INTEGRA LIFESCIENCES HOLDINGS CORP
Form DEF 14A
April 15, 2016

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 x Filed by a Party other than the Registrant ¨

Check the appropriate box:

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

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

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

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

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(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

311 ENTERPRISE DRIVE

PLAINSBORO, NEW JERSEY 08536

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 24, 2016

To the Stockholders of Integra LifeSciences Holdings Corporation:

NOTICE IS HEREBY GIVEN that the 2016 Annual Meeting of Stockholders (the Meeting) of Integra LifeSciences Holdings Corporation (the Company) will be held as, and for the purposes, set forth below:

TIME	9:00 a.m. local time on Tuesday, May 24, 2016
PLACE	Integra LifeSciences Holdings Corporation Corporate Headquarters, 315 Enterprise Drive, Plainsboro, New Jersey 08536
ITEMS OF BUSINESS	1. To elect ten directors of the Company to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified.
	2. To ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year 2016.
	3. To vote on a non-binding resolution to approve the compensation of our named executive officers.
	4. To act upon any other matters properly coming before the Meeting or any adjournment or postponement thereof.
RECORD DATE	Holders of record of the Company s common stock at the close of business on March 31, 2016 are entitled to notice of, and to vote at, the Meeting and any adjournment or postponement thereof. A complete list of stockholders entitled to vote at the Meeting will be available for inspection by any stockholder for any purpose germane to the Meeting for ten days prior to the Meeting during ordinary business hours at the Company s headquarters located at 311 Enterprise Drive, Plainsboro, New Jersey.
ANNUAL REPORT	The 2015 Annual Report of Integra LifeSciences Holdings Corporation is being mailed simultaneously herewith. The Annual Report is not to be considered part of the proxy solicitation materials.
IMPORTANT	In order to avoid additional soliciting expense to the Company, please MARK, SIGN, DATE and MAIL your proxy PROMPTLY in the return envelope provided, even if you plan to attend the Meeting. If you attend the Meeting and wish to vote your shares in person, arrangements will be made for you to do so.

By order of the Board of Directors,

/s/ RICHARD D. GORELICK

Richard D. Gorelick
Corporate Vice President, General Counsel, Administration and Secretary

Plainsboro, New Jersey

April 15, 2016

If you do not vote your shares on the Election of Directors, your brokerage firm may not vote them for you; your shares will remain unvoted.

Therefore, it is very important that you vote your shares for all proposals, including the Election of Directors (Proposal 1), and the non-binding resolution to approve the compensation of our named executive officers (Proposal 3), each of which are viewed as non-routine matters for which brokerage firms may not vote for you without your instructions.

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INTEGRA LIFESCIENCES HOLDINGS CORPORATION

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PLAINSBORO, NEW JERSEY 08536

PROXY STATEMENT

ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD ON MAY 24, 2016

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON MAY 24, 2016. The proxy statement and annual report to security holders are available on our internet site at

http://investor.integralife.com/financials.cfm

PURPOSE OF MEETING

We are providing this Proxy Statement to holders of our common stock in connection with the solicitation by the Board of Directors of Integra LifeSciences Holdings Corporation (the Company) of proxies to be voted at the Company s 2016 Annual Meeting of Stockholders (the Meeting) and at any adjournments or postponements thereof. The Meeting will begin at 9:00 a.m. local time on Tuesday, May 24, 2016 at the Company s Corporate Headquarters, 315 Enterprise Drive, Plainsboro, New Jersey. We are first mailing this Proxy Statement, the Notice of Annual Meeting of Stockholders and the form of proxy to stockholders of the Company on or about April 15, 2016.

At the Meeting, we will ask the stockholders of the Company to consider and vote upon:

(i) the election of ten directors to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified (see Proposal 1. Election of Directors);

(ii) the ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year 2016 (see Proposal 2. Ratification of Independent Registered Public Accounting Firm); and

(iii) a non-binding resolution to approve the compensation of our named executive officers (see Proposal 3. Advisory Vote on Named Executive Officer Compensation).

We know of no other matters that will be presented for consideration at the Meeting. If any other matters are properly presented at the Meeting or any postponement or adjournment thereof, the persons named in the enclosed proxy will have authority to vote on such matters in accordance with their best judgment.

RECORD DATE

As of March 31, 2016, the record date for the Meeting, 37,113,380 shares of our common stock were outstanding. Only holders of record of our common stock as of the close of business on the record date are entitled to notice of, and to vote at, the Meeting or at any adjournment or postponement thereof.

VOTING AND REVOCABILITY OF PROXIES

Each share of our common stock entitles the holder of record thereof to one vote. Each stockholder may vote in person or by proxy on all matters that properly come before the Meeting and any adjournment or postponement thereof. The presence, in person or by proxy, of stockholders entitled to vote a majority of the shares of common stock outstanding on the record date will constitute a quorum for purposes of voting at the Meeting. Shares abstaining from voting and shares present but not voting, including broker non-votes, are counted as present for purposes of determining the existence of a quorum. Broker non-votes are shares held by a broker or nominee for which an executed proxy is received by the Company, but which are not voted as to one or more proposals because timely instructions have not been received from the beneficial owners or persons entitled to vote and the broker or nominee does not have discretionary voting power to vote such shares. Brokers and other nominees have discretionary voting power to vote generally only on routine proposals. At our annual meeting, the only proposal over which brokers will have discretionary authority to vote without having received specific voting instructions from the beneficial owner of the shares is the proposal to ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for our 2016 fiscal year (Proposal 2). In all other instances, brokers and other shareowners of record who serve as nominees for a beneficial owner may not vote on a proposal without having voting instructions from the beneficial owner.

If we fail to obtain a quorum for the Meeting or a sufficient number of votes to approve a proposal, we may adjourn the Meeting for the purpose of obtaining additional proxies or votes or for any other purpose. At any subsequent reconvening of the Meeting, all proxies will be voted in the same manner as they would have been voted at the original Meeting (except for any proxies that have theretofore effectively been revoked or withdrawn). Proxies voting against a proposal set forth herein will not be used to adjourn the Meeting to obtain additional proxies or votes with respect to such proposal.

The Board of Directors is soliciting the enclosed proxy for use in connection with the Meeting and any postponement or adjournment thereof. All properly executed proxies received prior to or at the Meeting or any postponement or adjournment thereof and not revoked in the manner described below will be voted in accordance with any instructions indicated on such proxies. For Proposals 1, 2, and 3 you may vote FOR, AGAINST or ABSTAIN. If you sign your proxy card or broker voting instruction card with no further instructions, your shares will be voted in accordance with the recommendations of the Board of Directors.

You may revoke your proxy by (a) delivering to the Secretary of the Company at or before the Meeting a written notice of revocation bearing a later date than the proxy, (b) duly executing a subsequent proxy relating to the same shares of common stock and delivering it to the Secretary of the Company at or before the Meeting or (c) attending the Meeting and voting in person (although attendance at the Meeting will not in and of itself constitute revocation of a proxy). Any written notice revoking a proxy should be delivered at or prior to the Meeting to: Integra LifeSciences Holdings Corporation, 311 Enterprise Drive, Plainsboro, New Jersey 08536, Attention: Corporate Vice President, General Counsel, Administration and Secretary. Beneficial owners of our common stock who are not holders of record and wish to revoke their proxy should contact their bank, brokerage firm or other custodian, nominee or fiduciary to inquire about how to revoke their proxy, and may not revoke their proxy by one of the methods set forth above.

We will bear all expenses of this solicitation, including the cost of preparing and mailing this Proxy Statement. In addition to solicitation by use of the mail, proxies may be solicited by telephone, facsimile or personally by our directors, officers and employees, who will receive no extra compensation for their services. In addition, the Company has retained D.F. King & Co., Inc. to assist in the solicitation of proxies and will pay such firm a fee of $8,500 plus reasonable expenses. We will also reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy soliciting materials to beneficial owners of shares of common stock.

PROPOSAL 1. ELECTION OF DIRECTORS

The Board of Directors has nominated the following ten persons for election as directors who will serve until the next annual meeting of stockholders and until their successors are duly elected and qualified: Peter J. Arduini, Keith Bradley, Ph.D., Richard E. Caruso, Ph.D., Stuart M. Essig, Ph.D., Barbara B. Hill, Lloyd W. Howell, Jr., Donald E. Morel, Jr., Ph.D., Raymond G. Murphy, Christian S. Schade and James M. Sullivan, each of whom are currently directors of the Company.

If any nominee should be unable to serve as director, an event not now anticipated, the shares of common stock represented by proxies would be voted for the election of such substitute as the Board of Directors may nominate. Set forth below is certain information with respect to the persons nominated as directors of the Company. See Principal Stockholders for information regarding the security holdings of our director nominees.

PETER J. ARDUINI is Integra s President and Chief Executive Officer and a director. He joined Integra in November 2010 as President and Chief Operating Officer and was appointed Chief Executive Officer and a director in January 2012. Before joining Integra, Mr. Arduini was Corporate Vice President and President of Medication Delivery, Baxter Healthcare, which he joined in 2005. Mr. Arduini was responsible for a $4.8 billion global division of Baxter focused on inpatient pharmaceuticals and devices. Prior to joining Baxter, Mr. Arduini worked for General Electric Healthcare, where he spent much of his 15 years in a variety of management roles for domestic and global businesses, culminating in leading the global functional imaging business. Prior to joining General Electric Healthcare, he spent four years with Procter and Gamble in sales and marketing. Mr. Arduini serves on the Board of Directors of Bristol-Myers Squibb Company. He serves on the Board of Directors of ADVAMED, the Advanced Medical Technology Association, the Medical Device Innovation Consortium, and the National Italian American Foundation. Mr. Arduini received his bachelor s degree in marketing from Susquehanna University and a master s in management from Northwestern University s Kellogg School of Management. Mr. Arduini is 51 years old.

KEITH BRADLEY, PH.D., has been a director of the Company since 1992. Between 1996 and 2003, he was a director of Highway Insurance plc, an insurance company listed on the London Stock Exchange, and has been a consultant to a number of business, government and international organizations. Dr. Bradley was formerly a visiting professor at the Harvard Business School, Wharton and UCLA, a visiting fellow at Harvard s Center for Business and Government and a professor of international management and management strategy at the Open University and Cass Business School, U.K. Dr. Bradley has taught at the London School of Economics and was the director of the School s Business Performance Group for more than six years. He received B.A., M.A. and Ph.D. degrees from British universities. Dr. Bradley is an adviser to RPH Capital, Canada. He currently serves as a director and member of the compensation committee of SeaSpine Holdings Corporation. In addition, he previously served as a director and chair of North Star Capital Management Limited and GRS Financial Solutions Limited. Dr. Bradley is 71 years old.

RICHARD E. CARUSO, PH.D., founded the Company in 1989 and served as the Company s Chairman from March 1992 until January 2012 and as a director since March 1992. Dr. Caruso is currently the President and a founding member of The Provco Group, a venture and real estate investment company, an advisor to Quaker BioVentures, a medical venture capital financial investor, Chairman of the Board of Directors of Diasome Pharmaceuticals, LLC, a start-up company, and an advisor to NewSpring Capital and ePlanet Ventures II, both diversified venture capital financial investors. Further, he serves as the Chief Executive Officer of Smart Personalized Medicine, LLC and Chairman and Chief Executive Officer of CeeLite Technologies, LLC. Dr. Caruso served as the Company s Chief Executive Officer from March 1992 to December 1997 and also as the Company s President from September 1995 to December 1997. From 1969 to 1992, Dr. Caruso was a principal of LFC Financial Corporation, a project finance company, where he was also a director and Executive Vice President. In 2006, Dr. Caruso was named the Ernst and Young National Entrepreneur of the Year for the United States. Dr. Caruso is on the Board of Susquehanna University, The Baum School of Art and the Uncommon Individual Foundation (Founder). He received a B.S. degree from Susquehanna University, an M.S.B.A. degree from Bucknell University, a Ph.D. degree from the London School of Economics, University of London (United Kingdom), and an honorary Ph.D. degree in medical engineering from Drexel University. Dr. Caruso is 72 years old.

STUART M. ESSIG, PH.D., is Integra s Chairman of the Board of Directors. He has been our Chairman since January 2012 and a director since he joined Integra in December 1997. He also served as our Chief Executive Officer from December 1997 until January 2012. In addition, he served as our President from December 1997 until November 2010. He currently serves as Managing Director of Prettybrook Partners LLC. Before joining Integra, Dr. Essig supervised the medical technology practice at Goldman, Sachs & Co. as a Managing Director. Dr. Essig had ten years of broad health care experience at Goldman Sachs serving as a senior merger and acquisitions advisor to a broad range of domestic and international medical technology, pharmaceutical and biotechnology clients. Dr. Essig has chaired Audit, Compensation and Nominating and Governance Committees and served on the boards of several NASDAQ and NYSE listed companies ranging in size from several hundred million dollars to $20 billion in market capitalization. Dr. Essig currently serves on the board of directors of St. Jude Medical Corporation and Owens & Minor, Inc., as chairman of the board of directors of Breg, Inc., and as lead director of SeaSpine Holdings Corporation. In addition, he serves as the compensation committee chair and member of the governance and nominating committee of St. Jude Medical Corporation, member of the compensation committee of Owens & Minor, Inc., and the nominating and corporate governance committee chair of SeaSpine Holdings Corporation. He is a founding investor member of Tigerlabs, a Princeton-based business accelerator. He is an Executive in Residence at Cardinal Partners and a Venture Partner at Wellington Partners Advisory AG, both venture capital firms and serves as a Senior Advisor to TowerBrook Capital Partners and Water Street Healthcare Partners. From March 2005 until August 2008, he served on the Board of Directors of Zimmer Holdings, Inc., and from 1998 to 2002 he served on the Board of Directors of Vital Signs, Inc. Dr. Essig has also served on the executive committee, nominating and governance committee and as treasurer of ADVAMED, the Advanced Medical Technology Association. Dr. Essig is also involved in several non-profit charitable organizations, including from time to time having served on the boards of such organizations. Dr. Essig received an A.B. degree, magna cum laude, from the Woodrow Wilson School of Public and International Affairs at Princeton University and an M.B.A. and Ph.D. in Financial Economics from the University of Chicago, Graduate School of Business. Dr. Essig is 54 years old.

