alcatel in Brazil, and GTE Lighting in France. Mr. Menascé currently serves on the Boards of Directors of Pitney Bowes Inc., John Wiley & Sons, Inc., KeyCorp, and Hillenbrand, Inc.

Mr. Menascé has broad experience as a former senior executive responsible for a significant international operation of a public company. This operational experience, his experience on other public company boards, and his experience as a director of the New York chapter of the National Association of Corporate Directors, all provide the Board with valuable insight.

Katherine S. Napier has served as a director of Hill-Rom since July 2009. Ms. Napier has served as the Chief Executive Officer of Arbonne International and its parent company, Natural Products Group, LLC since August 2009. Ms. Napier is also a 23-year veteran of Procter & Gamble, where from 1979 to 2002 she rose from assistant brand manager to vice president and general manager of the company's North American pharmaceutical business and corporate women's health. Ms. Napier also served as senior vice president of marketing at McDonald's Corporation, where she led the company's reinvigoration of its business with women and families. Ms. Napier serves on the boards of directors of the Catholic Health Care Partners, Exact Sciences Corporation, a molecular diagnostic company, and Xavier University. She served on the boards of Alberto Culver Company and Mentor Corporation until 2009, and the board of Third Wave Technologies, Inc. until 2008. In January 2010, Natural Products Group, LLC filed a voluntary petition for reorganization under chapter 11 of the United States bankruptcy code.

Table of Contents

Ms. Napier's extensive executive, managerial and leadership experience, including many years in the health care industry, positions her well to serve as a member of our Board of Directors. Her business acumen and experience on the boards of directors of numerous companies make her a valuable addition.

Joanne C. Smith, M.D. has served as a director of Hill-Rom since December 2003 and as Vice Chair of the Board of Directors of Hill-Rom since May 2005. She was elected as President and Chief Executive Officer of the Rehabilitation Institute of Chicago in October 2006. Prior to that, Dr. Smith has been the President of the National Division of the Rehabilitation Institute of Chicago, among other positions. Since 1992 she has been an attending physician at the same institution. She also serves on the Boards of Directors of AptarGroup, Inc., a leading supplier of personal care, cosmetics, pharmaceutical, food and beverage dispensing systems, and the AON Memorial Education Fund, a fund dedicated to supporting the educational needs of the children who suffered the loss of a parent in the World Trade Center attack.

Dr. Smith's executive background, her public company director experience, and her knowledge of and background in the healthcare and medical technology industry (which is particularly relevant for Hill-Rom's business), make her a valuable member of the Board.

Table of Contents

Proposal No. 2 – Non-binding Vote on Executive Compensation

We believe that Hill-Rom and its shareholders benefit from responsive corporate governance policies and constructive and consistent dialogue. Accordingly, at the 2010 annual meeting of shareholders, we submitted to the shareholders, and the shareholders approved, a proposal that Hill-Rom provide its shareholders an annual non-binding advisory vote regarding our executive compensation. Subsequently, the Dodd-Frank Wall Street Reform and Consumer Protection Act and subsequent SEC rules mandated a non-binding shareholder vote on executive compensation.

As a result of these developments, Hill-Rom is presenting to its shareholders the opportunity to vote (on a non-binding basis) on the following resolution:

"RESOLVED, that the shareholders approve the overall compensation policies and procedures employed by Hill-Rom, as described in the Compensation Discussion and Analysis and the tabular disclosure regarding named executive officer compensation (together with the accompanying narrative disclosure) in this proxy statement."

Because your vote is advisory, it will not be binding on the Board of Directors. However, the Compensation and Management Development Committee (the "Compensation Committee") will take into account the outcome of the vote when considering future executive compensation arrangements.

The Board of Directors recommends that you vote "FOR" the approval of this resolution.

Proposal No. 3 – Non-Binding Vote on Frequency of Shareholder Vote on Executive Compensation

In connection with the non-binding vote on executive compensation, we are presenting the following proposal, which gives you as a shareholder the opportunity to inform Hill-Rom as to how often you wish the Company to include a proposal, similar to Proposal 2, in our proxy statement. While our Board intends to carefully consider the shareholder vote resulting from the proposal, the final vote will not be binding on us and is advisory in nature. Accordingly, Hill-Rom is presenting to its shareholders the opportunity to vote (on a non-binding basis) on the following resolution:

"RESOLVED, that the shareholders wish the Company to include an advisory vote on the compensation of the Company's Named Executive Officers pursuant to Section 14A of the Securities Exchange Act of 1934:

- every one year
- every two years; or
- every three years."

The Board of Directors recommends that you vote to hold an advisory vote on executive compensation "EVERY ONE (1) YEAR". This recommendation is consistent with the non-binding advisory shareholder vote taken at the 2010 annual meeting of shareholders.

Table of Contents

Proposal No. 4 - Approval of Hill-Rom Holdings, Inc. Short-Term Incentive Plan

The Hill-Rom Holdings, Inc. Short-Term Incentive Plan (the “Incentive Plan”) provides for awards to officers of Hill-Rom which are based on the attainment of specified performance goals or objectives. The purposes of the Incentive Plan are to:

- provide us flexibility to attract, motivate and retain the services of participants who make significant contributions to our success, and to allow participants to share in our success;

- optimize our profitability and growth through incentives which are consistent with our goals and which link the performance objectives of participants to those of our shareholders; and

- provide participants with an incentive for excellence in individual performance.

Officers of Hill-Rom are eligible to participate in the plan. The Compensation Committee is empowered to determine the specific participants in the plan, and has designated the members of our executive leadership team, including our continuing Named Executive Officers, as participants in this plan for our 2011 fiscal year.

At the annual meeting, you are being asked to approve the Incentive Plan so that awards will be excluded from “applicable employee remuneration” under Section 162(m) of the Internal Revenue Code as performance-based compensation and, therefore, not subject to the limitation on deductible compensation under Section 162(m). Should the shareholders not approve the Incentive Plan, no awards will be made under the Incentive Plan for the 2011 fiscal year. In such case, however, the Compensation Committee will consider other alternatives.

The Board of Directors recommends that you vote “FOR” the approval of the Hill-Rom Holdings, Inc. Short-Term Incentive Plan.

Description of the Incentive Plan

Following is a summary of the material features of the Incentive Plan. It is qualified by reference to the full text of the plan, which is attached as Appendix 1 to this proxy statement.

Administration

The Incentive Plan is administered by the Compensation Committee, which has sole responsibility for determining the participants, establishing performance objectives, setting award targets and determining award amounts, as allowed by the Incentive Plan.

Performance Objectives

The Incentive Plan’s performance objectives are determined with reference to “EBITDA”, as such term is specifically defined in the Incentive Plan. The Incentive Plan defines “EBITDA” to mean, for each relevant fiscal year (the “Performance Period”), Hill-Rom’s earnings before interest, taxes, depreciation and amortization as reported in Hill-Rom’s audited consolidated financial statements for the Performance Period, with such adjustments for such Performance Period as the Compensation Committee may provide for prior to the commencement thereof, or at such later time as may be permitted by applicable provisions of the Internal Revenue Code (which adjustments may include effects of charges for restructurings, discontinued operations, extraordinary items, other unusual or non-recurring items, and the cumulative effect of tax or accounting changes, each as identified in the financial statements, notes to the financial statements or management’s discussion and analysis).

Awards

The maximum amount payable for any fiscal year is:

- Chief Executive Officer: 2% of as-adjusted EBITDA for the Performance Period
- Other Officers: 1% of as-adjusted EBITDA for the Performance Period

Table of Contents

When making awards to participants under the plan, the Compensation Committee has the discretion to reduce, but not increase, such awards. The Compensation Committee has determined that it will take into account the metrics used to make awards under our existing Short-Term Incentive Compensation Plan when exercising such discretion, and that target payouts will remain unchanged from fiscal year 2010 for our Named Executive Officers. See “Executive Compensation” for additional details on these metrics.

Amendment or Modification

Our Board may modify, amend, suspend or terminate the Incentive Plan, provided that no amendment that would require the consent of the shareholders of Hill-Rom pursuant to Section 162(m) of the Internal Revenue Code, New York Stock Exchange listing rules or the Securities Exchange Act of 1934, or any other applicable law, rule or regulation, shall be effective without such consent. However, no modification may, without the consent of the participant, reduce the right of a participant to a payment or distribution to which the participant is entitled by reason of an outstanding award allocation.

