UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2017
or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

COMMISSION FILE NO. 0-26224

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	**51-0317849**
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	**(I.R.S. EMPLOYER IDENTIFICATION NO.)**
311 ENTERPRISE DRIVE PLAINSBORO, NEW JERSEY	**08536**
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	**(ZIP CODE)**

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (609) 275-0500

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o (Do not check if a smaller reporting company)	Smaller reporting company	o
Emerging growth company	o		

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☒

The number of shares of the registrant's Common Stock, $0.01 par value, outstanding as of October 24, 2017 was 78,477,437.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
INDEX

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE INCOME
(UNAUDITED)
(In thousands, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Total revenue, net	$ 278,834	$ 250,332	$ 819,634	$ 736,411
Costs and expenses:				
Cost of goods sold	101,757	89,329	287,340	263,667
Research and development	15,034	15,124	46,275	44,254
Selling, general and administrative	145,945	112,317	433,457	343,510
Intangible asset amortization	5,456	3,467	14,976	10,410
Total costs and expenses	268,192	220,237	782,048	661,841
Operating income	10,642	30,095	37,586	74,570
Interest income	89	2	160	14
Interest expense	(6,761)	(6,295)	(18,073)	(19,255)
Other (expense) income, net	(735)	1,192	(3,691)	(398)
Income before income taxes	3,235	24,994	15,982	54,931
Income tax expense (benefit)	76	4,850	(4,406)	8,615
Net income	$ 3,159	$ 20,144	$ 20,388	$ 46,316
Net income per share				
Basic	$ 0.04	$ 0.27	$ 0.27	$ 0.62
Diluted	$ 0.04	$ 0.25	$ 0.26	$ 0.59
Weighted average common shares outstanding (See Note 10):				
Basic	78,186	74,534	76,387	74,286
Diluted	79,455	81,032	78,973	78,804
Comprehensive income (See Note 11)	$ 13,534	$ 23,410	$ 53,759	$ 53,908

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands, except per share amount)

	September 30, 2017	December 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 481,943	$ 102,055
Trade accounts receivable, net of allowances of $6,969 and $6,319	171,126	148,186
Inventories, net	232,340	217,263
Prepaid expenses and other current assets	59,534	27,666
Total current assets	944,943	495,170
Property, plant and equipment, net	232,241	222,369
Intangible assets, net	634,052	561,175
Goodwill	587,943	510,571
Deferred tax assets, net	6,351	6,935
Other assets	12,657	11,734
Total assets	$ 2,418,187	$ 1,807,954
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term portion of borrowings under senior credit facility	$ 18,750	$ —
Accounts payable, trade	40,740	29,057
Deferred revenue	7,668	6,812
Accrued compensation	59,621	52,762
Accrued expenses and other current liabilities	83,455	34,970
Total current liabilities	210,234	123,601
Long-term borrowings under senior credit facility	1,152,633	665,000
Deferred tax liabilities	128,628	148,941
Other liabilities	13,576	30,745
Total liabilities	1,505,071	968,287
Commitments and contingencies		
Stockholders' equity:		
Preferred stock; no par value; 15,000 authorized shares; none outstanding	—	—
Common stock; $0.01 par value; 240,000 authorized shares; 81,301 and 77,666 issued at September 30, 2017 and December 31, 2016, respectively	813	777
Additional paid-in capital	817,071	798,652
Treasury stock, at cost; 2,916 shares and 2,946 shares at September 30, 2017 and December 31, 2016, respectively	(121,816)	(123,051)
Accumulated other comprehensive loss	(23,783)	(57,154)
Retained earnings	240,831	220,443
Total stockholders' equity	913,116	839,667
Total liabilities and stockholders' equity	$ 2,418,187	$ 1,807,954

The accompanying unaudited notes are an integral part of these condensed financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Nine Months Ended September 30,	
	2017	**2016**
OPERATING ACTIVITIES:		
Net income	$ 20,388	$ 46,316
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	62,281	54,353
Non-cash impairment charges	3,290	—
Deferred income tax	(935)	(2,919)
Amortization of debt issuance costs	1,178	1,623
Non-cash interest expense	—	6,300
Realized loss on sale of short-term investment	2,287	—
Loss on disposal of property and equipment	443	1,046
Change in fair value of contingent consideration and other	(2,773)	81
Share-based compensation	16,359	12,773
Changes in assets and liabilities, net of business acquisitions:		
Accounts receivable	(9,861)	(8,100)
Inventories	(862)	(9,061)
Prepaid expenses and other current assets	(14,691)	1,051
Other non-current assets	(1,977)	(552)
Accounts payable, accrued expenses and other current liabilities	24,021	5,831
Deferred revenue	1,405	1,381
Other non-current liabilities	2,442	(247)
Net cash provided by operating activities	102,995	109,876
INVESTING ACTIVITIES:		
Purchases of property and equipment	(29,806)	(26,136)
Proceeds from sale of short-term investments	16,951	—
Proceeds from note receivable	483	—
Proceeds from sale of property and equipment	157	266
Cash used in business acquisition, net of cash acquired	(225,552)	—
Cash received from business acquisition purchase price adjustment	—	225
Change in restricted cash	—	4,165
Net cash used in investing activities	(237,767)	(21,480)
FINANCING ACTIVITIES:		
Borrowings under senior credit facility	571,383	15,000
Repayments under senior credit facility	(65,000)	(48,750)
Net cash paid for contingent consideration	(4,661)	—
Principal payments under capital lease obligations	—	(487)
Proceeds from exercised stock options	9,774	9,925
Cash taxes paid in net equity settlement	(6,763)	(4,567)
Net cash provided by (used in) financing activities	504,733	(28,879)
Effect of exchange rate changes on cash and cash equivalents	9,927	(51)
Net increase in cash and cash equivalents	379,888	59,466
Cash and cash equivalents at beginning of period	102,055	48,132
Cash and cash equivalents at end of period	$ 481,943	$ 107,598