BARBARA B. HILL has been a director of the Company since May 2013. Ms. Hill is currently an Operating Partner of NexPhase Capital, a private equity firm, where she focuses on healthcare related investments and providing strategic operating support for its healthcare portfolio companies. Ms. Hill has served as an Operating Partner of NexPhase Capital since January 2016. Prior to that, Ms. Hill served as an Operating Partner of Moelis Capital Partners, a private equity firm, where she focused on healthcare-related investments and providing strategic operating support for its healthcare portfolio companies. She served as an Operating Partner of Moelis Capital Partners from March 2011 to January 2016. From March 2006 to September 2010, Ms. Hill served as Chief Executive Officer and a director of ValueOptions, Inc., a managed behavioral health company, and FHC Health Systems, Inc., its parent company. Prior to that, from August 2004 to March 2006, she served as Chairman and Chief Executive Officer of Woodhaven Health Services, an institutional pharmacy company. In addition, from 2002 to 2003, Ms. Hill served as President and a director of Express Scripts, Inc., a pharmacy benefits management company. In previous positions, Ms. Hill was responsible for operations nationally for Cigna HealthCare, and also served as the CEO of health plans owned by Prudential, Aetna and the Johns Hopkins Health System. She was active with the boards or committees of the Association of Health Insurance Plans and other health insurance industry groups. Currently, she serves as a board member as well as a member of the compensation committee of St. Jude Medical Corporation, a medical device company. In addition, Ms. Hill serves as a board member and a member of the audit committee of Omega Healthcare Investors, Inc., a Maryland real estate investment trust. Ms. Hill also serves as a board member of Revera Inc., a Canadian company operating seniors facilities throughout Canada and the United States. Ms. Hill received B.A and M.S. degrees from the Johns Hopkins University. She is 63 years old.

LLOYD W. HOWELL, JR. has been a director of the Company since March 2013. Mr. Howell is an Executive Vice President at Booz Allen Hamilton, where he has held a variety of leadership positions since originally joining the firm in 1988 as a consultant. He currently serves as the Civilian Market Group Leader of Booz Allen Hamilton. From 2009 to 2013, he served as the Client Service Officer of the Financial Services Account in the Civil Market at Booz Allen Hamilton where he led the business in delivering the firm s strategic, technology and analytics capabilities and service offerings to both the federal and private sectors. From April 2005 to April 2009, he served as the Strategy and Organization s Capability Leader at Booz Allen Hamilton, a group that he has been a member of since 1995. Prior to that, from 1993 to 1995, he worked at Goldman Sachs as an Associate in their Investment Banking Division. Currently, Mr. Howell is a board member of the Partnership for Public Service, Capital Partners for Education, Management Leadership for Tomorrow, the Executive Leadership Council, the University of Pennsylvania s Engineering School, and the St. Albans School. Mr. Howell received a B.S. in Electrical Engineering from the University of Pennsylvania and an M.B.A. from Harvard University. Mr. Howell is 49 years old.

DONALD E. MOREL, JR., PH.D., has been a director of the Company since August 2013. Dr. Morel, until April 2015, was the Chief Executive Officer and, until June 2015, was Chairman of the Board of Directors of West Pharmaceutical Services, Inc., a manufacturer of components and systems for the packaging and delivery of injectable drugs as well as delivery system components for the pharmaceutical, healthcare and consumer products industries. Dr. Morel served as the Chief Executive Officer of West Pharmaceutical Services, Inc. from April 2002 to April 2015, Chairman of the Board of Directors of West Pharmaceutical Services, Inc. from March 2003 to June 2015 and a director of West Pharmaceutical Services, Inc. from March 2002 to June 2015. In addition, he served as President of West Pharmaceutical Services, Inc. from April 2002 to June 2005. Dr. Morel served as a director of Kensey Nash Corporation, a medical device product development and manufacturing company, from March 2010 to June 2012 as well as a member of its audit and compensation committees. He serves on the Board of Directors of Catalent, Inc. He serves as Chairman of the Board of Directors of the American Oncologic Hospital of the Fox Chase Cancer Center and as a member of the board of trustees of The Franklin Institute and of Lafayette College. Dr. Morel received a B.S. in Engineering from Lafayette College and an M.S. and Ph.D. in Materials Science from Cornell University. Dr. Morel is 58 years old.

RAYMOND G. MURPHY has been a director of the Company since April 2009. Between 2004 and 2008, he was Senior Vice President & Treasurer of Time Warner, Inc., responsible for all U.S. and international corporate finance, project (real estate and film) finance, cash management, foreign exchange and interest rate risk management, public debt and equity financing, real estate financing, securitization financing, banking relationships and financings, and relationships with rating agencies, as well as corporate-wide real estate activities and the property/casualty risk management program. Between 2001 and 2004, he was Vice President & Treasurer of Time Warner Inc. From 1999 until 2001, he was Senior Vice President & Treasurer of America Online, Inc. Between 1993 and 1999, he was Senior Vice President, Finance & Treasurer of Marriott International, Inc. Prior to Marriott, he held executive positions at Manor Care, Inc., Ryder System Inc. and W R Grace & Company. In 2005, he became a member of the Finance Committee of The Advertising Council Inc. and from 2007 until 2009, he served as Chair of such committee. Between 2004 and 2009, he served on the Board of Directors of The Advertising Council, Inc. and between 2007 and 2009, he served on its Executive Committee. He received a B.S. from Villanova University and an M.B.A. from Columbia University Graduate School of Business. Mr. Murphy is 68 years old.

CHRISTIAN S. SCHADE has been a director of the Company since 2006. He was the Chief Executive Officer of Novira Therapeutics, Inc., an antiviral drug discovery company focused on first-in-class therapeutics for chronic HBV infection from March 2014 to December 2015 until it was acquired by Johnson & Johnson. Prior to joining Novira Therapeutics, Inc. in March 2014, he served as Executive Vice President and Chief Financial Officer of Omthera Pharmaceuticals, Inc. from September 2011 to July 2013. Omthera was an emerging specialty pharmaceuticals company focused on the clinical development of therapies for dyslipidemia until it was purchased by AstraZeneca Plc in July 2013. From April 2010 to September 2011, Mr. Schade served as Executive Vice President and Chief Financial Officer at NRG Energy, a NYSE listed, S&P 500 wholesale power generation company based in Princeton, NJ. While there, he was responsible for corporate financial functions, including Treasury, Accounting, Tax, Risk, Credit Management and Insurance. Prior to joining NRG, he was Senior Vice President Administration and Chief Financial Officer at Medarex Inc., a NASDAQ listed, Princeton-based biopharmaceutical company. He also helped Medarex to grow to become a leading pharmaceutical development company, raising capital through a series of public capital market and asset monetization transactions. While there, he also oversaw the manufacturing of multiple development/clinical programs and was responsible for the business development team. Before joining Medarex in 2000, Mr. Schade served as Managing Director at Merrill Lynch in London, where he was head of the European Corporate Funding Group and was responsible for certain capital markets activities of Merrill Lynch s European corporate clients.

He also held various corporate finance and capital markets positions in New York and London for both Merrill Lynch and JP Morgan Chase & Co. Mr. Schade currently serves on the Board of Directors of Indivior, a UK listed spinoff of the pharmaceutical division of the consumer products conglomerate, Reckitt Benckiser. Mr. Schade received an A.B. degree from Princeton University, and received an M.B.A. from the Wharton School at the University of Pennsylvania. Mr. Schade is 55 years old.

JAMES M. SULLIVAN has been a director of the Company since 1992. He is a Co-Founder of, and currently the Principal Advisor to, the Clover Investment Group. Between 1986 and April 2009, he held several positions with Marriott International, Inc. (and its predecessor, Marriott Corp.), including Vice President of Mergers and Acquisitions and Executive Vice President of Lodging Development. From 1983 to 1986, Mr. Sullivan was Chairman, President and Chief Executive Officer of Tenly Enterprises, Inc., a privately held company operating 105 restaurants. Prior to 1983, he held senior management positions with Marriott Corp., Harrah s Entertainment, Inc., Holiday Inns, Inc., Kentucky Fried Chicken Corp. and Heublein, Inc. He also was employed as a senior auditor with Arthur Andersen & Co. and served as a director of Classic Vacation Group, Inc. until its acquisition by Expedia, Inc. in March 2002. Mr. Sullivan currently serves as a member of the Board of Directors of SeaSpine Holdings Corporation. He serves as a member of SeaSpine Holdings Corporation s audit committee and nominating and corporate governance committee. Mr. Sullivan received a B.S. degree in Accounting from Boston College and an M.B.A. degree from the University of Connecticut. Mr. Sullivan is 72 years old.

Required Vote for Approval and Recommendation of the Board of Directors

Directors are to be elected by the majority of the votes cast with respect to that director in uncontested elections. Thus, the number of shares voted FOR a director must exceed the number of votes cast AGAINST that director. Under our Bylaws, any director who fails to be elected must offer to tender his or her resignation to the Board of Directors. The Nominating and Corporate Governance Committee would then make a recommendation to the Board of Directors whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the Nominating and Corporate Governance Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date the election results are certified. The director who tenders his or her resignation will not participate in the Board s decision. Abstentions and broker non-votes will have no effect on the outcome of this proposal.

The Board of Directors hereby recommends that the stockholders of the Company

vote FOR the election of each nominee for director.

INFORMATION CONCERNING MEETINGS, EXECUTIVE SESSIONS AND CERTAIN COMMITTEES

The Board of Directors held five regularly scheduled and six special meetings during 2015. The Company s independent directors meet at least twice a year in executive session without management present. The Board of Directors has determined that all of the Company s directors, except for Mr. Arduini, are independent, as defined by the applicable NASDAQ Stock Market listing standards and the rules of the Securities and Exchange Commission. In making this decision with respect to Dr. Caruso, the Board of Directors considered that the Company leases certain production equipment from an entity controlled by Dr. Caruso and leases a manufacturing facility that is 50% owned by a subsidiary of Provco Industries. Provco s stockholders are trusts whose beneficiaries include the children of Dr. Caruso. Dr. Caruso is the President of Provco.

The Company has standing Audit, Nominating and Corporate Governance, Compensation and Finance Committees of its Board of Directors. Each committee operates pursuant to a written charter. Copies of these charters are available on our website at www.integralife.com through the Investors Relations link under the heading Corporate Governance. During 2015, each incumbent director attended in person or by teleconference at least 75% of the total number of meetings of the Board of Directors and of each committee of the Board of Directors on which he or she served.

COMMITTEE COMPOSITION

	Audit	**Nominating and Corporate Governance**	**Compensation**	**Finance**
Stuart M. Essig, Ph.D.				
Peter J. Arduini				
Keith Bradley, Ph.D.				
Richard E. Caruso, Ph.D.				
Barbara B. Hill				
Lloyd W. Howell, Jr.				
Donald E. Morel, Jr., Ph.D.				
Raymond G. Murphy				
Christian S. Schade				
James M. Sullivan ,#				

= Chairman of the Board = Chair = Member = Independent Under NASDAQ Listing Standards #=Presiding Director

Audit Committee. The members of the Audit Committee are Mr. Murphy (chair), Mr. Howell, Mr. Schade and Mr. Sullivan. The Committee met eight times in 2015. The purpose of the Audit Committee is to oversee the Company s accounting and financial reporting process and the audits of the Company s financial statements. The Board of Directors has determined that all of the members of the Audit Committee are independent within the meaning of the rules of the Securities and Exchange Commission and the applicable NASDAQ Stock Market listing standards. The Board of Directors has also determined that Mr. Murphy, Mr. Schade and Mr. Sullivan are audit committee financial experts, as defined under Item 407(d) of Regulation S-K, and that each of them is financially sophisticated in accordance with NASDAQ Stock Market listing standards.

Nominating and Corporate Governance Committee. The members of the Nominating and Corporate Governance Committee are Mr. Sullivan (chair), Dr. Bradley and Ms. Hill. The Committee met five times in 2015. The purpose of the Nominating and Corporate Governance Committee is to assist the Board of Directors in the identification of qualified candidates to become directors, the selection of nominees for election as directors at the stockholders meeting, the selection of candidates to fill any vacancies on the Board of Directors, the development and recommendation to the Board of Directors of a set of corporate governance guidelines and principles applicable to the Company, the oversight of the evaluation of the Board of Directors and otherwise taking a leadership role in shaping the corporate governance of the Company. The Board of Directors has determined that all of the members of the Nominating and Corporate Governance Committee are independent, as defined by the applicable NASDAQ Stock Market listing standards.

When considering a candidate for nomination as a director, the Nominating and Corporate Governance Committee may consider, among other things it deems appropriate, the candidate s personal and professional integrity, ethics and values, experience in corporate management and a general understanding of sales, marketing, finance, operations, compliance and other elements relevant to the success of a publicly traded company in today s business environment, experience in the Company s industry and with relevant social policy concerns, experience as a board member of another publicly held company, academic expertise in an area of the Company s business, and practical and mature business judgment, including the ability to make independent analytical inquiries. The Nominating and Corporate Governance Committee applies the same criteria to nominees recommended by stockholders that it does to other new nominees. In addition, for candidates who are currently serving as directors, the Committee considers the director s past attendance at meetings and participation in and contributions to the activities of the Board. The Nominating and Corporate Governance Committee does not have a formal policy on diversity. However, both the Nominating and Corporate Governance Committee and the Board of Directors evaluate each individual candidate for nomination as a director in the context of the Board as a whole, with the objective of assembling a group that can best perpetuate the success of the business and represent stockholder interests through the exercise of sound business judgment using its diversity of experience and background. The Nominating and Corporate Governance Committee and the Board consider a broad range of experience and attributes for this purpose.