Table of Contents

Proposal No. 5 – Ratification of the Appointment of the Independent Registered Public Accounting Firm

Subject to shareholder ratification, the Audit Committee of our Board has appointed PricewaterhouseCoopers LLP ("PwC") as our independent registered public accounting firm for the fiscal year ending September 30, 2011. Representatives from PwC will be present at the annual meeting with an opportunity to make a statement, if they so desire, and will be available to respond to appropriate questions.

The Audit Committee has adopted a policy requiring that all services from the outside independent registered public accounting firm must be pre-approved by the Audit Committee or its delegate and has adopted guidelines that non-audit related services, including tax consulting, tax compliance and tax preparation fees, should not exceed the total of audit and audit related fees. During fiscal 2010, PwC's fees for non-audit related services fell within these guidelines.

The following table presents fees for professional services rendered by PwC for the audit of our annual consolidated financial statements for the years ended September 30, 2010 and 2009, and fees billed for other services rendered by PwC during those periods.

	2010	2009
Audit Fees (1)	$ 1,219,500	$ 1,282,000
Audit-Related Fees (2)	528,288	866,000
Tax Fees (3)	48,000	40,728
All Other Fees (4)	1,500	1,500
Total	$ 1,797,288	$ 2,190,228

(1) Audit Fees were billed by PwC for professional services rendered for the integrated audit of our consolidated financial statements and our internal control over financial reporting, along with the review and audit of the application of new accounting pronouncements, SEC releases and accounting for unusual transactions. Fiscal 2009 also included the audit of our interim goodwill and intangible asset impairment analysis.

(2) Audit-Related Fees were billed by PwC for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and that are not disclosed under "Audit Fees" above. These audit-related services included fees related to acquisition accounting, statutory audits of European and other foreign entities and other transaction related fees.

(3) Tax Fees were billed by PwC for professional services rendered for tax compliance, tax advice and tax planning.

(4) All Other Fees were billed by PwC for all other products and services provided to us. These fees were for a subscription to PwC's online accounting research tool.

The Board recommends that you vote "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as Hill-Rom's independent registered public accounting firm.

Table of Contents

CORPORATE GOVERNANCE

Board Leadership

The Board is currently led by our non-executive Chair, Mr. Classon, who is an independent director. The Board has determined that the leadership of the Board is currently best conducted by an independent Chair. The Chair provides overall leadership to the Board in its oversight function, while the Chief Executive Officer, Mr. Greisch, provides leadership with respect to the day-to-day management and operation of our business. We believe the separation of the offices allows Mr. Classon to focus on managing Board matters and allows Mr. Greisch to focus on managing our business. In addition, we believe the separation of the offices enhances the objectivity of the Board in its management oversight role.

Executive sessions or meetings of outside directors without management present are held regularly at the beginning and end of Board meetings, and, depending on directors' desire, from time to time during Board and committee meetings. The Chairman of the Board generally presides at executive sessions of non-management directors, except that the chairs of the committees of the Board preside at executive sessions of non-management directors held following meetings of their committees or at which the principal items to be considered are within the scope or authority of their committees.

Board's Role in Strategic Planning and Oversight of Risk Management

The Board is responsible for directing and overseeing the management of Hill-Rom's business in the best interests of the shareholders and consistent with good corporate citizenship. The Board sets strategic direction and priorities for the Company, approves the selection of the senior management team and oversees and monitors risks and performance. At Board meetings during the year, members of senior management present their long-range strategic plans to the Board, and at the start of each fiscal year, that Board reviews and approves an operating plan and budget for the next year.

A fundamental part of setting Hill-Rom's business strategy is the assessment of the risks Hill-Rom faces and how they are managed. The Board and the Audit Committee meet regularly throughout the year with our financial and treasury management teams and with our Vice President, Internal Audit and Chief Legal Officer to assess the financial, legal/compliance and operational/strategic risks throughout our businesses and review our insurance and other risk management programs and policies in order to enable the Board to exercise its ultimate oversight responsibility for Hill-Rom's risk management processes.

In addition, the Compensation Committee assesses Hill-Rom's compensation structure on a regular basis to appropriately align risks and incentives for our executive management. See "Compensation Discussion and Analysis" below for additional information.

Communications with Directors

Shareholders of Hill-Rom and other interested persons may communicate with the Chairman of the Board, the chairs of Hill-Rom's Nominating/Corporate Governance Committee, Audit Committee or Compensation Committee or the non-management directors of Hill-Rom as a group by sending an email to investors@hill-rom.com. The email should specify which of the foregoing is the intended recipient.

Director Attendance at Annual Meeting

Hill-Rom currently does not have a formal policy regarding director attendance at its annual meetings of shareholders, but all of Hill-Rom's directors generally do attend the annual meetings. The Chairman of the Board presides at the annual meeting of shareholders, and the Board holds one of its regular meetings in conjunction with the annual meeting of shareholders. All members of the Board at the time of our 2010 annual meeting of shareholders attended that meeting in person.

Table of Contents

Corporate Governance Standards and Code of Ethics

The Board has adopted Corporate Governance Standards for the Board of Directors that provide the framework for the effective functioning of the Board of Directors. In addition, the Board has adopted a Code of Ethical Business Conduct that applies to all directors, officers and other employees of Hill-Rom, including Hill-Rom's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer, which constitutes a "code of ethics" within the meaning of Item 406 of the SEC's Regulation S-K. The Board reviews, from time to time, and makes changes to the Code based on recommendations made by the Audit Committee of the Board. They are both available via the investor relations section of the Hill-Rom website at http://ir.hill-rom.com.

Determinations with Respect to Independence of Directors

The Corporate Governance Standards adopted by the Board of Directors require the Board to make an annual determination regarding the independence of each of Hill-Rom's directors. The standards provide that if a director is not independent pursuant to the listing standards of the New York Stock Exchange, or if the director owns, or is affiliated with the owner of, a controlling amount of voting stock of Hill-Rom, such director shall not be independent. The Board makes these determinations for each member of the Board based on an annual evaluation performed by and recommendations made by the Nominating/Corporate Governance Committee, consistent with past practices. When making these determinations, the Board in particular considered the following:

Charles E. Golden is a member of the Board of Directors of Clarian Health Partners, which purchased approximately $3.2 million, $4.9 million and $2.8 million of products and services from Hill-Rom in the fiscal years 2008, 2009 and 2010, respectively.

Eduardo R. Menascé, is a director of a number of entities with which Hill-Rom has ordinary course relationships. Mr. Menascé is not an executive of any of these entities, and the payments to the largest of these entities, Key Corp., have not exceeded $1,000,000 in any of the last three years.

Joanne C. Smith, M.D. has served as President and Chief Executive Officer of the Rehabilitation Institute of Chicago since October 2006, which has purchased approximately $419,000, $290,000 and $459,000 of products and services from Hill-Rom in fiscal years 2008, 2009 and 2010, respectively. These amounts are significantly less than 2% of the gross revenues of the Rehabilitation Institute of Chicago in those years.

Based on these standards and all relevant facts and circumstances, the Board has determined that each of Rolf A. Classon, James R. Giertz, Charles E. Golden, Ronald A. Malone, Eduardo R. Menascé, Katherine S. Napier and Joanne C. Smith, M.D. is independent, and that neither W August Hillenbrand nor John J. Greisch are independent.

Transactions with Related Persons

The Corporate Governance Standards for the Board require that all new proposed related party transactions involving executive officers or directors must be reviewed and approved by the Nominating/Corporate Governance Committee. The Corporate Governance Standards do not specify the standards to be applied by the Nominating/Corporate Governance Committee in reviewing transactions with related persons. However, we expect that in general the Nominating/Corporate Governance Committee will consider all of the relevant facts and circumstances, including, if applicable, but not limited to: the benefits to us; the impact on a director's independence in the event the related person is a director, an immediately family member of a director or an entity in which a director is a partner, shareholder or executive officer; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available for similar transactions with unrelated third parties.

In addition to the above disclosed transactions with related persons, William A. Hillenbrand II, the son of W August Hillenbrand, a director of the Company, was hired as Hill-Rom's Director of Sales Effectiveness on November 2, 2009, with a $125,000 base annual salary and participation in all other employee incentive and benefit plans commensurate with other employees at his level. William A. Hillenbrand II's employment was ratified by the Nominating/Corporate Governance Committee on May 6, 2010.

Table of Contents

Meetings and Committees of the Board of Directors

During the fiscal year ended September 30, 2010, the Board held eight meetings. During this period, no member of the Board attended fewer than 75% of the aggregate of the number of meetings of the full Board and the number of meetings of the committees on which he or she served.

The following table shows the composition of the committees of the Board:

Director	Audit Committee	Nominating/ Corporate Governance Committee	Compensation Committee
Rolf A. Classon (Board Chair) (I)		VC	ü
James R. Giertz (I)	ü		
Charles E. Golden (I)	C	ü	
John J. Greisch			
W August Hillenbrand			
Ronald A. Malone (I)			C
Eduardo R. Menascé (I)	VC	ü	
Katherine S. Napier (I)	ü		
Joanne C. Smith, M.D. (Board Vice Chair) (I)		C	VC

I = Independent Director
C = Committee Chair
VC = Committee Vice Chair

The Audit Committee has general oversight responsibilities with respect to Hill-Rom's financial reporting and controls, and legal, regulatory and ethical compliance. It regularly reviews Hill-Rom's financial reporting process, its system of internal control over financial reporting, legal and regulatory compliance and ethics that management or the Board has established and the internal and external audit processes of Hill-Rom. The Audit Committee operates pursuant to a written charter, and during the fiscal year ended September 30, 2010, held ten meetings. Each member of the Audit Committee is independent under Rule 10A-3 of the SEC and NYSE listing standards and meets the financial literacy guidelines established by the Board in the Audit Committee Charter. The Board of Directors has determined that each of Messrs. Golden, Menascé and Giertz is an "audit committee financial expert" as that term is defined in Item 407(d) of Regulation S-K.

The Compensation Committee assists the Board in ensuring that the officers and key management of Hill-Rom are effectively compensated in terms of salaries, supplemental compensation and other benefits that are internally equitable and externally competitive. The Compensation Committee is also responsible for reviewing and assessing the talent development and succession management actions concerning the officers and key employees of Hill-Rom. The Compensation Committee operates pursuant to a written charter, and during the fiscal year ended September 30, 2010, held ten meetings.

The Nominating/Corporate Governance Committee assists the Board in ensuring that Hill-Rom is operated in accordance with prudent and practical corporate governance standards, ensuring that the Board achieves its objective of having a majority of its members be independent in accordance with NYSE listing standards and other regulations and identifying candidates for the Board of Directors. The Nominating/Corporate Governance Committee operates pursuant to a written charter, and during the fiscal year ended September 30, 2010, held four meetings.

The Board has adopted position specifications applicable to members and nominees. The specifications provide, in general, that a candidate must be of sound character, be an expert in his or her chosen field, be knowledgeable of Hill-Rom's business (or be willing to become so) and have experience as a overseer of, and advisor to, senior management. In addition, the particular skills and talents of any director nominee should positively contribute to the diversity of the various skills and talents of the Board as a whole.

Table of Contents

The Nominating/Corporate Governance Committee considers director candidates recommended by shareholders, and any such recommendations should be communicated to the Chair of the Nominating/Corporate Governance Committee in the manner described above in "—Communications with Directors" and should be accompanied by substantially the same types of information as are required under Hill-Rom's Code of By-laws for shareholder nominees.

Hill-Rom's Code of By-Laws provides that nominations of persons for election to the Board of Directors of Hill-Rom may be made at any meeting of shareholders by or at the direction of the Board of Directors or by any shareholder entitled to vote for the election of members of the Board of Directors at the meeting. For nominations to be made by a shareholder, the shareholder must have given timely notice thereof in writing to the Secretary of Hill-Rom and any nominee must satisfy the qualifications established by the Board of Directors of Hill-Rom from time to time as contained in the proxy statement of Hill-Rom for the immediately preceding annual meeting or posted on our website, www.hill-rom.com. To be timely, a shareholder's nomination must be delivered to or mailed and received by the Secretary not later than (i) in the case of the annual meeting, 100 days prior to the anniversary of the date of the immediately preceding annual meeting which was specified in the initial formal notice of such meeting (but if the date of the forthcoming annual meeting is more than 30 days after such anniversary date, such written notice will also be timely if received by the Secretary by the later of 100 days prior to the forthcoming meeting date and the close of business 10 days following the date on which Hill-Rom first makes public disclosure of the meeting date) and (ii) in the case of a special meeting, the close of business on the tenth day following the date on which Hill-Rom first makes public disclosure of the meeting date. The notice given by a shareholder must set forth: (i) the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated; (ii) a representation that the shareholder is a holder of record, setting forth the shares so held, and intends to appear in person or by proxy as a holder of record at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between such shareholder and each nominee proposed by the shareholder and any other person or persons (identifying such person or persons) pursuant to which the nomination or nominations are to be made by the shareholders; (iv) such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed pursuant to the proxy rules of the SEC; (v) the consent in writing of each nominee to serve as a director of Hill-Rom if so elected, and (vi) a description of the qualifications of such nominee to serve as a director of Hill-Rom.

Compensation Committee Interlocks and Insider Participation

During the fiscal year ended September 30, 2010, the following directors served on the Compensation Committee: Ronald A. Malone, Joanne C. Smith, M.D. and Rolf A. Classon. The Compensation Committee had no interlocks or insider participation.

Availability of Governance Documents

Copies of Hill-Rom's Corporate Governance Standards, Code of Ethical Business Conduct and Board committee charters are available on Hill-Rom's website at www.hill-rom.com or in print to any shareholder who requests copies through Hill-Rom's Investor Relations office. Also available on Hill-Rom's website are position specifications adopted by the Board for the positions of Chief Executive Officer, Chair and Vice Chair of the Board of Directors and other members of the Board of Directors.

Table of Contents

AUDIT COMMITTEE REPORT

Management is responsible for Hill-Rom’s internal controls, financial reporting process and compliance with laws and regulations and ethical business standards. The independent registered public accounting firm is responsible for performing an integrated audit of Hill-Rom’s consolidated financial statements and its internal control over financial reporting in accordance with standards of the Public Company Accounting Oversight Board (“PCAOB”) and the issuance of a report thereon. The Audit Committee of the Board of Directors (the “Committee”) has the responsibility to monitor and oversee these processes.

The Committee meets separately at most regular committee meetings with management, the Vice President of Internal Audit and Hill-Rom’s outside independent registered public accounting firm. The Committee has the authority to conduct or authorize investigations into any matters within the scope of its responsibilities and the authority to retain such outside counsel, experts, and other advisors as it determines appropriate to assist it in the conduct of any such investigation. In addition, the Committee approves, subject to shareholder ratification, the appointment of Hill-Rom’s outside independent registered public accounting firm, PricewaterhouseCoopers LLP (“PwC”), and pre-approves all audit and non-audit services to be performed by the firm.

The Committee has reviewed and discussed the consolidated financial statements with management and PwC. Management represented to the Committee that Hill-Rom’s consolidated financial statements were prepared in accordance with generally accepted accounting principles. PwC discussed with the Committee matters required to be discussed by Statement on Auditing Standards No. 114 (The Auditor’s Communication With Those Charged With Governance). Management and the independent registered public accounting firm also made presentations to the committee throughout the year on specific topics of interest, including: (i) current developments and best practices for audit committees; (ii) updates on the substantive requirements of the Sarbanes-Oxley Act of 2002, including management’s responsibility for assessing the effectiveness of internal control over financial reporting; (iii) key elements of anti-fraud programs and controls; (iv) transparency of corporate financial reporting; (v) Hill-Rom’s critical accounting policies; (vi) the applicability of new and proposed accounting releases; and (vii) SEC accounting developments.

PwC also provided to the Committee the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent accountant’s communications with the audit committee regarding independence. PwC informed the Audit Committee that it was independent with respect to Hill-Rom within the meaning of the securities acts administered by the SEC and the requirements of the PCAOB. The Committee discussed this finding, and also considered whether non-audit consulting services provided by PwC could impair the auditors’ independence and concluded that such services have not done so.

Based upon the forgoing, the Committee recommended to the Board of Directors that the audited consolidated financial statements be included in Hill-Rom’s Annual Report on Form 10-K for the year ended September 30, 2010.

In addition, the Committee has discussed with the Chief Executive Officer and the Chief Financial Officer of Hill-Rom the certifications required to be given by such officers in connection with Hill-Rom’s Annual Report on Form 10-K pursuant to the Sarbanes-Oxley Act of 2002 and SEC rules adopted thereunder, including the subject matter of such certifications and the procedures followed by such officers and other management in connection with the giving of such certifications.