The Nominating and Corporate Governance Committee will consider stockholder-nominated candidates for director, provided that the nominating stockholder identifies the candidate s principal occupation or employment, the number of shares of the Company s common stock that such candidate beneficially owns, a description of all arrangements or understandings between the nominating stockholder and such candidate and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, detailed biographical data, qualifications and information regarding any relationships between the candidate and the Company within the past three years, and any other information relating to such nominee that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), or under our Bylaws.

A stockholder s recommendation must also set forth the name and address, as they appear on the Company s books, of the stockholder making such recommendation, the class and number of shares of the Company s common stock that the stockholder beneficially owns and the date the stockholder acquired such shares, any material interest of the stockholder in such nomination, any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Exchange Act or under our Bylaws, in its capacity as a proponent of a stockholder proposal, a statement from the recommending stockholder in support of the candidate, references for the candidate, and an indication of the candidate s willingness to serve, if elected. Recommendations for candidates to the Board of Directors must be submitted in writing to Integra LifeSciences Holdings Corporation, 311 Enterprise Drive, Plainsboro, New Jersey 08536, Attention: Corporate Vice President, General Counsel, Administration and Secretary.

Compensation Committee. The members of the Compensation Committee are Dr. Bradley (chair), Ms. Hill and Dr. Morel. The Committee met seven times in 2015. The Compensation Committee makes decisions concerning salaries and incentive compensation, including the issuance of equity awards, for executive officers of the Company. The Compensation Committee also administers the Company s 2000 Equity Incentive Plan, the Company s 2001 Equity Incentive Plan, the Company s 2003 Equity Incentive Plan, and the Company s Employee Stock Purchase Plan (collectively, the Approved Plans). Each member of the Compensation Committee is an outside director as defined in Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), and a non-employee director within the meaning of Rule 16b-3 under the Exchange

Act. The Board of Directors has determined that each of the members of the Compensation Committee is independent, as defined by the applicable NASDAQ Stock Market listing standards.

The Compensation Committee may delegate any or all of its responsibilities, except that it shall not delegate its responsibilities regarding (i) the annual review and approval of all elements of compensation of executive officers, (ii) the management, review and approval of annual bonus, long-term incentive compensation, stock option, employee pension and welfare benefit plans, (iii) any matters that involve executive officer compensation or (iv) any matters where it has determined such compensation is intended to comply with Section 162(m) of the Code by virtue of being approved by a committee of outside directors or is intended to be exempt from Section 16(b) under the Exchange Act pursuant to Rule 16b-3 by virtue of being approved by a committee of non-employee directors.

The Compensation Committee has delegated authority for making equity awards to non-executive officer employees under the Approved Plans to a Special Award Committee, consisting of the Chief Executive Officer. The authority to grant equity to executive officers, employees who are, or could be, a covered employee within the meaning of Section 162(m) of the Code or employees whose grants would result in their receiving more than 5,000 shares of common stock during the previous 12 months, however, remains with the Compensation Committee. On an annual basis, the Compensation Committee establishes the aggregate number of awards that the Special Award Committee may make. The Compensation Committee authorized the Special Award Committee to grant a maximum of 300,000 shares of awards during the one-year period beginning May 22, 2015.

The Company s Chief Executive Officer provides significant input on the compensation, including annual merit adjustments and equity awards, of his direct reports and the other executive officers. As discussed below in Executive Compensation Compensation Discussion and Analysis Oversight and Authority Over Executive Compensation Role of Chief Executive Officer and Management in Executive Compensation, the Compensation Committee approves the compensation of these officers, taking into consideration the recommendations of the Chief Executive Officer.

The Compensation Committee has established a process for considering the independence of compensation consultants, outside counsel and other advisers (other than in-house legal counsel) who serve as compensation advisers before the Compensation Committee selects or receives advice from such compensation advisers. Currently, no conflict of interest issues have been raised regarding such compensation advisers.

During 2016, the Compensation Committee of the Board of Directors engaged Willis Towers Watson (formerly Towers Watson) to provide consulting services on (i) the Compensation Discussion and Analysis and Say on Pay Proposal (ii) shareholder advisory matters, and (iii) compensation arrangements for the Chief Executive Officer, Chief Financial Officer and other executive officers for 2015. During 2015, the Compensation Committee of the Board of Directors engaged Towers Watson to provide consulting services on (i) the Compensation Discussion and Analysis, Say on Pay Proposal and Third Amended and Restated 2003 Equity Incentive Plan Proposal, (ii) shareholder advisory matters, (iii) compensation arrangements for the Chief Executive Officer for 2014, (iv) compensation analysis of the Company s future spin-off spine business Chief Executive Officer, Chief Financial Officer, Chairman of the Board, and non-employee directors, (v) analysis of the equity treatment of the Company in relation to the future spin-off of its spine business, and (vi) market data on non-employee director compensation in 2015. During 2014, the Compensation Committee of the Board of Directors engaged Towers Watson to provide consulting services on (i) the Compensation Discussion and Analysis and the Say on Pay proposal, (ii) shareholder advisory matters, (iii) compensation arrangements for the Chief Executive Officer and Chief Financial Officer for 2013, (iv) Mr. Arduini s amended and restated employment agreement with the Company, (v) the amended and restated employment agreement between John B. Henneman, III, the Company s former Chief Financial Officer, and the Company, and (vi) the design of the Company s annual and long-term incentive plans. During 2013, the Compensation Committee of the Board of Directors engaged Towers Watson to provide consulting services on (i) the Compensation Discussion and Analysis and Say on Pay proposal, (ii) the design of the Company s annual and long-term incentive plans, (iii) change in control and severance guidelines, (iv) market data for the Company s top executive officers compensation in 2012 and (v) market data on non-employee director compensation in 2012.

Finance Committee. The members of the Finance Committee are Mr. Schade (chair), Mr. Howell and Mr. Murphy. The Committee met two times in 2015. The purpose of the Finance Committee is to advise management on matters related to financing strategy, as well as the Company s capital structure and capital allocation initiatives. The Board of Directors has determined that each of the members of the Finance Committee is independent, as defined by the applicable NASDAQ Stock Market listing standards.

DIRECTOR QUALIFICATIONS

As indicated above under Information Concerning Meetings, Executive Sessions and Certain Committees Nominating and Corporate Governance Committee, the Board of Directors has an objective, for its Board membership composition, to assemble a group of directors that can support the business in achieving its goals and represent stockholder interests through the exercise of sound business judgment using its diversity of experience and background. Both the Nominating and Corporate Governance Committee and the Board consider a broad range of diversity for this purpose.

In identifying appropriate candidates to serve as directors, the Board believes that individuals with experience as chief executive officers, chief financial officers or senior executives have demonstrated leadership skills and experience to provide sound business judgment and insights to assist the Company in addressing the issues that the Company faces. In addition, the Board considers public company experience when evaluating director candidates. While the Board values experience in the medical device or life sciences industries, it also seeks to include a broad range of experiences such as academic, financial and international experience. Further, the Board reviews the overall business acumen and experience of each director and considers how that individual could work together with the rest of the Board in serving the Company and its stockholders. Each of our Board members has particular attributes, skills and experiences that contribute to a well-rounded Board. We describe below the particular experiences, qualifications, attributes or skills that led the Board to conclude that each of our directors should serve as a member of our Board.

Mr. Arduini has served as our President and Chief Executive Officer and as a director since January 2012. He joined the Company in November 2010 as President and Chief Operating Officer. Before joining the Company, Mr. Arduini was Corporate Vice President and President of Medication Delivery, Baxter Healthcare, which he joined in 2005. Mr. Arduini was responsible for a $4.8 billion global division of Baxter. Prior to joining Baxter, Mr. Arduini worked for General Electric Healthcare, where he spent much of his 15 years in a variety of management roles for domestic and global businesses. Prior to joining General Electric Healthcare, he spent four years with Procter and Gamble in sales and marketing. The Board greatly values his significant experience and knowledge of the medical device and life sciences industries with a public company, leadership skills, operating skills, international and human resources experience and business acumen.

Dr. Bradley has been a director of the Company since 1992. He has experience as a director of SeaSpine Holdings Corporation, a company listed on the Nasdaq and Highway Insurance plc, a company listed on the London Stock Exchange, as well as a consultant to a number of business, government and international organizations and significant international academic experience and outside board and chair experience. Dr. Bradley s experience and knowledge of the Company, his international business, accounting and executive compensation experience, consulting and teaching background in management and management strategy, as well as outside board experience, enable him to make significant contributions to the Board.

Dr. Caruso founded the Company in 1989 and served as a director since March 1992 and as the Company s Chairman of the Board of Directors from March 1992 until January 2012. As a result, he has significant experience with, and knowledge of, the Company, its operations, products and history. He currently is the President and a member of The Provco Group, a venture and real estate investment company, and is an advisor to several funds that invest in life sciences companies. The Board believes that it benefits greatly by having a director with significant experience and knowledge of the Company and the medical device and life sciences industries, leadership and risk management skills, product and business development expertise, financing and international experience, business acumen and outside board experience.

As indicated below under Board Leadership Structure, Dr. Essig has served as Chairman of the Board of Directors since January 2012 and has been a director since 1997. He served as both President and CEO of the Company from 1997 until 2010 and then as CEO from 2010 to 2012. Prior to joining the Company, he was a managing director at Goldman, Sachs & Co. where he supervised the medical technology practice. In addition, he serves as a board member of St. Jude Medical Corporation and Owens & Minor, Inc., both NYSE-listed companies, as well as SeaSpine Holdings Corporation, a Nasdaq listed company. Previously he served on the board of directors of Zimmer Holdings, Inc., a NYSE-listed medical device company, and ADVAMED, a trade association that represents the medical device industry. Dr. Essig s significant experience in serving as an investment banker for numerous medical device companies, his finance, business development, management, leadership and risk assessment skills, his knowledge of the Company, and his broad knowledge of, and strategic perspective in, the medical device industry, as well as his manufacturing, compliance, public company and outside board experience, make him a highly valued Chairman of the Board.

Ms. Hill is an Operating Partner of NexPhase Capital, a private equity firm. She previously served as an Operating Partner of Moelis Capital Partners, a private equity firm. In addition, she previously served as Chief Executive Officer and a director of ValueOptions, Inc., as Chief Executive Officer and Chairman of the Board of Woodhaven Health Services, and as President and a director of Express Scripts. She also serves as a board member of St. Jude Medical Corporation, a NYSE-listed company and Omega Healthcare Investors, Inc., a NYSE-listed real estate investment trust. Her experience in the healthcare and medical device industry, in leadership and management and her outside board experience provides valuable contributions to the Board.

Mr. Howell is an Executive Vice President as well as the Civil Market Group Leader at Booz Allen Hamilton, where he has held a variety of leadership positions since joining the firm in 1988. At Booz Allen Hamilton, Mr. Howell has led the business in delivering the firm s capabilities and service offerings to both the federal and private sectors. The Board believes that it benefits greatly by having a director who is a seasoned senior executive with extensive business expertise. His management and leadership experience provide valuable contributions to the Board.

Dr. Morel was the Chief Executive Officer of West Pharmaceutical Services, Inc., a manufacturer of components and systems for the packaging and delivery of injectable drugs as well as delivery system components for the pharmaceutical, healthcare and consumer products industries between April 2002 and April 2015. He has significant biomedical and pharmaceutical experience with over 20 years of experience developing and managing programs involving advanced materials for aerospace, biomedical and pharmaceutical applications. In addition, having served in a variety of increasingly responsible roles at West Pharmaceutical Services, Inc., including Chief Operating Officer, head of the drug delivery division and Vice President of Research and Development, Dr. Morel has considerable experience identifying and implementing strategic priorities. Dr. Morel s experience as the Chief Executive Officer of a publicly held life sciences company and as a director of public companies as well as his leadership and management experience make him well qualified to serve on the Board.

Mr. Murphy was Senior Vice President & Treasurer of Time Warner Inc. between 2004 and 2008. He also served in various other leadership positions at Time Warner and at America Online, Inc., Marriott International, Inc., Manor Care, Inc., Ryder System Inc. and WR Grace & Company. His financial, accounting, treasury, business development and risk management expertise, public company experience, leadership skills and outside board experience enable him to make valuable contributions to the Board.

Mr. Schade was the Chief Executive Officer of Novira Therapeutics, Inc., an antiviral drug discovery company, from March 2014 to December 2015 until it was acquired by Johnson & Johnson. In addition, he served as Executive Vice President and Chief Financial Officer of Omthera Pharmaceuticals, Inc., a former public company that is an emerging specialty pharmaceuticals company from September 2011 to July 2013. Prior to that time, he served as Executive Vice President and Chief Financial Officer of NRG Energy, Inc., a NYSE-listed company, since May 2010. He was formerly the Senior Vice President, Finance and Administration, and Chief Financial Officer of Medarex, Inc., a NASDAQ-listed life sciences company prior to its acquisition by Bristol-Myers Squibb Company. He also served in various other leadership positions at Medarex and Merrill Lynch. The Board greatly values his expertise in corporate management, finance, manufacturing, accounting and human resources, his management, leadership, business development and risk management skills, as well as his international experience and significant knowledge and experience in the life sciences industry with a public company.