Submitted by the Audit Committee
Charles E. Golden (Chair)
Eduardo R. Menascé (Vice Chair)
James R. Giertz

Katherine S. Napier

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our outstanding common stock as of December 28, 2010 by:

- each of our directors and our Named Executive Officers;
- all of our directors and executive officers as a group; and
- each person or entity who is known by us to be the beneficial owner of more than five percent of our common stock.

Our common stock is our only class of equity securities outstanding. Except as otherwise noted in the footnotes below, the individual director or executive officer or their family members had sole voting and investment power with respect to such securities. None of the shares beneficially owned by our directors and executive officers are pledged as security. The number of shares beneficially owned includes, as applicable, directly and/or indirectly owned shares of common stock, common stock shares underlying stock options that are currently exercisable or will become exercisable within 60 days from December 28, 2010, and deferred stock share awards (otherwise known as restricted stock units or RSUs) that are vested or will vest within 60 days from December 28, 2010. Except as specified below, the business address of the persons listed is our headquarters, 1069 State Route 46 East, Batesville, Indiana 47006.

Name of Beneficial Owner	Shares Owned Directly(2)	Shares Owned Indirectly	Shares Under Options/RSUs Exercisable/ Vesting Within 60 Days	Total Number of Shares Beneficially Owned	Percent of Class	Shares Underlying RSUs/Options Not Yet Beneficially Owned(3)
Directors and Named Executive Officers:						
Rolf A. Classon	15,806	-	55,523	71,329	*	-
John J. Greisch	30,000	-	51,996	81,996	*	337,539
James R. Giertz	2,000	-	3,377	5,377	*	-
Charles E. Golden	2,713	-	34,937	37,650	*	-
W August Hillenbrand	92,047	1,035,043	28,624	1,155,714	1.8%	-
Ronald A. Malone	-	-	11,253	11,253	*	-
Eduardo R. Menascé	-	-	14,699	14,699	*	-
Katherine S. Napier	-	-	4,224	4,224	*	-
Joanne C. Smith, M.D.	2,000	-	24,362	26,362	*	-
Gregory N. Miller (1)	36,452	-	-	36,452	*	-
Kimberly K. Dennis	21,570	442	100,035	122,047	*	61,281
Susan R. Lichtenstein	1,000	-	-	1,000	*	57,972
Perry Stuckey III (1)	-	-	-	-	*	-
Peter H. Soderberg (1)	63,150	25,125	-	88,275	*	-
Patrick D. de Maynadier (1)	16,466	-	-	16,466	*	-
Gregory J. Tucholski (1)	8,091	-	-	8,091	*	-
All directors and executive officers as a group (18 individuals)	184,417	1,040,485	355,250	1,580,152	2.5%	732,434

Table of Contents

Name of Beneficial Owner	Total Number of Shares Beneficially Owned	Percent of Class
Other 5% Beneficial Owners:		
BlackRock Inc. 40 East 52nd Street New York, NY 10022	5,008,978 (4)	8.0%
FMR LLC 82 Devonshire Street Boston MA 02109	7,093,174 (5)	11.2%
HealthCor Management, L.P. 152 West 57th Street 47th Floor New York, NY 10019	4,591,573 (6)	7.3%
Keeley Asset Management Corp. 401 South LaSalle Street Chicago, IL 60605	3,546,160 (7)	5.7%

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* Less than 1% of the total shares outstanding.

(1) Messrs. Soderberg, de Maynadier, Tucholski, Stuckey and Miller ceased to be executive officers of Hill-Rom effective January 8, 2010, May 6, 2010, June 1, 2010, November 29, 2010 and December 13, 2010, respectively. Mr. Soderberg continues to serve as a part-time employee of Hill-Rom in the non-executive officer capacity of Chief Innovation Officer. Share ownership for these individuals is based on the most recently available public data, and is not included in the line item "All directors and executive officers as a group".

(2) Includes shares of common stock purchased under our employee stock purchase plan over the first quarter of fiscal year 2011 and issued December 31, 2010.

(3) Excludes performance based options and stock units previously granted and currently outstanding.

(4) This information is based solely on Schedule 13G filed by BlackRock, Inc. with the SEC on January 29, 2010.

(5) This information is based solely on Schedule 13G filed by FMR LLC with the SEC on July 9, 2010.

(6) This information is based solely on Amendment No. 2 to Schedule 13G filed by HealthCor Management, L.P. with the SEC on February 12, 2010. The Schedule 13G also was filed with respect to all or a portion of such shares by HealthCor Associates, LLC, HealthCor Offshore, Ltd., HealthCor Offshore Master Fund, L.P., HealthCor Offshore GP, LLC, HealthCor Hybrid Offshore, Ltd., HealthCor Hybrid Offshore Master Fund, L.P., HealthCor Hybrid Offshore GP, LLC, HealthCor Group LLC, HealthCor Capital, L.P., HealthCor, L.P. and Joseph Healey, each with the same address as HealthCor Management, L.P., and by Arthur Cohen, 12 South Main Street, #203, Norwalk, CT 06854.

(7) This information is based solely on Amendment No. 1 to Schedule 13G filed by Keeley Asset Management Corp. with the SEC on February 16, 2010. The Schedule 13G also was filed with respect to a portion of such shares by John L. Keeley, Jr., with the same address as Keeley Asset Management Corp.

Table of Contents

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy

Hill-Rom's compensation program is designed to:

- Align management's interests with those of shareholders;
- Motivate and provide incentive for employees to achieve superior results;
- Ensure clear accountabilities and provide rewards for producing results;
- Ensure competitive compensation in order to attract and retain superior talent; and
- Ensure simplicity and transparency in compensation structure.

Hill-Rom's compensation program has generally targeted the 50th percentile of compensation paid by companies with which Hill-Rom competes for executive talent. However, the Compensation Committee believes that it is critical to retain flexibility in setting compensation when competing for the top executive talent necessary to grow Hill-Rom's business and increase stockholder value, and has indicated that it will exceed this target when necessary. In addition, because Hill-Rom utilizes performance-based compensation, in any given year total compensation can vary when pre-established business and/or personal criteria targets are exceeded or are not achieved.

Process for Determining Compensation

The Board's Compensation Committee is charged with ensuring that Hill-Rom's compensation programs meet the objectives outlined above. In that role, the Compensation Committee makes all executive compensation decisions, administers Hill-Rom's compensation plans and keeps the Board informed regarding executive compensation matters. The Compensation Committee, in consultation with Hill-Rom's compensation consultant and the full Board, determines the compensation of the Chief Executive Officer. The Chief Executive Officer makes recommendations to the Compensation Committee regarding the compensation of his direct reports, including Hill-Rom's other Named Executive Officers. From time to time, Hill-Rom management also provides recommendations to the Compensation Committee regarding modifications to the elements and structure of Hill-Rom's compensation program.

The Compensation Committee considers peer group data, survey data and other factors when determining the elements and amounts of compensation.

Peer Group and Survey Data. As one of several factors in considering approval of elements of Hill-Rom's compensation programs, the Compensation Committee compares Hill-Rom's compensation programs and performance against an approved peer group of companies. The compensation peer group, which is periodically reviewed and updated by the Compensation Committee, consists of companies that are similar in size and in similar industries as Hill-Rom and with whom Hill-Rom may compete for executive talent.

In May 2009, the Compensation Committee's compensation consultant, Mercer (US) Inc. ("Mercer"), conducted a review of Hill-Rom's peer group. After evaluating many potential peer companies against various criteria, including, among others, participation in similar market segments, revenue size, number of employees, total equity value, and comparable published operating and financial metrics, the Board elected to add additional peer companies for purposes of evaluating the Company's performance. Hill-Rom focused on companies whose revenue's were one-half to two times Hill-Rom's planned revenue.   The Compensation Committee determined to keep the same peer group for 2010 as was selected in 2009.