Mr. Sullivan has been a director since 1992. He is the Senior Advisor to the Clover Investment Group. He has held several top leadership positions with Marriott International, Inc., Tenly Enterprises, Inc., Marriott Corp., Harrah s Entertainment, Inc., Holiday Inns, Inc., Kentucky Fried Chicken Corp. and Heubein, Inc. and was a senior auditor for Arthur Andersen & Co. He has experience as a director of SeaSpine Holdings Corporation, a company listed on the Nasdaq. His experience and knowledge of the Company, financial expertise and experience in corporate management, business development, risk assessment and international business, his background in accounting and auditing, his public company experience with global companies, as well as his outside board experience, are highly valued qualifications.

For additional information on the background and experience of each of our directors, see Proposal 1. Election of Directors.

BOARD LEADERSHIP STRUCTURE

The Company currently has ten members of the Board of Directors, who will serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. The current directors are Peter J. Arduini, Keith Bradley, Ph.D., Richard E. Caruso, Ph.D., Stuart M. Essig, Ph.D., Barbara B. Hill, Lloyd W. Howell, Jr., Donald E. Morel, Jr., Ph.D., Raymond G. Murphy, Christian S. Schade and James M. Sullivan. All current members of the Board are nominees for election to the Board at the 2016 annual meeting of stockholders.

As indicated above, Mr. Arduini has served as both President and Chief Executive Officer and as a director of the Company since January 2012 and as both President and Chief Operating Officer from November 2010 until January 2012. His position is separate from that of the Executive Chairman of the Board. We view having the Chairman position separate from the CEO as putting the Company in the best position to oversee all executives of the Company and set a pro-shareholder agenda without presenting potential conflicts that having the two positions combined might pose. This separation of roles, in turn, leads to a more effective board of directors. As a result, we believe that it is a good corporate governance practice to have separate Chairman and Chief Executive Officer positions.

Stuart M. Essig, Ph.D. has served as Non-Executive Chairman of the Board of Directors since June 2012 and has been a director since 1997. He served as Executive Chairman of the Board from January 2012 to June 2012 as well as President from 1997 to 2010 and as Chief Executive Officer from 1997 to 2012. As a result, he has significant experience with, and knowledge of, the Company, its operations, products and history. In addition, he is a significant stockholder of the Company. We believe that we benefit greatly by having a Chairman with significant experience and knowledge of the Company and whose interests are strongly aligned with those of our stockholders.

The Board of Directors appointed Mr. Sullivan Presiding Director, effective as of May 17, 2012. He has been a director since 1992. Accordingly, he has significant experience with, and knowledge of, the Company, its operations, products and history. We believe that we benefit greatly by having a Presiding Director with significant experience and knowledge of the Company. In addition, the presence of an active and independent Presiding Director ensures independent oversight of the Board of Directors and its responsibilities. Further, we believe that having a separate Presiding Director to, among other things, serve as the primary liaison between the independent directors and the CEO, counsel the CEO on key board governance issues and preside over board meetings if the Chairman of the Board is absent leads to a more effective board of directors.

We believe that the mix of backgrounds, experience, attributes and skills of our directors provides a good balance for the Board composition. See Director Qualifications above for a description of the specific experience, qualifications, attributes or skills of each of our director nominees that the Nominating and Corporate Governance Committee considered relevant in nominating them and Proposal 1. Election of Directors for each director nominee s biographical information.

In addition, we believe that the size of the Board and Board Committees is appropriate, given the size, nature, structure and complexity of the Company.

Accordingly, we believe that our Board leadership structure is appropriate at this time.

THE BOARD S ROLE IN RISK OVERSIGHT

In general, the Board of Directors has overall responsibility for the oversight of risk management at the Company. The Board of Directors has delegated responsibility for the oversight of certain areas of risk management to various Committees of the Board, as described below. Each Board Committee reports to the full Board following each Committee meeting.

The Audit Committee oversees the accounting and financial reporting processes of the Company and the audits of our financial statements. Management meets regularly with the Audit Committee to discuss and review the financial risk management processes. These discussions address compliance with Sarbanes-Oxley (including discussions regarding internal controls and procedures), disclosure controls and procedures and accounting and reporting compliance, as well as tax, treasury and compliance matters. Our internal audit team s responsibilities include providing an annual audit assessment of the Company s processes and controls, developing an annual audit plan using risk-based methodology, implementing the annual audit plan, coordinating with other control and monitoring functions, issuing periodic reports to the Audit Committee and management summarizing the results of audit activities, assisting with investigations of significant suspected fraudulent activities within the organization and notifying management and the Audit Committee of the results. Management also regularly discusses with the Audit Committee liquidity, capital, funding needs and other financial matters.

The Compensation Committee oversees risk relating to executive compensation programs. The Compensation Committee considers compensation risk during its deliberations on the design of our executive compensation programs with the goal of appropriately balancing short-term objectives and long-term performance without encouraging excessive and unnecessary risk-taking behaviors. Management recently conducted a review and risk assessment of the Company s 2016 incentive compensation programs (which cover the executive officers and certain other employees in the United States, Australia, Canada, Europe, New Zealand, Asia Pacific and Latin America regions, Mexico and Puerto Rico) and presented a report to the Board on this subject at its February 2016 meeting. The Compensation Committee reviewed this report and approved the conclusions that (i) our compensation programs are designed with an appropriate balance of risk and reward in relation to our overall business strategy and do not encourage excessive or unnecessary risk-taking behavior and (ii) we do not believe that risks relating to our compensation programs are reasonably likely to have a material adverse effect on the Company. See Risk Assessment Regarding Compensation Policies and Practices below.

The Nominating and Corporate Governance Committee has oversight of corporate governance matters. These matters include evaluation of the performance of the Board, its Committees and members, as well as establishing policies and procedures for good corporate governance.

The Finance Committee has oversight on matters related to financing strategy, as well as the Company s capital structure and capital allocation initiatives.

Each year management presents a detailed report to the Board on the Company s processes in place for assessing and addressing risks, providing periodic reports on compliance regimens and reporting material information to the Board. This report assists the Board in its evaluation of the Company s risk management practices.

Our President and Chief Executive Officer, who functions as our chief risk officer, has responsibility for ensuring that management provides periodic updates to the Board or Board Committees regarding risks in many areas, among them accounting, treasury, information systems, legal, governance, legislative (including reimbursement), general compliance (including sales and marketing compliance), quality, regulatory, corporate development, operations and sales and marketing. Both formal reports and less formal communications derive from a continual flow of communication throughout the Company regarding risk and compliance. We believe that our Board and senior management team promote a culture that actively identifies and manages risk, including effective communication throughout the entire organization and to the Board and Committees.

Our Finance Department and the internal audit team meet with our senior executive team annually to determine whether there is a need to conduct a formal enterprise risk assessment for the Company. This assessment involves many members of management and obtains management s views of all the business risks facing the Company. Management reports to, and discusses with, the Board the results of this enterprise risk assessment. This annual discussion, along with our annual processes for creating and reviewing with the Board our strategic plan, our budget and our internal audit plans, as well as regular processes and communications throughout the Company and periodic updates to the Board and Committees on a broad range of risks, combine to ensure that the Company continually addresses its business risks in a disciplined fashion.

RISK ASSESSMENT REGARDING COMPENSATION POLICIES AND PRACTICES

We recently conducted a risk assessment of our compensation policies and programs, including our executive compensation programs. We reviewed and discussed the findings of the assessment with the Compensation Committee and the full Board of Directors and concluded that our compensation programs are designed with an appropriate balance of risk and reward in relation to our overall business strategy and do not encourage excessive or unnecessary risk-taking behavior. As a result, we do not believe that risks relating to our compensation programs are reasonably likely to have a material adverse effect on the Company. The Compensation Committee reviewed management s report on the review and assessment of such compensation programs and approved these conclusions. In conducting this review, we considered the following attributes of our programs:

- Mix of base salary, annual bonus opportunities and long-term equity compensation;
- Balance between annual and longer-term performance opportunities;
- Alignment of annual and long-term incentives to ensure that the awards encourage consistent behaviors and achievable performance results, without encouraging excessive or unnecessary risk-taking;
- Ability to use non-financial and other qualitative performance factors in determining actual compensation payouts;
- Use of equity awards that vest over time, discouraging excessive or unnecessary risk-taking by senior leadership;
- Generally providing senior executives with long-term equity-based compensation on an annual basis. We believe that as executives accumulate awards over a period of time, they are encouraged to take actions that promote the longer-term sustainability of our business;
- Stock ownership guidelines, with holding periods until guidelines are achieved, that are reasonable and align the interests of the executive officers with those of our stockholders while discouraging executive officers from focusing on short-term results without regard for longer-term consequences; and
- Effective systems and processes in place to identify and assess risk.

Our Compensation Committee considered the risk implications of our compensation practices during its deliberations on the design of our 2016 executive compensation programs, with the goal of appropriately balancing short-term incentives and long-term performance.

DIRECTOR ATTENDANCE AT ANNUAL MEETINGS; SHAREHOLDER

COMMUNICATIONS WITH DIRECTORS

It is our policy to encourage our directors to attend the annual meeting of stockholders. All ten of our incumbent nominee directors attended the 2015 Annual Meeting of Stockholders.

Stockholders may communicate with our Board of Directors, any of its constituent committees or any member thereof by means of a letter addressed to the Board of Directors, its constituent committees or individual directors and sent care of Integra LifeSciences Holdings Corporation, 311 Enterprise Drive, Plainsboro, NJ 08536, Attention: Corporate Vice President, General Counsel, Administration and Secretary.

INFORMATION ABOUT EXECUTIVE OFFICERS

Set forth below is the name, age, position and a brief account of the business experience of each of our current executive officers:

Name	Age	Position
Peter J. Arduini	51	President and Chief Executive Officer and Director
Mark Augusti	50	Corporate Vice President, President Orthopedics and Tissue Technologies
Kenneth Burhop, Ph.D.	62	Corporate Vice President, Chief Scientific Officer
Glenn G. Coleman	48	Corporate Vice President and Chief Financial Officer
Robert T. Davis, Jr.	57	Corporate Vice President, President Specialty Surgical Solutions
Lisa Evoli	46	Corporate Vice President, Chief Human Resources Officer
Richard D. Gorelick	55	Corporate Vice President, General Counsel, Administration and Secretary
John Mooradian	60	Corporate Vice President, Global Operations and Supply Chain
Judith E. O Grady	65	Corporate Vice President, Global Regulatory Affairs
Dan Reuvers	53	Corporate Vice President, President International
Joseph Vinhais	48	Corporate Vice President, Global Quality Assurance

PETER J. ARDUINI is Integra s President and Chief Executive Officer and a director. He joined Integra in November 2010 as President and Chief Operating Officer and was appointed Chief Executive Officer and a director in January 2012. Before joining Integra, Mr. Arduini was Corporate Vice President and President of Medication Delivery, Baxter Healthcare, which he joined in 2005. Mr. Arduini was responsible for a $4.8 billion global division of Baxter focused on inpatient pharmaceuticals and devices. Prior to joining Baxter, Mr. Arduini worked for General Electric Healthcare, where he spent much of his 15 years in a variety of management roles for domestic and global businesses, culminating in leading the global functional imaging business. Prior to joining General Electric Healthcare, he spent four years with Procter and Gamble in sales and marketing. Mr. Arduini serves on the Board of Directors of Bristol-Myers Squibb Company. He serves on the Board of Directors of ADVAMED, the Advanced Medical Technology Association, the Medical Device Innovation Consortium and the National Italian American Foundation. Mr. Arduini received his bachelor s degree in marketing from Susquehanna University and a master s in management from Northwestern University s Kellogg School of Management.

MARK AUGUSTI is Integra s Corporate Vice President and President of Orthopedics and Tissue Technologies. Mr. Augusti is responsible for the management of the Orthopedics and Tissue Technologies global division, which includes extremity implants, tissue products, and the private label business. His responsibilities include U.S. commercial leadership, global portfolio management, evaluation of corporate development opportunities and overall strategic direction. He joined Integra in April 2014 as Corporate Vice President and President of Orthopedics and Tissue Technologies, and brings over 25 years of executive management experience in medical technology. Prior to joining Integra, Mr. Augusti served as Chief Executive Officer at Bioventus LLC, from May 2012 to August 2013, and was a member of the company s Board of Directors during the same period. Prior to that, Mr. Augusti spent nine years with Smith & Nephew, from April 2003 to April 2012, in a series of leadership roles, including President of Smith & Nephew s Biologic Division, where he was appointed to lead Smith & Nephew s new biologics initiative. He also served as Smith & Nephew s President of the Orthopaedic Trauma & Clinical Therapies Global Business and Senior Vice President and General Manager of the Trauma business. Prior to that, from 1987 to 2000, he spent 13 years at GE Medical Systems, where he held various sales, marketing and strategic management roles, both in the U.S. and internationally. Mr. Augusti received his M.B.A. from the UCLA Anderson School of Management, and his B.S. in Computer Science and Economics from Duke University.

KENNETH BURHOP, PH.D. is Integra s Corporate Vice President, Chief Scientific Officer. Dr. Burhop is responsible for setting Integra s strategic scientific vision and roadmap, as well as leading the Company s portfolio prioritization and management and the scientific evaluation of corporate development and new product opportunities. He joined Integra in February 2014 as Senior Vice President, Chief Scientific Officer and was appointed Corporate Vice President in March 2014. Prior to joining Integra, Dr. Burhop served as Chief Scientific Officer at Sangart, Inc., from January 2011 to October 2013. Prior to joining Sangart, Inc., he spent 24 years with Baxter Healthcare Corporation, from 1986 through 2010, in a series of leadership roles such as Vice President, R&D, Baxter Pharmaceutical Technologies and Vice President, Global Scientific Lead for Baxter s Medication Delivery Division, a business with over $4 billion in annual sales. Dr. Burhop received his Ph.D. and M.S. in Veterinary Science from the University of Wisconsin-Madison, and his B.A. in Zoology from the University of Wisconsin-Milwaukee.