Table of Contents

Peer Group Companies	
C. R. Bard, Inc.	Steris Corporation
Beckman Coulter, Inc.	Varian Medical Systems, Inc.
Conmed Corporation	PerkinElmer, Inc.
Dentsply International Inc.	Alere Inc.
Hospira, Inc.	The Cooper Companies, Inc.
Invacare Corporation	ResMed Inc.
Kinetic Concepts, Inc.	Integra Lifesciences Holdings Corporation
Mettler-Toledo International Inc.	Edwards Lifesciences Corporation

In addition to peer group data, the Compensation Committee considers survey data that include a broad sample of Fortune 1000 companies, focusing on data regarding companies with revenues within a range of one-half to two times Hill-Rom's revenue or its business units, companies in the manufacturing industry and companies with a comparable number of full time equivalent employees. The purpose of the survey data is to provide an additional source of market data to validate the findings under the proxy analysis.

Other Factors. The Compensation Committee is aware that it cannot establish total executive compensation levels solely on the basis of the median range of competitive benchmark survey data without additional analysis. Accordingly, the Compensation Committee also takes into account external and internal factors when establishing the total compensation of each executive. Some of these factors include the executive's length of service, the level of experience and responsibility, external market conditions, complexity of position, individual performance, internal pay equity within Hill-Rom and the degree of replacement difficulty. In addition, the Compensation Committee periodically reviews the total compensation of Hill-Rom's Named Executive Officers in comparison to the total compensation of its peer group companies. The purpose of this high level review is to look at all elements of compensation that are not typically captured within a total direct compensation analysis covering base salary, annual incentive, and long term incentive compensation and, if there were significant differences, to understand what elements of compensation gave rise to the differences.

Compensation Consultant

The Compensation Committee engages nationally recognized outside compensation and benefits consulting firms to evaluate independently and objectively the effectiveness of and assist with implementation of Hill-Rom's compensation and benefit programs and to provide the Compensation Committee with additional expertise in the evaluation of Hill-Rom's compensation practices. During the fiscal year ended September 30, 2010, the Compensation Committee retained Mercer as its compensation and benefits consulting firm.

Mercer also provides other consulting services to Hill-Rom, most of which are in the areas of Health & Welfare. The decision to retain Mercer for these other services was made at the recommendation of Hill-Rom's management, however the Compensation Committee regularly reviews and approves these services as part of its ongoing vigilance as to Mercer's objectivity. In fiscal year 2010, we paid Mercer approximately $163,000 for work related to executive compensation, $15,000 for other consulting services, and $796,000 for administrative services related to our health and welfare benefits.

Risk Assessment of Compensation Policies and Practices

With Mercer's assistance, the Compensation Committee reviewed our material compensation policies and practices applicable to our employees, including our executive officers, and concluded that these policies and practices do not create risks that are reasonably likely to have a material adverse effect on the Company. The key features of the executive compensation program that support this conclusion include:

Table of Contents

- appropriate pay philosophy, peer group and market positioning;
- effective balance in cash and equity mix, short and long term focus, corporate, business unit and individual performance focus and financial and non-financial performance measurement and discretion;
- compensation programs designed to avoid excessive risk-taking; and
- meaningful risk mitigants, such as the stock ownership guidelines and executive compensation recoupment policies.

Elements of Executive Compensation

The three major components of Hill-Rom's executive officer compensation are: (1) base salary, (2) variable cash incentive awards and (3) long-term, equity-based incentive awards. Each component of the program, as well as the program as a whole, is designed to be competitive with our peers.

Base Salary. Hill-Rom provides senior management with a fixed level of cash compensation in the form of base salary that is competitive and consistent with their skill level, experience, knowledge, length of service with Hill-Rom, and the level of responsibility and complexity of their position. Base salary is intended to aid in the attraction and retention of talent in a competitive market. Base salary is generally targeted at the market median although actual salaries may be higher or lower as a result of various factors, including length of service, the level of experience and responsibility, complexity of their position, individual performance, internal pay equity within Hill-Rom and the degree of difficulty in replacing the individual.

The base salaries of senior management are reviewed by the Compensation Committee on an annual basis, generally during the first quarter of the fiscal year, as well as at the time of promotion or significant changes in responsibility. Executives are eligible for base salary increases based on individual performance, as well as market benchmarking that helps the Compensation Committee assess the Company's competitiveness for talent. Individual performance is determined by use of an internal performance management system, which differentiates individual achievement. Market benchmarking is done via the Compensation Committee's independent consultant, as well as with reference to publicly reported compensation data. For fiscal year 2011, the Compensation Committee granted merit increases in the amounts of $100,000, $8,300, and $11,880, for each of Mr. Greisch, Ms. Lichtenstein and Ms. Dennis, respectively. The increases reflect the Committee's assessment of the executives' performance during the preceding year, as well as the Committee's consideration of market benchmarking for similarly placed executives.

Annual Cash Incentives

Overview. The payment of annual cash incentives is formula-based, with adjustments for achievement of individual performance goals, and is governed by Hill-Rom's Short-Term Incentive Compensation Plan ("STIC Plan"). The objective of the STIC Plan is to provide a total level of cash compensation that is heavily weighted on the achievement of internal performance objectives, which takes into consideration the competitive market median of total cash compensation.

The STIC Plan provides for individual short-term incentive compensation payouts ranging up to a maximum of two times the executive's short-term incentive compensation target opportunity (set forth below) depending upon achievement of (1) Company-wide goals and (2) on individual goals specific to the officer's area of responsibility, such as sales, operating income, cash flow, and demonstrated management and leadership, as appropriate. The individual goals are both qualitative and quantitative in nature and, therefore, the evaluation of performance against those objectives by the Compensation Committee is, in part, subjective.

STIC Funding Percentage. Under the terms of the STIC Plan, the Compensation Committee establishes a STIC Plan pool each year that will be funded based upon the achievement of pre-established performance objectives. The STIC

Plan pool is funded at between 30% and 150% of aggregate target opportunities.

Table of Contents

The 2010 STIC Plan pool was funded by operating income and by revenues generated within Hill-Rom. For fiscal year 2010, the targets were:

	Target	Weight
Operating Income	$133.0 million	75%
Revenue	$1,472.5 million	25%

The objectives are set with the intention that the relative level of difficulty in achieving the targets is consistent from year to year. In addition, in order to encourage management to take actions in the best interests of Hill-Rom, the Compensation Committee has the discretion to exclude nonrecurring special charges and amounts from the calculation of these targets. At its November 15, 2010 meeting, the Compensation Committee reviewed the adjusted financial performance of Hill-Rom against the predetermined financial targets and determined that based on our performance in fiscal year 2010, the STIC Funding Percentage was 137.2%.

Individual STIC Performance. The Compensation Committee uses its discretion to assess achievement of individual goals. Such assessment yields an Individual STIC Performance percentage, which may be above or below 100%.

STIC Target Opportunity. For fiscal 2010, the CEO target opportunity was 100% of base salary and 50% or 60% of base salary for all the other Named Executive Officers.

STIC Payment Calculation. The final STIC Plan payment to any individual is calculated by multiplying the (a) the STIC Funding Percentage by (b) the Individual STIC Performance by (c) the STIC Target Opportunity by (d) base salary.

Changes for FY 2011. Assuming approval by our shareholders at the 2011 annual meeting, all Named Executive Officers will participate in our Incentive Plan (as described previously under Proposal No. 4), which is designed to comply with the requirements of Section 162(m) of the Internal Revenue Code of 1986 for performance-based compensation. The Incentive Plan provides for a maximum award equal to 2.0% of our EBITDA (as adjusted) for our CEO and 1.0% for each other named executive officer. However, in determining actual awards made under the plan, the Compensation Committee has the discretion to, and has indicated its expectation that it will, pay actual awards which are lower than the maximum awards.

We anticipate that the Compensation Committee will use this “negative discretion” to reduce these maximum awards by such amounts as are necessary to provide final award payments to plan participants that are consistent with award payments that would otherwise be made under Hill-Rom’s STIC Plan.

To accomplish this, the Compensation Committee will utilize target awards for each of the plan participants that are generally unchanged from fiscal year 2010, 100% of base salary for the CEO and 50% to 75% of base salary for all other participants. These target awards will then be adjusted upwards or downwards based on Company and individual goals and measures. For fiscal year 2011, the Company determined goals and measures will be based on revenue, adjusted earnings per share, and cash flow return on invested capital. The individual goals and measures will be goals specific to the officer’s area of responsibility, such as sales, operating income, cash flow, and demonstrated management and leadership, as appropriate.

Long-Term Equity Awards

Overview: Hill-Rom’s Stock Incentive Plan provides for the opportunity to grant stock options and other equity-based incentive awards to officers, other key employees and non-employee directors to help align those individuals’ interests with those of shareholders, to help motivate executives to make strategic long-term decisions, and to better enable

Hill-Rom to attract and retain capable directors and executive personnel.

Table of Contents

In September 2009, the Compensation Committee with support from its compensation consultant, Mercer, modified Hill-Rom's long-term incentive compensation program to provide a portfolio approach to long-term incentives. The objectives of the redesign were to:

- Provide awards, at target, that are aligned with competitive market levels;
- Provide payouts that correlate with high performance resulting in increased payouts and low performance resulting in reduced payouts;
- Provide a mix of awards representative of typical market practice; and
- Provide awards that support internal equity among Hill-Rom's executives.

In addition the Compensation Committee considered the Stock Incentive Plan share usage rate, number of plan participants and potential aggregate target awards for participants in the process of determining target award levels and the mix of long-term incentive awards.

Awards made in fiscal year 2010 were a combination of stock options, restricted stock units ("RSUs") and performance stock units ("PSUs"). Awards made in fiscal year 2011 were a combination of stock options and PSUs for the Named Executive Officers, and a combination of stock options, RSUs and PSUs for others. The long-term incentive award program provides for awards ranging up to a maximum of two times the executives target long-term incentive award as a percentage of base salary as set forth above depending on achievement of personal performance objectives and overall business performance.

Stock Options and RSUs. In December 2009, the Compensation Committee revised the standard vesting terms of our stock option and RSU award agreements going forward to provide for vesting in four equal annual installments beginning on the first anniversary of the date of grant for stock options and beginning on the day after the first anniversary of the date of grant for RSUs. Prior to this time, the Compensation Committee used a variety of other vesting schedules, depending on the award.

Performance Based Share Units or PSUs. These awards provide the opportunity to earn shares of Hill-Rom stock based on achievement of performance objectives and completion of a time based vesting period. For the PSU awards granted in fiscal year 2011 for the three year performance period of fiscal year 2011 to fiscal year 2013, vesting is based on relative total shareholder return ("TSR"), a stock performance metric based upon share price appreciation and dividends paid to our shareholders. The ultimate PSU value will range from 0% to 200% of the targeted amount, depending on Hill-Rom's TSR during the performance period as compared to a peer group of other companies. This peer group is comprised of mid-cap medical technology companies and includes, but is not limited to, the companies used to evaluate our overall compensation levels.

Share Ownership Guidelines. In order to drive the long-term performance of the Company, executive officers are required to own a certain amount of Hill-Rom stock. The Chief Executive Officer is required to achieve ownership of Hill-Rom common stock valued at four times annual base salary. Each of the other executive officers is required to achieve ownership of Hill-Rom common stock valued at two times annual base salary, in each case within five years of becoming an executive officer. Shares owned outright (including vested deferred shares) and deferred stock shares, whether vested or unvested, count toward the required ownership level. This requirement, like the Executive Compensation Recoupment Policy discussed below, helps ensure long-term focus and appropriate levels of risk-taking by executive officers.

Hill-Rom's Compensation Recoupment Policy. In December 2009, our Board of Directors adopted an Executive Compensation Recoupment Policy. Under the policy, the Compensation Committee can recoup from an executive officer all performance-based compensation and any trading profits on trades in Hill-Rom securities received during the prior 24 months in the event there is a material restatement of financial results due to misconduct of the executive officer from whom recoupment is sought. The Policy gives the Compensation Committee discretion to determine whether and to what extent to seek recoupment based on specific facts and circumstances.

Table of Contents

Retirement and Change in Control Agreements

Overview. Hill-Rom believes that it is in the best interests of it and its shareholders to have the unbiased dedication of its executives, without the distraction of personal uncertainties such as retirement or a change in control. Hill-Rom has designed its senior management retirement and other post-employment benefit programs to reduce such distraction. We also believe that these benefits are at market levels and competitive with those of other comparable companies. In addition to our Company-wide retirement programs (including our 401(k) and pension plan, which has stopped taking new entrants), we have several other programs in place.

Normal Retirement Guidelines. Executives who are at least 55 years of age and with 5 years length of service are eligible to receive certain benefits under Hill-Rom's Stock Incentive Plan. These guidelines are incorporated into each individual equity award agreement and have been approved by the Compensation Committee. The following is allowed:

- accelerated vesting of outstanding time-based RSUs and stock options, which have been held for at least one year;
- partial vesting of outstanding PSUs and/or performance-based stock options, which have been held for at least one year and for which performance objectives have been achieved; and
- an extension of up to three years of the time to exercise eligible outstanding stock options.

Supplemental Executive Retirement Plan. The Hill-Rom Holdings, Inc. Supplemental Executive Retirement Plan (the "SERP") provides additional retirement benefits to certain employees selected by the Compensation Committee whose retirement benefits under our Company-wide pension plan or 401(k) plan are reduced, curtailed or otherwise limited as a result of certain limitations under the Code.

Change in Control Agreements. Hill-Rom has a Change in Control agreement in place with each Named Executive Officer who currently is an executive of Hill-Rom. These change in control agreements are of the form commonly referred to as "double-trigger" agreements, in that they are triggered only in the event that an executive is terminated in connection with a change in control, not merely if a change in control occurs. They are intended to encourage continued employment by Hill-Rom of its key management personnel and to allow such personnel to be in a position to provide assessment and advice to the Board of Directors regarding any proposed change in control without concern that such personnel might be unduly distracted by the uncertainties and risks created by the proposed transaction. For information on the potential payments to executives on a change of control, see "-Potential Payments Upon Termination or Change in Control" below.

Other Personal Benefits

In addition to the elements of compensation discussed above, we also provide senior level management with various other benefits in order to remain competitive with the market, in attracting and retaining qualified executives. Hill-Rom believes that these benefits are in-line with the market, are reasonable in nature, are not excessive and are in the best interest of Hill-Rom and its shareholders.

Employment Agreements

We have entered into an employment agreement with each of our Named Executive Officers. We believe that it is appropriate for our senior executives to have employment agreements because they provide certain contractual protections to us that we might not otherwise have, including provisions relating to non-competition with us, non-solicitation of our employees and confidentiality of our proprietary information. Additionally, we believe that employment agreements are a useful tool in recruiting and retention of senior level employees. The current employment agreements set forth the basic duties of the executive officers and provide that each executive officer is entitled to receive, in addition to base salary, incentive compensation payable in our discretion and such additional compensation, benefits and perquisites as we may deem appropriate. The employment agreements are terminable by either us or the executive officer "without cause" on sixty (60) days' written notice, or if terminated by us, pay in lieu of notice, and are terminable at any time by us for cause, as defined in each employment agreement. See "-Potential Payments Upon Termination or Change in Control" below for further information regarding payments due upon termination. The employment agreements also contain limited non-competition and non-solicitation agreements of the executive officers, which continue generally for a period of eighteen to twenty-four months after the termination of the executive officer's employment.

Table of Contents

Compensation of Named Executive Officers

The following tables and notes set forth compensation information for the fiscal years ended September 30, 2010, 2009 and 2008 for our Named Executive Officers.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (5)	All O Compe (6
JOHN J. GREISCH (7)	2010	$583,014	None	$800,004	$1,609,819	$879,692	-	$134
President and Chief Executive Officer,								
Member of the Board of Directors								
GREGORY N. MILLER (8)	2010	$400,000	None	$550,030	$203,958	$345,668	$3,827	$45,
Former Senior Vice President and Chief	2009	$395,178	None	$189,053	$643,302	$109,524	$9,763	$41,
Financial Officer and Treasurer	2008	$378,000	None	$243,986	$695,205	$235,217	$486	$39,
KIMBERLY K. DENNIS	2010	$297,000	None	$412,755	$114,230	$193,513	$132,519	$13,
Senior Vice President,	2009	$295,027	None	$144,048	$403,104	$78,212	$206,410	$14,
North America Post-Acute Care	2008	$288,000	None	$162,911	$430,266	$153,982	$108	$13,
PERRY STUCKEY III (9)	2010	$56,822	$200,000	$340,023	$133,080	$38,971	-	$1,
Former Senior Vice President and								
Chief Human Resources Officer								
SUSAN R. LICHTENSTEIN (10)	2010	$163,726	None	$250,002	$201,156	$134,750	-	$6,
Senior Vice President, Corporate Affairs,								
Chief Legal Officer and Secretary								
PETER H. SODERBERG (11)	2010	$592,219	None	$200,013	-	$312,522	-	$228
Former President and	2009	$840,000	None	$1,210,880	$1,961,365	$465,612	-	$427
Chief Executive Officer	2008	$840,000	None	$1,086,170	$2,240,798	$862,369	$2,635	$522
PATRICK D. DE MAYNADIER (12)	2010	$363,000	None	$549,225	$139,614	$298,756	$95,524	$67,
Former Senior Vice President,	2009	$360,649	None	$176,197	$511,247	$95,608	$137,561	$32,
General Counsel and Secretary	2008	$352,273	None	$189,936	$575,267	$210,075	$688	$31,
GREGORY J. TUCHOLSKI (13)	2010	$213,041	None	$336,037	$195,795	-	-	$451
Former President, International								
and Surgical								

1) Mr. Stuckey received a one-time sign-on cash award upon commencement of his employment to compensate him for the bonus opportunity foregone at his previous employer upon joining Hill-Rom.