GLENN G. COLEMAN is Integra s Corporate Vice President, Chief Financial Officer and Principal Accounting Officer. Mr. Coleman is responsible for the Company s finance department, including accounting and financial reporting, budgeting, internal audit, tax, treasury, risk management, investor relations, as well as information technology. He joined Integra in May 2014 as Corporate Vice President, Chief Financial Officer and Principal Accounting Officer, and has 25 years of experience in financial management positions with leading global businesses. Prior to joining the Company, from 2008 to May 2014, Mr. Coleman served as Vice President Finance, Corporate Controller at Curtiss-Wright Corporation, a $2.5 billion global company headquartered in Charlotte, North Carolina that delivers highly-engineered, critical function products and services to the commercial, industrial, defense and energy markets. Prior to joining Curtiss-Wright in 2008, Mr. Coleman worked at Alcatel-Lucent from 1997 to 2007, in various finance executive leadership positions, including Vice President for the Wireless and Wireline Business Groups, Controller for the Americas region, Vice President of Internal Audit and Finance Director of External and Internal Reporting. Prior to that, Mr. Coleman began his career at PricewaterhouseCoopers LLP where he was the lead Senior Manager for a top global account. Mr. Coleman received his B.S. degree from Montclair State University and has also been a CPA in New Jersey for more than 20 years.

ROBERT T. DAVIS, JR. is Integra s Corporate Vice President, President Specialty Surgical Solutions. His responsibilities within Specialty Surgical Solutions include leadership of sales, marketing, product development, regulatory affairs, quality assurance, Global Services and Repair and manufacturing worldwide. Mr. Davis joined Integra in July 2012 as President of the Global Neurosurgery business and was appointed Integra s Corporate Vice President in December 2012 and President Specialty Surgical Solutions in November 2014. He brings more than 25 years of executive management experience in the global healthcare industry. Prior to joining Integra, Mr. Davis was the General Manager for the Global Anesthesia & Critical Care business at Baxter Healthcare, from 2009 to 2012, and held various general management positions at GE Healthcare in the areas of interventional therapeutics, cardiovascular imaging and diagnostic ultrasound from 1997 to 2009. Mr. Davis earned his B.S. in Sports Medicine from the University of Delaware, a Master s degree in Exercise & Cardiovascular Physiology from Temple University, and an M.B.A. from Drexel University.

LISA EVOLI is Integra s Corporate Vice President, Chief Human Resources Officer. Ms. Evoli is responsible for providing leadership in developing and executing human resources strategy in support of the overall business plan and strategic direction of the organization. She joined Integra as Corporate Vice President, Chief Human Resources Officer in January 2016. Ms. Evoli brings significant global Human Resources leadership experience. Prior to joining Integra, she served as Vice President, Human Resources for the Data & Devices division of TE Connectivity (formerly Tyco Electronics) from September 2012 through December 2015. Prior to working for TE Connectivity, Ms. Evoli held senior global human resources leadership positions with Johnson & Johnson from 2004 through December 2011 in both the Pharmaceutical and Consumer sectors. She held various global human resources leadership roles at Motorola specifically in their Broadband Communications and Automotive groups from 1997 through 2004, and again in April 2011 through August 2012 serving in a Talent Management & Organizational Development leadership role. Ms. Evoli received her B.S. in Business Administration from California University of Pennsylvania and an M.S. in Human Resources / Organizational Development from Villanova University.

RICHARD D. GORELICK is Integra s Corporate Vice President, General Counsel, Administration and Secretary. Mr. Gorelick was appointed Integra s Corporate Vice President in December 2012. He joined Integra as Vice President and General Counsel in 2000, and was appointed Senior Vice President and Corporate Secretary in 2006. Mr. Gorelick also chaired the Human Resources Department from 2008 to 2011 and from

August 2015 to January 2016. He also oversees Environmental, Health and Safety. Prior to joining Integra, he spent four and a half years at Aventis Behring LLC, a global leader in biologics (plasma proteins) as Associate General Counsel, where his practice focused on technology licensing, strategic alliances, acquisitions and managing commercial litigation. Prior to that, Mr. Gorelick worked in the Business and Finance Section of Morgan, Lewis & Bockius LLP, in Philadelphia, where his practice concentrated on transactions, corporate reorganizations, creditors rights and secured transactions. Mr. Gorelick received his A.B. degree from Princeton University and a J.D. degree from the University of California at Berkeley School of Law.

JOHN MOORADIAN is Integra s Corporate Vice President, Global Operations and Supply Chain. His responsibilities include global manufacturing and supply chain. Mr. Mooradian was appointed Integra s Corporate Vice President in December 2012. He joined Integra in September 2012 as Senior Vice President, Global Operations and Supply Chain. Before coming to Integra, Mr. Mooradian spent 24 years at Abbott Laboratories in a series of leadership roles, including managing the Hematology and Point of Care businesses and, more recently, worldwide operations at Abbott Diagnostics Division, a $4 billion business with over 11,000 employees. Prior to Abbott, Mr. Mooradian held several positions at General Motors. Mr. Mooradian received a B.B.A. degree in Management from the University of Texas, Arlington.

JUDITH E. O GRADY is Integra s Corporate Vice President, Global Regulatory Affairs. She was appointed Integra s Corporate Vice President in December 2012. In addition, Ms. O Grady was Corporate Vice President, Global Regulatory Affairs and Corporate Compliance Officer from December 2012 to June 2014, Senior Vice President of Regulatory Affairs, and Corporate Compliance Officer from September 2012 to December 2012, and Senior Vice President, Regulatory Affairs, Quality Assurance, and Corporate Compliance Officer from 2007 to September 2012. Previously, she was Vice President of Regulatory Affairs, Quality Assurance and Clinical Affairs. Ms. O Grady has worked in the areas of medical technology and collagen technology for over 25 years. Prior to joining Integra, Ms. O Grady worked for Colla-Tec, Inc., a Marion Merrell Dow Company. During her career she has held positions with Surgikos, a Johnson & Johnson Company, and was on the faculty of Boston University College of Nursing and Medical School. Ms. O Grady led the team that obtained the approval of the Food and Drug Administration (FDA) for INTEGRA® Dermal Regeneration Template, the first regenerative product approved by the FDA, and has led teams responsible for approvals of the Company s other regenerative product lines as well as more than 600 FDA and international submissions. Ms. O Grady received a B.S. degree from Marquette University and M.S.N. in Nursing from Boston University.

DAN REUVERS is Integra s Corporate Vice President, President International. His responsibilities include executive oversight and leadership of all of Integra s international businesses, including Europe, Middle East, Africa, Latin America, Asia Pacific and Canada. He joined Integra in 2008 as Vice President of Marketing and Product Development for Integra s surgical instruments business and was promoted to President of the acute surgical instruments business in June 2010. He was appointed President Instruments in 2011, Corporate Vice President in December 2012, and President International in November 2013. Mr. Reuvers was President of Omni-Tract Surgical from September 2005 until December 2008, when the company was acquired by Integra. Mr. Reuvers has over 25 years of experience in the medical technology field, including holding various executive level positions in sales, marketing and general management. He serves on the board of directors of Respirtech, Inc.

JOSEPH VINHAIS is Integra s Corporate Vice President, Global Quality Assurance. His responsibilities include strategic direction for corporate quality systems. Mr. Vinhais joined Integra in September 2012 as Senior Vice President, Global Quality Assurance, and was appointed Corporate Vice President in December 2012. Mr. Vinhais has over 20 years of global quality experience in quality assurance, regulatory affairs, compliance, and operations execution. Prior to joining Integra, Mr. Vinhais was head of Quality Assurance, Regulatory Affairs, and Sustainability at Philips Healthcare Imaging Systems, from 2009 to September 2012, where he was responsible for quality assurance and regulatory affairs for the Computed Tomography and Nuclear Medicine business. Prior to Philips, Mr. Vinhais was General Manager of Quality Assurance & Regulatory Affairs at General Electric Healthcare, from 2007 to 2009. Mr. Vinhais received a B.S. in Information Sciences and Systems from Central Connecticut State University, a certificate in Medical Device Management from Worcester Polytechnic Institute, and a certificate in Regulatory Affairs and Compliance from Northeastern University.

PROPOSAL 2. RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The firm of PricewaterhouseCoopers LLP served as our independent registered public accounting firm for fiscal year 2015 and has been selected by the Audit Committee to serve in the same capacity for fiscal year 2016. The stockholders will be asked to ratify this appointment at the Meeting. The ratification of our independent registered public accounting firm by the stockholders is not required by law or our Bylaws. We have traditionally submitted this matter to the stockholders and believe that it is good practice to continue to do so.

If stockholders fail to ratify the selection, the Audit Committee will reconsider whether to retain PricewaterhouseCoopers LLP. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interests of the Company and its stockholders.

During fiscal year 2015, PricewaterhouseCoopers LLP not only provided audit services, but also rendered other services, including tax compliance and planning services.

The following table sets forth the aggregate fees billed or expected to be billed by PricewaterhouseCoopers LLP and affiliated entities for audit and non-audit services (as well as all out-of-pocket costs incurred in connection with these services) and are categorized as Audit Fees, Audit-Related Fees, Tax Fees and All Other Fees. The nature of the services provided in each such category is described following the table.

	Actual Fees	
	2015	2014
	(In thousands)	
Audit Fees	$ 4,030	$ 4,022
Audit-Related Fees	$ 1,923	$ 440
Total Audit and Audit-Related Fees	$ 5,953	$ 4,462
Tax Fees	$ 143	$ 195
All Other Fees	$ 1,099	$ 135
Total Fees	$ 7,195	$ 4,792

The nature of the services provided in each of the categories listed above is described below:

Audit Fees Consists of professional services rendered for the integrated audit of the consolidated financial statements of the Company, quarterly reviews, statutory audits, comfort letters, consents and review of documents filed with the Securities and Exchange Commission.

Audit-Related Fees Consists of services related to the spine business carve out audit and accounting consultations in connection with acquisitions and consultations concerning financial accounting and reporting standards.

Tax Fees Consists of tax compliance (review of corporate tax returns, assistance with tax audits and review of the tax treatment for certain expenses) and state, local and international tax planning and consultations with respect to various domestic and international tax planning matters.

All Other Fees Consists of advisory services and the licensing of accounting research software.

No other fees were incurred to PricewaterhouseCoopers LLP during 2014 or 2015.

The Audit Committee approved all services and fees described above.

Pre-Approval of Audit and Non-Audit Services

Under the Audit Committee Charter, the Audit Committee must pre-approve all audit and non-audit services provided by the independent registered public accounting firm. The policy, as described below, sets forth the procedures and conditions for such pre-approval of such services.

Management submits requests for approval in writing to the Audit Committee, which reviews such requests and approves or declines to approve the requests. The Audit Committee s pre-approval of audit and non-audit services is not required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee regarding the Company s engagement of the independent registered public accounting firm, provided that the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service provided and such policies and procedures do not include delegation of the Audit Committee s responsibilities under the Exchange Act to the Company s management.

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant pre-approvals, provided that such approvals are presented to the Audit Committee at a subsequent meeting. If the Audit Committee elects to establish pre-approval policies and procedures regarding non-audit services, the Audit Committee must be informed of each non-audit service provided by the independent registered public accounting firm.

The Audit Committee has determined that the rendering of the services other than audit services by PricewaterhouseCoopers LLP is compatible with maintaining PricewaterhouseCoopers LLP s independence.

Representatives of PricewaterhouseCoopers LLP are expected to be present at the Meeting and will be allowed to make a statement. Additionally, they will be available to respond to appropriate questions from stockholders during the Meeting.

Required Vote for Approval and Recommendation of the Board of Directors

The affirmative vote of the holders of a majority of the shares present, in person or represented by proxy, at the Meeting and entitled to vote is required to ratify the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year 2016. Abstentions will not be voted and will have the effect of a vote against this proposal. Broker non-votes will not be counted in determining the number of shares necessary for approval and will have no effect on the outcome of this proposal.

The Audit Committee of the Board of Directors has adopted a resolution approving the appointment of PricewaterhouseCoopers LLP. The Board of Directors hereby recommends that the stockholders of the Company vote FOR ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for fiscal year 2016.

PROPOSAL 3. ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

We are seeking our stockholders vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers (NEOs), as described in the Executive Compensation section of this proxy statement beginning on page 23. In deciding how to vote on this proposal, the Board and the Compensation Committee (the Committee) invite you to consider the recent actions that we implemented to our executive compensation programs as stated below. In addition, we summarize our compensation programs more fully in the Compensation Discussion and Analysis section of this proxy statement (the CD&A).

At our annual meeting of stockholders held in May 2015, we submitted a non-binding advisory vote to our stockholders to approve our executive compensation (Say on Pay). Approximately 99% of the stockholders who voted on our Say on Pay proposal voted in favor of it. We attribute that broad support in part to our continued efforts to understand and address the feedback we received from our stockholders. Specifically, we have continued our investor outreach program that includes (i) engaging a third-party firm to interview institutional investors to understand how investors perceive our management team and strategy, including our executive compensation program; (ii) regular meetings with investors to discuss the Company s strategic plan and growth prospects; and (iii) individual, detailed meetings with stockholders to obtain feedback. We have used the results of this program to help guide our thinking about our compensation programs. We will continue our outreach to stockholders and proxy advisors to sustain and, where appropriate, refine alignment on executive compensation practices.

The compensation awarded to our Chief Executive Officer (CEO) and other NEOs for 2015 recognizes the positive financial, operational and shareholder return performance of the Company. The Committee is mindful of its responsibility to align executive compensation with the overall performance of the Company, while taking into consideration the need to provide market competitive compensation in order to recruit and retain highly skilled and experienced executives. The CD&A provides a comprehensive discussion and rationale for the 2015 pay decisions made by the Committee and the correlation to Company performance.

As described in the CD&A, our executive compensation programs are designed to attract, retain and motivate our NEOs, who are crucial to our long-term success. Under these programs, we provide our NEOs with appropriate objectives and incentives to achieve our business goals. In 2015, we implemented the following compensation actions:

- Long-Term Equity Incentive Plan: The Company continued its practice of granting 50% of its annual equity awards to the CEO and CFO in the form of performance stock units. After applying this approach for all other NEOs annual equity awards, the Committee also approved and awarded additional equity compensation to certain NEOs in the form of non-qualified stock options to reflect their and the Company s strong performance in 2014.

- Stock Ownership Guidelines and Retention Requirements: In order to align the long-term interests of the CEO with stockholders, the Company s corporate governance guidelines were amended by increasing the CEO s stock ownership requirement from five times to six times his annual base salary.

- Peer Group: The Company s peer group was amended in order to better align itself with companies that are similar in size (revenue and market capitalization) and in the same industry as Integra and with whom Integra may compete for executive talent.

In addition to the actions stated above, we maintain and continuously review our existing compensation practices through strong corporate governance practices, which feature the following:

- Separation of the Chairman of the Board and the Chief Executive Officer;

- Appointment of a Presiding Director;

- An independent compensation consultant reporting directly to the Committee;

An annual risk assessment of our compensation practices;

Significant stock ownership guidelines that align director and executive officer interests with those of our stockholders;

An annual stockholder advisory vote on executive compensation; and

An Insider Trading Policy that prohibits hedging and pledging of our securities.

We believe that all of these features demonstrate our responsiveness to our stockholders, our commitment to our pay-for-performance philosophy and our goal of aligning management s interests with those of our stockholders to support the creation of long-term value. Accordingly, we ask our stockholders to vote FOR the following advisory resolution at our 2016 Annual Meeting:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion of this Proxy Statement is hereby APPROVED by the stockholders of Integra.

Because the Say on Pay vote is advisory, it will not bind the Company, the Committee or our Board. That said, because we value the opinions of our stockholders, the Committee will review the voting results and take them into consideration when making future decisions regarding executive compensation.

With regard to the frequency of future votes on Say on Pay, the Board determined that it would submit a Say on Pay proposal to our stockholders annually. Therefore, we expect the next stockholder vote to approve the compensation of our named executive officers to occur at the Company s 2017 annual meeting of stockholders.

Required Vote for Advisory Approval and Recommendation of the Board of Directors

The affirmative vote of the holders of a majority of the shares present, in person or represented by proxy, at the Meeting and entitled to vote on the proposal is required for advisory approval of this proposal. Abstentions will have the effect of a vote against this proposal. Broker non-votes will not be counted in determining the number of shares necessary for advisory approval and will have no effect on the outcome of this proposal.

The Board of Directors hereby recommends a vote FOR the advisory resolution set forth in this Proposal 3, approving the compensation of our named executive officers, as disclosed in this proxy statement.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Executive Summary

This Compensation Discussion and Analysis (CD&A) describes our executive compensation program for 2015, which we have continued to refine through feedback from stockholders, continuing assessments of competitive practices, and alignment with our performance. We use this program to attract, motivate and retain our named executive officers (NEOs) and other executives. In particular, we will explain how the Compensation Committee (the Committee) of the Board of Directors (the Board) made 2015 compensation decisions for our 2015 NEOs:

- Peter J. Arduini, our President and Chief Executive Officer (CEO);
- Glenn G. Coleman, our Corporate Vice President and Chief Financial Officer (CFO);
- Mark Augusti, our Corporate Vice President, President Orthopedics and Tissue Technologies;
- Richard D. Gorelick, our Corporate Vice President, General Counsel, Administration and Secretary; and
- Robert T. Davis, Jr., our Corporate Vice President, President Specialty Surgical Solutions.

The Committee establishes the philosophy, approves the design of, and administers our executive compensation program. The report of the Committee appears at the end of this section. In addition to the Company s continuing its enhanced investor outreach program, the Committee has continued to evolve the core elements of its executive compensation program, as follows:

- Utilized a Performance Incentive Compensation Plan (the Bonus Plan) containing a formulaic funding mechanism (based on quantitative metrics) for annual cash bonuses;
- Refined the Long-Term Equity Incentive Plan as it relates to non-qualified stock options for certain NEOs. We continued the practice of granting 50% of the annual equity awards to the CEO and CFO in the form of performance stock units. After applying this approach for all other NEOs annual equity awards, the Committee also approved and awarded additional equity compensation to certain NEOs in the form of non-qualified stock options to reflect their and the Company s strong performance in 2014.
- Granted equity pursuant to the Long-Term Equity Incentive Plan that includes a double-trigger change in control provision and a clawback provision; and
- Created new stock retention requirements for executive officers and directors.

Listening to Our Stockholders

At our 2015 Annual Meeting, approximately 99% of the stockholders who voted on our 2015 Say on Pay proposal voted in favor of the proposal. We believe that this support resulted largely from the continuous improvements that we have made and continue to make in our executive compensation programs and the effect that they have had on the performance of the Company. The Company makes its directors available to institutional investors who wish to discuss the Company s policies and practices, including with respect to executive compensation. Continuing our investor outreach efforts, we gained feedback with respect to our executive compensation programs over the course of the year in a number of different settings. Integra s management team participated in twelve institutional investor conferences where we discussed our strategic plans and growth prospects, and met with over 300 institutional investors. In November 2015, we held an Investor Day to discuss our strategic plans and growth prospects. There were over 150 individual and institutional investors in attendance or listening via webcast. We also held discussions with our largest investors as a result of the spin-off of the Company s orthobiologics and spine fusion hardware business (also referred to as the spine business) and subsequent equity offering. These discussions often included Integra s executive compensation program. The Committee considered the feedback obtained from our investor outreach program when making decisions relating to executive compensation for 2015.

As a result of the stockholder outreach conducted during the past several years and the Committee s own deliberations with the assistance of third-party advisers, we continue to evolve the executive compensation programs. We continue these practices in 2016 in order to reinforce a pay-for-performance culture. The table below provides a summary of (i) the program elements from 2015 and (ii) how we applied those elements in 2016 for performance in 2015 and beyond.

Element	**2015**	**2016+**
Link between performance and compensation	All compensation decisions made in 2015 for 2014 performance reflected an assessment of each NEO s performance against goals established at the beginning of 2014.	Continuing current practices.
	Specific financial objectives for funding the pool for cash incentives, and for each NEO s division or function, were established within the first 90 days of 2015.	50% or more of the equity program is performance-based (see Performance-based stock grants Section in this table below).
	The Company continued its practice of granting 50% of its annual equity awards in the form of PSUs for the CEO and CFO. After applying this approach for all other NEOs annual equity awards, the Committee also approved and awarded additional equity compensation to certain NEOs in the form of non-qualified stock options to reflect their and the Company s strong performance in 2014.	Because the Company met its 2015 financial metrics provided in the Bonus Plan, the Company paid cash bonuses to the NEOs in 2016 for 2015 performance under the Bonus Plan.
	The restricted stock units granted to the CEO in 2015 are deferred and will not be delivered until after the CEO s departure.	
	Because the Company met its 2014 financial metrics provided in the Performance Incentive Compensation Plan (the Bonus Plan), the Company paid cash bonuses to the NEOs in 2015 for 2014 performance under the Bonus Plan.	

Element	**2015**	**2016+**
Use of discretion	The Bonus Plan approved at the 2013 Annual Meeting provides the Committee with only negative discretion to reduce (but not increase) cash incentive payments intended to constitute qualified performance-based compensation. The Bonus Plan is designed to meet the requirements of Section 162(m) of the Internal Revenue Code (Section 162(m)) to allow tax deductibility for payments intended to qualify as performance-based compensation. Includes a clawback provision. The Company funded the overall annual cash incentive pool for 2014 performance pursuant to the Bonus Plan at 102% of target. Based on strong financial and other qualitative measures in 2014, the Company s NEOs earned cash bonuses for 2014 performance paid in March 2015 up to 135% of each NEO s respective target. The Committee determined such cash bonuses based upon the strong individual performance of each of the NEOs, achievement of several critical business priorities ahead of expectations, successfully meeting or exceeding strategic objectives, optimizing the Company s organizational structure, systems and processes, and meeting the objectives to enhance overall commitment to quality and regulatory compliance.	Continuing current practices. The Company funded the overall annual cash incentive pool for 2015 performance pursuant to the Bonus Plan at 147% of target. Based on strong financial and other qualitative measures of performance in 2015, the Company s NEOs earned cash bonuses for 2015 performance paid in March 2016 up to 150% of each NEO s respective target. The Committee determined such cash bonuses based upon the strong individual performance of each of the NEOs, achievement of several critical business priorities ahead of expectations, successfully meeting or exceeding strategic objectives, optimizing the Company s organizational structure, systems and processes, and meeting the objectives to enhance overall commitment to quality and regulatory compliance.

Element	2015	2016+
Performance-based stock grants	50% of the CEO s and CFO s 2015 equity grant was in the form of PSUs with annual vesting over three years contingent on achieving a 3% annual revenue growth goal.	Continuing current practices for the CEO and CFO except as stated below.
	In addition to the 50% of the 2015 equity grant for the CEO and CFO being in the form of PSUs, 30% of such 2015 equity grants were in the form of non-qualified stock options, which the Committee, Board and management view as performance-based equity.	50% of each NEO s 2016 equity grant (including the CEO and CFO) was in the form of PSUs with annual vesting over three years contingent on achieving three-year cumulative revenue growth performance goals, measured during each fiscal year of the performance period;
	The Company continued its practice of granting 50% of its annual equity awards to all other NEOs in the form of PSUs. After applying this approach for 2015 equity awards for 2014 performance, the Committee also approved and awarded additional equity compensation to certain NEOs in the form of non-qualified stock options to reflect their and the Company s strong performance in 2014.	30% of each NEO s 2016 equity grant (including the CEO and CFO) was in the form of non-qualified stock options, which the Committee, Board and management view as performance-based equity.
	Each grant considered 2014 performance; Future potential and retention needs; and Competitive market data considerations.	Each grant considered: 2015 performance; Future potential and retention needs; and Competitive market data considerations.
	Both of the (i) second installment of the PSUs granted to the NEOs in 2013 vested in 2015 and (ii) first installment of the PSUs granted to the NEOs in 2014 vested in 2015 because the 2014 performance goal, based on revenue growth, was met. The first installment of the PSUs granted to the NEOs in 2013 that failed to vest in 2014 remained available to vest based on the achievement of a catch-up performance goal measured over the entire performance period.	The (i) third installment of the PSUs granted to the NEOs in 2013, (ii) second installment of the PSUs granted to the NEOs in 2014, and (iii) first installment of the PSUs granted to the NEOs in 2015, all vested in 2016 because the 2015 performance goal, based on revenue growth, was met. In addition, the first installment of the PSUs granted to the NEOs in 2013 that failed to vest in 2014 also vested based on the achievement of the catch-up performance goal measured over the entire performance period.

Element	2015	2016+
Peer group	Integra s peer group focuses on the medical technology industry and considers the complexity of Integra s business, competitors for executive talent, as well as relative size (revenue and market cap). The Committee reviewed compensation of our NEOs relative to our peers, and as a result of our review, we made the following changes to our peer group in December 2015: (i) we removed CareFusion Corporation (acquired by Becton Dickinson) and Symmetry Medical Inc. (acquired by Tecomet) and (ii) added Abiomed, Inc. and Varian Medical Systems, Inc.	Will continue to focus on the medical technology industry, Integra s complexity, competition for executive talent and relative size (revenue and market cap), making adjustments to the peer group as necessary given the aforementioned criteria. We will review compensation of our NEOs relative to our peers on an annual basis.
Change In Control provisions for equity awards	Continue to utilize double trigger provisions implemented in 2013 for acceleration of equity awards.	Continuing current practice.
Compensation recoupment (clawback) policy	Continue to utilize clawback policy implemented in 2013 that pertains to both the equity plans and Bonus Plan.	Continuing current practice.
Pre-clearance, Anti-hedging/pledging policy	Continue to mandate pre-clearance requirements to a broader group of executives. Continue to follow the anti-hedging/pledging policy that was implemented in 2013.	Continuing current practice.

The Company will continue its outreach to stockholders on an on-going basis to sustain and, where appropriate, refine alignment on executive compensation practices.

Philosophy

The Committee determines our executive compensation philosophy, which is to align each executive s compensation with Integra s short- and long-term performance. Accordingly, we have designed our executive compensation programs to enhance Integra s ability to attract, retain and engage executives who are essential to Integra s continued growth and success, and reward them when they deliver strong performance.

We linked our 2015 annual cash incentive program to financial metrics including revenue, adjusted earnings before interest, taxes, depreciation and amortization (EBITDA), and operating cash flow which we believe drive the profitability and growth of the Company and long-term shareholder return. Cash incentive awards for NEOs are linked to the achievement of these financial metrics as well as performance of other objectives to advance the long-term strategy of the Company.

Our long-term equity incentive awards are aligned with stockholder interests because they focus on performance for grants and vesting as well as retention, and to facilitate long-term stock ownership.

In addition to stock ownership requirements for executive officers (increasing the CEO s stock ownership holding requirements from five times to six times his base salary), our CEO holds certain equity grants whose payment is deferred until after he leaves the Company.