Table of Contents

2) The 2010 amounts in this column represent the grant date fair value of time-based RSUs granted during the applicable fiscal year, excluding a reduction for risk of forfeiture. Also included is the grant date fair value of PSUs granted during fiscal 2010 to certain officers based upon the target achievement of the performance conditions as of the grant date as more fully described in the footnotes to the Grants of Plan-Based Awards Table. These grant date fair values were based on the methodology set forth in Notes 1 and 13 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended September 30, 2010. The 2009 and 2008 award values for Messrs. Miller, Soderberg, de Maynadier and Ms. Dennis have been recalculated from the amounts disclosed in our previous Proxy Statements to reflect the new SEC rules.

3) The 2010 amounts in this column represent the grant date fair value of time-based stock options granted to our Named Executive Officers during the applicable fiscal year, excluding the reduction for risk of forfeiture. These grant date fair values were based on the methodology set forth in Notes 1 and 13 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended September 30, 2010. The 2009 and 2008 option award values for Messrs. Miller, Soderberg, de Maynadier and Ms. Dennis have been recalculated from the amounts disclosed in our previous Proxy Statements to reflect the new SEC rules.

4) The amounts in this column represent cash awards earned for the applicable fiscal year and paid in the subsequent fiscal year, under our STIC Plan.

5) During fiscal year 2010, we did not pay above-market interest on nonqualified deferred compensation, as our monthly deferred compensation interest rate did not exceed 120% of the applicable federal long-term month rate as published by the IRS. Therefore, the 2010 amounts in this column reflect changes in the actuarial present value of pension benefits from September 30, 2009. See the Pension Benefits Table and Nonqualified Deferred Compensation Table below for additional information.

6) Please refer to the "All Other Compensation" table below for further information:

All Other Compensation for Fiscal Year 2010

	Personal	Company Contributions								
	Aircraft		Supp	Supp	Legal Fee	Unused	Relocation	Severance	Other	Total All
	Usage	401(k)	401(k)	Retirement	Reimbursement	Vacation	Assistance	Benefits	Benefits	Other
Name	(a)	(b)	(b)	(b)	(c)	Cash-out	(d)	(e)	(f)	Compensatio
Mr. Greisch		$16,412	$103,583	-	$15,000	-	-	-	-	$134,99
Mr. Miller		$17,150	$27,652	-	-	-	-	-	$645	$45,44
Ms. Dennis		$7,007	$6,016	-	-	-	-	-	$388	$13,41
Mr. Stuckey		$1,569	-	-	-	-	-	-	-	$1,56
Ms. Lichtenstein		$6,225	-	-	-	-	-	-	-	$6,22
Mr. Soderberg	$36,452	$17,150	$63,013	$75,000	$25,000	-	-	-	$11,816	$228,43
Mr. de Maynadier		$7,350	$27,500	-	-	$27,923	-	-	$4,843	$67,61
Mr. Tucholski		$10,942	-	-	-	$23,385	$180,097	$230,794	$6,139	$451,35

a) Amount represents the incremental cost to us of Mr. Soderberg's personal use of our corporate aircraft during the first quarter of fiscal 2010. The value is based upon the variable costs of operating the corporate aircraft ($1,841 per flight hour for fiscal 2010), which includes trip-related expenses such as fuel, aircraft maintenance, crew travel expenses, on-board catering, landing and parking fees, and also takes into account flights without passengers. Fixed costs are excluded as they do not change based on personal usage such as pilot salaries and depreciation expense.

Table of Contents

While we do not charge for the personal use of our corporate aircraft, we do report amounts related to such use as taxable income to the IRS. None of our other Named Executive Officers are permitted to use the corporate aircraft for personal use.

b) Amounts represent Company matching contributions to the Named Executive Officer's accounts in the applicable plans: 401(k) Savings Plan, 401(k) Savings Plan portion of the SERP and the supplemental retirement account.

c) Amounts represent reimbursement of out-of-pocket legal fees incurred with respect to Mr. Greisch's employment agreement effective January 8, 2010 and Mr. Soderberg's letter agreement effective September 17, 2009.

d) Amount represents relocation assistance, including gross-up for taxes, provided to Mr. Tucholski associated with his temporary assignment in Lulea, Sweden.

e) Amount consists of severance payments from June 1, 2010 to September 30, 2010 and a one-time special bonus in lieu of Mr. Tucholski's 2010 STIC payment.

f) Other benefits include Company-provided financial and estate planning, tax preparation, imputed income on continuing health and welfare coverage, executive physicals and expenses paid on behalf of the executives' spouses who accompanied such executives on business travel.

7) Effective January 8, 2010, Mr. Greisch was elected as our President and Chief Executive Officer and a member of the Board.

8) Effective December 13, 2010, Mark J. Guinan was elected as our Senior Vice President and Chief Financial Officer and Treasurer. In connection with Mr. Guinan's appointment, Mr. Miller stepped down from his positions as Senior Vice President and Chief Financial Officer and Treasurer. Mr. Miller's employment with us terminated on December 31, 2010.

9) Effective August 2, 2010, Mr. Stuckey was elected as our Senior Vice President and Chief Human Resources Officer. Mr. Stuckey stepped down from this position effective November 29, 2010 for personal reasons.

10) Effective May 6, 2010, Ms. Lichtenstein was elected as our Senior Vice President, Corporate Affairs, Chief Legal Officer and Secretary.

11) Effective January 7, 2010 and in connection with Mr. Greisch's appointment, Mr. Soderberg stepped down from his positions as President and Chief Executive Officer and member of the Board, which he held since March 2006. His employment with us will be terminated upon his retirement on April 30, 2011.

12) Mr. de Maynadier's employment with us terminated on December 31, 2010. He was Senior Vice President General Counsel and Secretary of the Company from October 1, 2007 through July 2010. Prior to that he served as Vice President, General Counsel and Secretary.

13) Mr. Tucholski was not a Named Executive Officer prior to 2010, and his employment with us terminated on June 1, 2010. He was the President of the Company's International and Surgical division from January 2008 through June 2010, and held a variety of marketing and sales positions with Hill-Rom prior to that.

Table of Contents

Grants of Plan-Based Awards for Fiscal Year Ended September 30, 2010

The following table summarizes the grants of plan-based awards to each of the Named Executive Officers for the fiscal year ended September 30, 2010. All stock-based awards in fiscal year 2010 were granted under our Stock Incentive Plan.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards (2)			All Other Stock Awards: Number of Shares of Stock or Units (3)	All Other Option Awards: Number of Securities Underlying Options (3)	Exercise or Base Price of Option Awards (4)	Grant Date Fair Value of Stock and Option Awards (5)
Name	Grant Date	Min	Target	Max	Min	Target	Max				
John J. Greisch		$349,808	$600,000	$1,200,000							
	1/8/2010								207,987 (6)	$23.92	$1,609,819 (7)
	1/8/2010							33,445 (6)			$800,004
Gregory N. Miller		$0	$240,000	$480,000							
	12/3/2009								27,086 (11)	$23.26	$203,958
	12/3/2009							12,038 (11)			$280,004
	12/3/2009							8,599 (8, 11)			$200,013
	12/3/2009				-	9,029 (11)	18,058 (11)				$70,013 (2)
Kimberly K. Dennis		$0	$148,500	$297,000							
	12/3/2009								15,170	$23.26	$114,230
	12/3/2009							6,742			$156,819
	12/3/2009				-	5,057	10,114				$39,216 (2)
	4/20/2010							7,000 (9)			$216,720
Perry Stuckey III		$0	$28,333	$56,667							
	8/2/2010								12,000 (6)	$34.28	$133,080 (2)
	8/2/2010							9,919 (6)			$340,023

Susan R. Lichtenstein		$0	$103,750	$207,500							
	5/6/2010								19,625 (6)	$31.69	$201,156
	5/6/2010							7,889 (6)			$250,002
Peter H. Soderberg		$0	$210,000	$420,000							
	12/3/2009							8,599 (10)			$200,013
Patrick D. de Maynadier		$0	$217,800	$435,600							
	12/3/2009								18,541 (11)	$23.26	$139,614
	12/3/2009							8,241 (11)			$191,686
	12/3/2009				-	6,181 (11)	12,362 (11)				$47,939 (2)
	4/20/2010							10,000 (9, 11)			$309,600
Gregory J. Tucholski (12)		$0	$0	$0							
	12/3/2009								26,002	$23.26	$195,795
	12/3/2009							11,557			$268,816
	12/3/2009				-	8,668	17,336				$67,221 (2)

Table of Contents

1) Amounts represent potential cash awards that could be paid under our STIC Plan. In the case of Mr. Greisch, the amount under the "Min" column was his guaranteed minimum STIC payment for fiscal year 2010 in accordance with his Employment Agreement effective January 8, 2010.

2) The amounts under in the "Target" column reflect the number of PSUs granted to the Named Executive Officer on December 3, 2009. They represent the amount of shares the Named Executive Officer will receive if the target performance goals are met during each performance period of the three-year program. The grant date fair value for this award is based on achieving the target performance goals during the first year of the program (approximately one-third of the PSUs listed under the "Target" column), as the performance goals for the first year were known on the grant date. Refer to the "Long-Term Equity Awards" section of the Compensation Discussion and Analysis for further details.

The grant date fair values based on the PSUs listed under the "Max" column are as follows: Mr. Miller: $420,029; Ms. Dennis: $235,252; Mr. de Maynadier: $287,540; and Mr. Tucholski: $403,235.

3) Amounts under these columns represent stock options and RSUs granted to our Named Executive Officers during the fiscal year 2010 as more fully described in the following footnotes. For stock options, the exercise price is the fair market value of our common stock on the grant date, as described in Footnote 4 below. For RSUs, the value to be realized by the Named Executive Officer is based on the fair market value of our common stock on the vesting dates. The vesting schedules for these awards, and other unvested awards granted to our Named Executive Officers prior to fiscal year 2010, are disclosed in the footnotes to the Outstanding Equity Awards at September 30, 2010 table.

4) The average of the high and low selling prices of our common stock on the New York Stock Exchange on the grant date or if the grant date is a non-trading day, then the next trading day thereafter.

5) The grant date fair values of stock options, RSUs and PSUs granted to our Named Executive Officers are based on the methodology set forth in Notes 1 and 13 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended September 30, 2010.

6) Amounts represent one-time executive sign-on stock options and RSUs that Messrs. Greisch and Stuckey and Ms. Lichtenstein each received in connection with their employment with us during fiscal year 2010.

7) According to Mr. Greisch's Employment Agreement effective January 8, 2010, he received a grant of stock options with a grant date value of $2,000,000 using the Black-Scholes valuation method. However, according to existing SEC rules for this column, the grant date value for Mr. Greisch's stock options is required to be computed in accordance with the existing accounting guidance on stock-based compensation, which in our case is the Binomial valuation method. For further details, refer to the methodology set forth in Notes 1 and 13 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended September 30, 2010.

8) Amount represents a one-time grant of 8,599 RSUs to bring Mr. Miller's total direct compensation closer to market total direct compensation for his position and level of responsibility.

9) In the case of Mr. de Maynadier and Ms. Dennis, amounts represent one-time executive retention RSU grants to ensure a smooth transition of the new executive leadership team put into place by Mr. Greisch. Mr. de Maynadier's executive retention RSU grant will not vest and will be forfeited due to his separation from Hill-Rom on December 31, 2010.

10)

In the case of Mr. Soderberg, pursuant to the letter agreement dated September 17, 2009, he received a one-time grant of 8,599 RSUs.

Table of Contents

11) In connection with their separations of employment from us on December 31, 2010, a portion of the unvested stock options, RSUs and PSUs outstanding as of September 30, 2010, for Messrs. Miller and de Maynadier will not vest and will be forfeited.

12) As a result of Mr. Tucholski's resignation, effective June 1, 2010, he was not eligible to participate in our fiscal year 2010 STIC Program. However, in recognition of his contributions and years of service, we provided to Mr. Tucholski a one-time bonus in lieu of the 2010 STIC payment as part of his severance benefits, which is included in the "All Other Compensation" column of the Summary Compensation Table for the year ended September 30, 2010. In addition, all of the equity awards granted to Mr. Tucholski during fiscal year 2010 were forfeited on June 1, 2010.

Table of Contents

Outstanding Equity Awards at September 30, 2010

The following table summarizes the number and terms of stock option, deferred stock share and PSUs outstanding for each of the Named Executive Officers as of September 30, 2010.

	Option Awards						Stock Awards		
Name	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options (1) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Grant Date (1)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (2)	Market Value of Shares or Units of Stock That Have Not Vested (3)	Equity Incentive Plan Awards Number of Unearned Shares, Unit or Other Rights That Have Not Vested
John J. Greisch		207,987		1/8/2010	$23.92	1/8/2020	33,781	$ 1,212,400	
Gregory N. Miller	7,400				$27.09	11/9/2011			
	4,625				$33.24	4/9/2012			
	7,400				$25.67	12/4/2012			
	2,775				$26.22	2/13/2013			
	9,250				$31.48	12/3/2013			
	14,800				$30.04	12/15/2014			
	33,670				$26.46	11/30/2015			
	24,605				$31.30	11/30/2016			
	16,404	8,201		12/5/2007	$29.22	12/5/2017			
			110,417 (6)	4/1/2008	$25.37	4/1/2018			
	8,392	25,179		12/2/2008	$19.39	12/2/2018			
			70,071 (5)	12/2/2008	$19.39	12/2/2018			
			70,072 (5)	12/2/2008	$19.39	12/2/2018			
		27,086		12/3/2009	$23.26	12/3/2019	46,085	$1,653,991	9,029
Kimberly K. Dennis	3,700				$33.24	4/9/2012			
	27,750				$31.48	12/3/2013			
	29,600				$30.04	12/15/2014			

21,090				$31.30	11/30/2016			
	7,708		12/5/2007	$29.22	12/5/2017			
		57,292 (6)	4/1/2008	$25.37	4/1/2018			
	19,184		12/2/2008	$19.39	12/2/2018			
		39,964 (5)	12/2/2008	$19.39	12/2/2018			
		39,965 (5)	12/2/2008	$19.39	12/2/2018			
	15,170		12/3/2009	$23.26	12/3/2019	32,045	$1,150,095	5,057

-32-

Table of Contents

Perry Stuckey III		12,000		8/2/2010	$34.28	8/2/2020	9,948	$357,034		
Susan R. Lichtenstein		19,625		5/6/2010	$31.69	5/6/2020	7,939	$284,931		
Peter H. Soderberg	7,400				$33.28	5/17/2012				
	7,400				$26.22	2/13/2013				
	108,808				$29.60	3/20/2016				
	124,163				$32.51	12/14/2016				
	99,470	49,734		12/6/2007	$29.33	12/6/2017				
			220,853 (6)	4/1/2008	$25.37	4/1/2018			10,341 (6)	$371,138
	44,760	134,281		12/2/2008	$19.39	12/2/2018				
			95,527 (5)	12/2/2008	$19.39	12/2/2018				
			95,528 (5)	12/2/2008	$19.39	12/2/2018	123,970	$4,449,283	48,510 (5)	$1,741,024
Patrick D. de Maynadier		7,708		12/5/2007	$29.22	12/5/2017				
			87,500 (6)	4/1/2008	$25.37	4/1/2018				
		23,465		12/2/2008	$19.39	12/2/2018				
			51,687 (5)	12/2/2008	$19.39	12/2/2018				
			51,688 (5)	12/2/2008	$19.39	12/2/2018				
		18,541		12/3/2009	$23.26	12/3/2019	39,651	$1,423,074	6,181 (7)	$221,836