All compensation actions also are considered in the context of appropriately managing risk.

Overall, we design our compensation programs to attract and retain executives capable of (i) leading our Company, which is substantially more complex, international, and diversified in its business than other medical technology companies of comparable revenues, and (ii) growing our Company more rapidly than industry peers, consistent with our long-term objective to become a multi-billion dollar global, diversified, medical technology company.

In determining NEO compensation for 2015, some decisions, such as targets, were made in advance, while others, such as the determination of annual cash bonus awards for 2015 under the Bonus Plan and the long-term equity incentive awards, were made after performance could be evaluated. As a result, the Committee considered elements of the compensation for our NEOs at various times beginning in late 2014 and ending in early 2016.

2015 Company Performance

Integra made considerable changes and progress toward transforming the Company during 2015, as it advanced toward becoming a multi-billion dollar, global medical technology company. We outlined our strategy in 2012 to optimize our structure, execute consistently and accelerate growth. Since then, we have made significant progress on each of these fronts. We have addressed substantial challenges over the past three years, and we are now at an exciting and pivotal point to accelerate growth. The following represent our key accomplishments in 2015:

- Completed the spin-off of our orthobiologics and spine fusion hardware business into SeaSpine Holdings Corporation (SeaSpine), a publicly held company, which we believe created value by allowing both companies, Integra and SeaSpine, to drive better results and grow faster with a greater focus on their respective markets;

- Integrated our simplified, two-division global structure, with a greater focus on international presence, and aligned our resources to our divisions, increasing our ability to make faster decisions and to leverage our cost base;

- Closed three acquisitions in 2015, deepening and strengthening our product portfolios TEI broadens our current Regenerative Wound Care portfolio and provides a wound channel focused on the outpatient clinic, a key element of the successful mid-2016 introduction of our Diabetic Foot Ulcer product, Omnigraft ; the Salto Talaris® ankle and the Futura toe from Tornier further diversifies our lower extremity portfolio; and Tekmed, an exclusive distributor in the Italian medical sector for over 25 years will allow us to expand our European infrastructure, support our growth in Italy, and help us accelerate our international growth;

- Increased our borrowing capacity from $900 million to $1.1 billion through an amended credit facility with terms extended through 2019;

- Completed an equity offering of 3,795,000 shares of common stock at $61.00 per share, raising approximately $230 million in August 2015;

- Demonstrated the strength of our underlying businesses and the success of our new product launches by improving our organic revenue growth profile during 2015 and achieving full year organic revenue growth of 6.7%; and

- Advanced our diabetic foot ulcer strategy, for which we submitted the Premarket Approval Supplement application to the FDA in February 2015, published our FOUNDER Study in a peer-reviewed journal in August 2015, and received FDA approval of the PMA Supplement for Integra® Dermal Regeneration Template for the treatment of diabetic foot ulcers in January 2016, all of which contribute to our plans to initiate a U.S. commercial launch in mid-2016, potentially opening up the large and strategic outpatient wound care market.

Stock Performance

Our stock generated a three-year total return for stockholders of 92.4% from 2013 through 2015, compared to 90.2% for our peer group of companies and 65.8% for the NASDAQ Composite Index. For the year ended December 31, 2015, we ranked in the 61st percentile of total returns for the three-year period of our peer group.

* For the full roster of members of our Peer Group, please refer to the section below entitled Our Peer Group and the Markets in Which We Compete.

2015 Performance Versus Financial Metrics

In 2015, we exceeded our revenue, adjusted EBITDA, operating cash flow and EBITDA targets. These results reflect significant progress made during 2015 on a series of strategic initiatives designed to help the Company grow. Our financial performance versus our targets is reflected below.

2015 Financial Performance Targets

	2015 Target	2015 Results	Result as % of Target
Revenue*	$ 834.5 Million	$ 882.7 Million	106%
Adjusted EBITDA*	$ 185.0 Million	$ 195.6 Million	106%
Operating Cash Flow*	$ 80.5 Million	$ 106.7 Million	133%
EBITDA	$ 89.3 Million	$ 138.8 Million	155%

* On a continuing operations basis

See Appendix B Reconciliations of Non-GAAP Financial Measures for a more detailed explanation of Adjusted EBITDA and EBITDA.

In February 2015, the Committee established the threshold objective 162(m) goal (70% of prior year EBITDA) as well as the 2015 performance targets under the Bonus Plan. The 2015 performance targets, revenue, adjusted EBITDA, and operating cash flow were all adjusted to reflect Integra s performance on a continuing operations basis as stated above by the Committee in July 2015 pursuant to the Company s spin-off of its orthobiologics and spine fusion hardware business.

The Company used these metrics again for 2015 because they provided a sound basis to measure profitability and growth and because many stockholders rely upon some or all of these metrics to evaluate the Company. Our strategy is to increase our profit margins over the long term by (i) growing in size, including by acquisition, (ii) optimizing the business by consolidating manufacturing into centers of excellence, leveraging our new two-division global structure, and implementing common quality and information systems, and (iii) developing and recruiting leaders who effectively execute our most important programs and who can manage important functions in a complex global medical technology company**.**

Linking Financial Performance to Pay in 2015

Our strong financial performance against our metrics determined how we funded the 2015 pool for cash incentive payments for NEOs. The following is a brief discussion on our performance against these metrics:

Revenues: We increased reported revenues 10.8% to $882.7 million last year, exceeding our 2015 goal of $834.5 million;

Adjusted EBITDA: Our adjusted EBITDA (see Appendix B Reconciliations of Non-GAAP Financial Measures), increased 13.6% during 2015 to $195.6 million, which exceeded our target of $185.0 million;

Operating Cash Flow: We increased operating cash flow 81.3% during 2015 to $106.7 million, which exceeded our target of $80.5 million;

EBITDA: Our 2015 EBITDA (see Appendix B Reconciliations of Non-GAAP Financial Measures), was $138.8 million, which increased from $127.5 million EBITDA in the prior year and exceeded our target of 70% of prior year EBITDA, or $89.3 million. This goal was set for purposes of tax deductibility under Section 162(m) and to establish the minimum amount of profitability necessary to warrant payment of any bonuses to NEOs, such that if the Company did not meet or exceed this objective, the pool for cash incentive payments for NEOs would not be funded.

To demonstrate our efforts to link pay for performance, it is important to note that (i) the third installment of the PSUs granted to the NEO s in 2013 as well as the first installment based on the achievement of the catch-up performance goal, (ii) the second installment of the PSUs granted to the NEOs in 2014 and (iii) the first installment of the PSUs granted to the NEOs in 2015 all vested in 2016 because the 2015 performance goal, based on 3% revenue growth, was met as well as the 2013 PSU catch-up performance goal, a compound annual revenue growth rate of at least 3% from the Company s 2012 fiscal year during the performance period from 2013 through 2015. Specifically, revenues increased from $796.7 million in 2014 to $882.7 million in 2015, an increase of 10.8%. For more information, please refer to the section below entitled Refined Long-Term Equity Incentive Plan.

Once the Committee determined the funding of the 2015 pool for cash incentive payments, the Committee considered several additional factors in finalizing the awards to NEOs. The Company successfully met or exceeded its strategic objectives for 2015. Integra achieved its financial objectives and reported significant improvement on all of its key financial metrics, including organic revenue growth, reported revenue growth, adjusted gross margin, adjusted EBITDA margin, operating cash flow and free cash flow conversion. Integra also met its goals of optimizing its organizational structure, systems and processes, marked by the completion of the spin-off of the spine business and the realignment and integration into a two-divisional global structure. The Company also met its objective to enhance its overall commitment to quality and regulatory compliance. Finally, the Company continued to make progress in developing its people. In addition to accomplishing the outlined objectives for 2015, the Company also met several critical priorities ahead of expectations. Overall, the Committee determined that the Company s performance exceeded its objectives for 2015 and awarded the NEO pool with cash incentive payments for 2015 that were above target.

Executive Compensation for 2015

In 2015, we continued to follow and implement our executive compensation approach that we have evolved since 2012 based upon feedback from our stockholders in our enhanced investor outreach program. Specifically, starting in 2013, we transitioned to a new executive compensation program that improved the alignment of Integra s executive compensation with metrics that drive total stockholder return and holds management accountable for the Company s financial performance and progress towards the Company s strategic objectives and goals.

Performance Incentive Compensation Plan (the Bonus Plan)

The Committee approved the Bonus Plan in January 2013, which the full Board then approved in February 2013, and the stockholders then approved in May 2013, which remains in effect. The following are the highlights of the Bonus Plan:

Under the Bonus Plan, cash bonuses may be paid based on the Company s achievement of performance goals that the Committee determined within the first 90 days of the year.

Weighting of metrics to fund the incentive pool for 2015 performance pursuant to a formula that includes percentage weightings for revenue (40%), adjusted EBITDA (30%), and operating cash flow (30%).

For 2015 performance, the 2015 NEOs were eligible for cash incentive payments only if the Company achieved its EBITDA goal of at least 70% of its prior year EBITDA.

The Committee has only negative discretion to reduce (and not increase) the amount of the bonus pool funded, and subsequently the awards to NEOs which are intended to comply with Section 162(m).

Each NEO in the Bonus Plan has an established target bonus opportunity, with no minimum (that is, the actual payment could be 0%) and a cap at 150% of his or her target (cap of 182% for the CEO, which is 200% of the CEO s base salary).

The Bonus Plan is designed to allow awarding compensation that is intended to meet the requirements of Section 162(m) to allow tax deductibility.

Includes a clawback provision.

Determining Awards for 2015 Performance under the Bonus Plan

The Committee established the following target awards for 2015 performance for our NEOs:

Named Executive Officer	Title	Cash Incentive Plan Target as a % of Base Salary
Peter J. Arduini	CEO	110%
Glenn G. Coleman	CFO	50%
Mark Augusti	CVP	40%
Richard D. Gorelick	CVP	35%
Robert T. Davis, Jr.	CVP	40%

None of our NEOs has a cash incentive guarantee. None may earn an award in excess of 150% of his/her target, other than the CEO who may earn an award up to 182% of his target, which is 200% of his base salary.

The Bonus Plan provides a clear process for determining bonuses for NEOs.

Threshold Objective for NEOs for 2015 Performance

The Committee established a threshold objective for 2015 performance (70% of prior year EBITDA from continuing operations) for the 2015 NEOs based on the prior year s EBITDA from continuing operations, for the purposes of tax deductibility under Section 162(m), because the

Committee believes that this is the most complete single metric to assess the Company s performance. The Committee reduced the goal from 80% to 70% in order to account for the Company s spin-off of the spine business. The Company achieved this goal in 2015 resulting in funding of the Bonus Plan as stated below.

Upon achievement of the EBITDA goal, the bonus for such NEOs is funded at the maximum (150% of their targets). Thereafter, the Committee has the ability to exercise only negative discretion in order to determine the actual cash incentive payment for such NEOs based on the funding of the Company s annual cash incentive pool pursuant to the metrics set forth in the table below and such NEO s performance.

Cash Incentive Pool Funding Model for 2015 Performance

The Bonus Plan was designed to fund an overall pool based on financial metrics for all participants. The aggregate amount of the final payments to all participants, including such NEOs, may not exceed the overall funded pool. The Company s pool funding model for 2015 performance was as follows:

2015 Performance Metric	Weight	Below Threshold	THRESHOLD GOAL	TARGET GOAL	MAX GOAL
REVENUE	40%	95.9%	96%	100%	104%
ADJUSTED EBITDA	30%	92.9%	93%	100%	107%
OPERATING CASH FLOW	30%	84.9%	85%	100%	115%
Cash Incentive Pool Funding as % of Target		0%	20%	100%	150%

The Committee approved these metrics for 2015 performance because they are key indicators as to the strength of the business, and we believe that they drive stockholder returns over the long term. Because the Company s results exceeded the threshold goals for the performance metrics consisting of revenue, adjusted EBITDA and operating cash flow, the cash incentive pool was funded for all eligible participants.

Negative Discretion to Determine Final Payout for 2015 Performance

The Committee has negative discretion to reduce awards for each NEO for 2015 performance based on the following metrics:

- 65% weight on financial and quantitative measures including revenue, operating cash flow and adjusted EBITDA, in addition to other division-specific financial metrics.

- 35% weight on qualitative measures including leadership objectives and strategic initiatives.

Determining Awards for 2016 Performance under the Bonus Plan

The Committee established the following target awards for 2016 performance for the following NEOs:

Named Executive Officer	Title	Cash Incentive Plan Target as a % of Base Salary
Peter J. Arduini	CEO	110%
Glenn G. Coleman*	CFO	60%
Mark Augusti*	CVP	50%
Richard D. Gorelick*	CVP	45%
Robert T. Davis, Jr.*	CVP	50%

* The NEO s target award for 2016 performance increased from the prior year in order to maintain market competitiveness.

None of our NEOs has a cash incentive guarantee. None may earn an award in excess of 150% of his/her target, other than the CEO who may earn an award up to 182% of his target, which is 200% of his base salary.

The Bonus Plan provides a clear process for determining bonuses for NEOs.

Threshold Objective for NEOs for 2016 Performance

The Committee has established a threshold objective for 2016 performance (70% of prior year EBITDA from continuing operations) for the NEOs based on the prior year s EBITDA from continuing operations, which the Committee believes is the most complete single metric to assess the Company s performance. If the goal is achieved, the bonus for each NEO will be funded at the maximum (150% of his or her target). Thereafter, the Committee may exercise only negative discretion in determining the actual cash incentive payment for each NEO, using only the funding of the Company s annual cash incentive pool pursuant to the metrics set forth in the table below and each NEO s performance.

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Cash Incentive Pool Funding Model for 2016 Performance

The Bonus Plan funds an overall pool based on financial metrics for all participants. The aggregate amount of the final payments to all participants, including the NEOs, may not exceed the overall funded pool. The Company s pool funding model for 2016 performance is shown below. The Committee approved these metrics for 2016 performance because they are key indicators as to the strength of the business, and we believe they drive stockholder returns over the long term.

2016 Performance Metric	Weight	Below Threshold	THRESHOLD GOAL	TARGET GOAL	MAX GOAL
REVENUE	40%	95.9%	96%	100%	104%
ADJUSTED EBITDA	30%	92.9%	93%	100%	107%
OPERATING CASH FLOW	30%	84.9%	85%	100%	115%
Cash Incentive Pool Funding as % of Target		0%	20%	100%	150%

Negative Discretion to Determine Final Payout for 2016 Performance

The Committee has negative discretion to reduce awards for each NEO for 2016 performance based on the following metrics:

65% weight on financial and quantitative measures including revenue, operating cash flow and adjusted EBITDA, and other division-specific financial metrics.

35% weight on qualitative measures including leadership objectives and strategic initiatives.

Long-Term Equity Incentive Plan

2015 Equity Grants

We amended our equity plan effective January 1, 2013 (applicable to awards granted on or after that date) (i) to revise the trigger for accelerated vesting after a change in control from a single trigger (meaning that the accelerated vesting shall occur in connection with the change in control) to a double trigger (meaning that the accelerated vesting occurs upon both the change in control and a qualifying termination of employment), and (ii) to add a clawback provision that requires under certain circumstances the return of compensation received on the basis of financial statements that are subsequently restated.

The 2015 annual equity grant to each of our NEOs was based on their performance over the long-term and during 2014, each NEO s long-term potential and retention considerations and information about the market for comparable executives.

In March 2015, Messrs. Augusti, Gorelick, and Davis received an annual equity grant consisting of 50% restricted stock and 50% PSUs. After applying this approach, the Committee also approved and awarded additional equity compensation to Messrs. Gorelick and Davis in the form of non-qualified stock options to reflect their and the Company s strong performance in 2014. The restricted stock awarded to the NEOs vests annually over three years. The PSUs vest annually over three years contingent on achieving our revenue growth goal. The non-qualified stock options pertaining to Messrs. Gorelick and Davis vest annually over four years. For information on the following grants stated below, please refer to the section entitled Annual Review of Compensation :

The CEO s (50% PSUs, 30% non-qualified stock options, and 20% restricted stock units) 2015 annual equity award;

The CFO s (50% PSUs, 30% non-qualified stock options, and 20% restricted stock) 2015 annual equity award;

Mr. Augusti s April 2015 restricted stock award; and

Messrs. Coleman and Gorelick s November 2015 non-qualified stock options award.

The PSUs granted to NEOs in March 2015 shall vest as follows:

If the Company achieves the performance goal with respect to fiscal year 2015, the PSUs will vest with respect to one-third of the shares covered thereby on the later of (A) the first anniversary of the award date or (B) the date on which the Committee took the action determining that the Company achieved the performance goal with respect to fiscal year 2015.

Because annual revenues of the Company increased from 2014 to 2015 by our goal of 3% (revenues increased from $796.7 million in 2014 (adjusted pursuant to the Company s spin-off) to $882.7 million in 2015, an increase of 10.8%), the Company achieved its performance goal with respect to fiscal year 2015, and as a result, vesting occurred with respect to one-third of the shares covered by the PSUs granted to the NEOs in 2015.

If the Company achieves the performance goal with respect to fiscal year 2016, the PSUs shall vest with respect to one-third of the shares covered thereby on the later of (A) the second anniversary of the award date or (B) the date on which the Committee takes the action determining that the Company achieved the performance goal with respect to fiscal year 2016; and

If the Company achieves the performance goal with respect to fiscal year 2017, the PSUs shall vest with respect to one-third of the shares covered thereby on the later of (A) the third anniversary of the award date or (B) the date on which the Committee takes the action determining that the Company achieved the performance goal with respect to fiscal year 2017.

The performance period for the 2015 grants is the three-year period beginning January 1, 2015 and ending December 31, 2017. With respect to each fiscal year in the performance period for the 2015 grants, the performance goal is that the Company achieves an increase in annual revenue of at least 3% over the prior fiscal year. If the minimum growth goal is not achieved in a given year, vesting will not occur with respect to the shares covered by the performance goal for that year. In that situation, in order to achieve full vesting of the 2015 grants, the catch-up performance goal must be achieved. The catch-up performance goal for the 2015 grants is that the Company achieves, during the performance period, a compound annual growth rate in the Company s annual revenue equal to or greater than 3% from the Company s 2014 fiscal year-end. Therefore, even if the annual revenue growth goal is not met during any year of the performance period, the full award can still be fully earned and vested after the completion of the performance period if the catch-up goal is achieved.

The catch-up performance goal exceeds the performance goal for any individual year because the catch-up goal requires compounded revenue growth, and the goals for the individual years do not. Because the revenue goal was met for the 2015 performance year for the 2015 PSU grant, this catch-up provision is not yet applicable. If the revenue goal is not met for either or both of the 2016 and 2017 performance years for the 2015 PSU grant, this catch-up provision will apply.

2016 Equity Grants

Our annual equity grants are intended to provide long-term incentive and performance-based compensation to our NEOs. Accordingly, the amount of the 2016 annual equity grant to each of our NEOs is based on their performance over the long-term and during 2015, each NEO s long-term potential and retention considerations, and information about market practices for comparable executives.

In March 2016, Messrs. Coleman, Augusti, Gorelick, and Davis each received an annual equity grant consisting of 50% PSUs, 20% restricted stock, and 30% non-qualified stock options. The restricted stock vests annually over three years. The PSUs vest annually over three years contingent on achieving our revenue growth goal. The non-qualified stock options vest annually over four years (other than for Mr. Coleman whose non-qualified stock options vest annually over three years). For information on the CEO s 2016 annual equity award (50% PSUs, 30% non-qualified stock options, and 20% restricted stock units), please refer to the section below entitled Annual Review of Compensation.

The PSUs granted in March 2016 will vest in annual installments (assuming the annual revenue growth performance goal is achieved each year) with a three-year performance period beginning January 1, 2016 and ending December 31, 2018. Each NEO is eligible to vest in and receive a number of shares of the Company s common stock ranging from zero percent (0%) to one-hundred and fifty percent (150%) of the target number of shares of performance stock granted based on the Company s achievement of goals relating to the increase in the Company s annual revenue over the initial revenue target, defined as the Company s revenue for the fiscal year ended December 31, 2015, during each fiscal year of the performance period running from January 1, 2016 through December 31, 2018 as detailed below:

	Increase in Annual Revenue over the Initial Revenue Target (%)	**Performance Vesting Percentage**
2016 PERFORMANCE YEAR		
	< 3%	0%
Threshold Level	3%	50%
Target Level	7%	100%
Maximum Level	³ 11%	150%
2017 PERFORMANCE YEAR		
	< 6%	0%
Threshold Level	6%	50%
Target Level	14%	100%
Maximum Level	³ 22%	150%
2018 PERFORMANCE YEAR		
	< 9%	0%
Threshold Level	9%	50%
Target Level	21%	100%
Maximum Level	³ 33%	150%

If the increase in annual revenue over the initial revenue target for any performance year falls between the threshold level and the target level, then the performance vesting percentage shall be determined by means of linear interpolation between the threshold level and target level performance vesting percentages specified above; and if the increase in annual revenue over the initial revenue target for any performance year falls between the target level and the maximum level, then the performance vesting percentage shall be determined by means of linear interpolation between the target level and maximum level performance vesting percentages specified above.

If the performance goal with respect to a given fiscal year is not achieved at the target level or higher, and the Company achieves the catch-up goal defined as a target cumulative revenue growth rate goal over the three-year performance period, then additional shares of performance stock will vest, on the third anniversary of the grant date, as though the performance goal for such fiscal year was achieved at the target level.

PSUs Metric and Goal Setting Considerations

Revenue and revenue growth is a critical focus for the Company, and is therefore a metric used in our awards of PSUs (revenue growth) as well as the metric used in the Bonus Plan (revenue). Profitable growth is a core component of our strategy. In our industry, the increasingly competitive and complex landscape, increasing global regulation, and overall pricing pressure have driven an even stronger correlation between scale and profitability, as measured by revenue. These considerations drive our strategy and annual objectives. As a result, we believe that linking our equity grants to revenues creates an appropriate way to measure and reward performance and drive profitable growth.

We annually review the metrics (and related goal targets) used in our annual and long-term incentive programs to ensure they remain aligned with Integra s strategic plan. The three-year annual revenue growth goal derives from a rigorous process that involves input and discussions among the President and CEO, internal human resources and finance personnel, the Company s compensation consultants, the Committee, and the Committee s compensation consultants and legal advisors.

Key Governance Features Relating to Executive Compensation

The Committee has a number of corporate governance features related to executive compensation, which we summarize below. We believe that these mechanisms assure the alignment of our executive compensation with the interests of stockholders.

Element	**Purpose**	**Key Characteristics**
Stock ownership guidelines and retention requirements	To align the long-term interests of NEOs with stockholders	The CEO is required to own shares equal to 6x his annual salary; the CFO is required to own 2x his annual salary; other NEOs are required to own 1x their annual salaries. All of our NEOs have met these requirements or are still within the initial five-year period from the commencement date of employment to still comply with these requirements. The NEOs are required to hold stock received from the Company pursuant to the stock ownership guidelines.
Compensation recoupment (clawback) policy	To ensure that compensation is paid only upon proven results.	If a restatement of our financial statements is required to correct a material error or inaccuracy due to the fraud or intentional misconduct of an NEO, the Committee can recoup from that NEO bonuses or equity awards awarded on or after January 1, 2013 and cancel outstanding bonus or equity award opportunities.
Anti-hedging/pledging policy	To ensure that equity compensation is an effective method to align the interests of NEOs and stockholders.	No NEO may hedge or pledge our securities. Also, all NEOs must pre-clear trades involving Company stock with our Law Department.
No gross-ups	To reflect sound executive compensation governance practices, manage the cost of compensation to the Company, and recognize that the burden for payment of taxes on income falls on employees.	No NEO is eligible to receive any tax gross-ups on perquisites or excise taxes, such as Section 280G taxes in the event of a change of control.

Element	Purpose	Key Characteristics
Double trigger change in control arrangements	To prevent undue gains in the event of a change in control.	Our equity plans and equity grant agreements require a qualifying termination of employment in addition to a change in control in order to accelerate vesting of equity awards granted on or after January 1, 2013. In addition, all change in control provisions in our employment and change-in-control severance agreements for NEOs require a qualifying termination of employment in addition to a change in control before triggering change in control benefits.
Annual equity awards	To retain and attract highly qualified NEOs and tie their performance to the performance of our stock, thus aligning their interests with the interests of our stockholders.	We include annual equity as a primary component of the long-term compensation of our NEOs. In 2015 and 2016, the grant value of the annual equity awards was determined based on each NEO s performance and potential. In March 2015, Messrs. Augusti, Gorelick, and Davis received an annual equity grant consisting of 50% restricted stock and 50% PSUs. After applying this approach, the Committee also approved and awarded additional equity compensation to Messrs. Gorelick and Davis in the form of non-qualified stock options to reflect their and the Company s strong performance in 2014. In addition, in March 2015, the CEO received an annual equity award of 50% PSUs, 30% non-qualified stock options, and 20% restricted stock units and the CFO received an annual equity award of 50% PSUs, 30% non-qualified stock options, and 20% restricted stock. In March 2016, Messrs. Coleman, Augusti, Gorelick, and Davis received an annual equity award of 50% PSUs, 30% non-qualified stock options, and 20% restricted stock. In March 2016, the CEO received an annual equity award of 50% PSUs, 30% non-qualified stock options, and 20% restricted stock units.

Element	Purpose	Key Characteristics
Bonus Plan	To provide annual cash incentive opportunities based on the achievement of performance goals and satisfy Section 162(m) requirements for awards intended to qualify as performance-based compensation.	In 2013, we adopted (and shareholders approved) a performance-based cash incentive plan designed to allow the Committee to grant bonuses intended to be qualified performance-based compensation under Section 162(m).
Cap on annual cash incentives	To achieve the appropriate balance between fixed and variable compensation.	We limit the amount of any annual bonus awarded to any NEO to a maximum of 150% of the related target award (other than the CEO who has a maximum of 182% of his related target award).
No minimums or guarantees	To motivate our NEOs to perform under all circumstances.	Our NEOs have no guarantees or minimums related to base salary increases, bonuses or equity awards.
Few perquisites	To focus NEOs on performance elements of compensation.	Our NEOs participate in broad-based Company-sponsored benefits programs on the same basis as other full-time employees, except for the Executive Physical Medical Exam Program noted below.
No SERP	To focus NEOs on performance elements of compensation and long-term value creation.	Our NEOs participate in the same defined contribution retirement plan as other employees.
Risk Management	To conform to Integra s brand promise to limit uncertainty.	We have a strong risk management approach involving a broad spectrum of departments with specific responsibilities assigned to management, the Board and the Board s committees. We review how the Company assesses, addresses, and reports risk annually with the Board.
Independent Compensation Consultant	To obtain objective input to decision making	Our Committee uses the services of an independent compensation consultant
Executive Physical Medical Exam Program	To strengthen a culture of health and ensure a holistic approach to our executive remuneration program	The program, implemented in October 2013, provides payment for annual executive physical medical exams for NEOs.

Process for Determining Compensation and its Components

At the beginning of 2015, we established performance objectives for each NEO along with variable pay target opportunities for cash incentives and long-term equit