The accompanying unaudited notes are an integral part of these condensed consolidated financial statements.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. BASIS OF PRESENTATION

General

The terms “we,” “our,” “us,” “Company” and “Integra” refer to Integra LifeSciences Holdings Corporation, a Delaware corporation, and its subsidiaries unless the context suggests otherwise.

In the opinion of management, the September 30, 2017 unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position, results of operations and cash flows of the Company. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. These unaudited condensed consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2016 included in the Company’s Annual Report on Form 10-K. The December 31, 2016 consolidated balance sheet was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States. Operating results for the three- and nine-month periods ended September 30, 2017 are not necessarily indicative of the results to be expected for the entire year.

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Significant estimates affecting amounts reported or disclosed in the consolidated financial statements include allowances for doubtful accounts receivable and sales returns and allowances, net realizable value of inventories, valuation of intangible assets including in-process research and development, amortization periods for acquired intangible assets, discount rates and estimated projected cash flows used to value and test impairments of long-lived assets and goodwill, estimates of projected cash flows and depreciation and amortization periods for long-lived assets, computation of taxes, valuation allowances recorded against deferred tax assets, the valuation of stock-based compensation, valuation of derivative instruments, valuation of the equity component of convertible debt instruments, valuation of contingent liabilities, the fair value of debt instruments and loss contingencies. These estimates are based on historical experience and on various other assumptions that are believed to be reasonable under the current circumstances. Actual results could differ from these estimates.

Amendment to the Certificate of Incorporation and Stock Split

On October 25, 2016, the Board of Directors recommended, subject to stockholder approval, an Amendment to the Company’s Certificate of Incorporation (the “Amendment”) to increase the number of authorized shares of common stock from 60.0 million shares to 240.0 million shares with $0.01 per share par value, for the purpose of, among other things, effecting a two-for-one stock split. The stockholders approved the Amendment at its special meeting of stockholders on December 21, 2016, and the Company subsequently filed a certificate of amendment to its Amended and Restated Certificate of Incorporation to effect the increase in the number of authorized shares of common stock and the two-for-one-stock split. Stockholders of record, as of the close of market on December 21, 2016, became entitled to receive one additional share of common stock for each share held. The shares were distributed on January 3, 2017. No fractional shares of common stock were issued as a result of the stock split. The adjusted stock price was reflected on the NASDAQ stock market beginning on January 4, 2017.

The shares of common stock retain a par value of $0.01 per share. Accordingly, the stockholders' equity reflects the stock split by reclassifying from "additional paid-in capital" to "common stock" an amount equal to the par value of the increased shares resulting from the stock split. All share and per share amounts of common stock contained in the Company's financial statements have been restated for all periods to give retroactive effect to the stock split.

Johnson & Johnson's Codman Neurosurgery Business

On February 14, 2017, the Company entered into a binding offer letter (the “Offer Letter”) with DePuy Synthes, Inc., a Delaware corporation (“DePuy Synthes”), a wholly-owned subsidiary of Johnson & Johnson, pursuant to which Integra made a binding offer to acquire certain assets, and assume certain liabilities, of Johnson & Johnson’s Codman neurosurgery business (the “Codman Acquisition”). The assets and liabilities subject to the proposed Codman Acquisition relate to the research, development, manufacture, marketing, distribution and sale of certain products used in connection with neurosurgery procedures. The purchase price for the Codman Acquisition is $1.014 billion, subject to adjustments set forth in the Purchase Agreement (as defined below) relating to the book value of inventory transferred to the Company at the closing of the Codman Acquisition, the book value of certain inventory retained by DePuy Synthes and the amount of certain prepaid taxes.

Pursuant to the terms of the Offer Letter, following the conclusion of certain statutory information or consultation processes in connection with the Codman Acquisition by the employees of DePuy Synthes and its affiliates in France, Switzerland, and Germany, on May 11, 2017, DePuy Synthes accepted the Company's offer and countersigned the Asset Purchase Agreement (the "Purchase Agreement") with respect to the Codman Acquisition, previously executed by the Company. On October 2, 2017, the Company completed the Codman Acquisition. See Note 14 - *Subsequent Events.*

Assets and Liabilities Held for Sale

The Company considers assets and liabilities to be held for sale when management approves and commits to a formal plan to actively market the assets and liabilities for sale, the assets and liabilities are available for immediate sale in their present condition, an active program to locate a buyer and other actions required to complete the sale have been initiated, the sale of the assets and liabilities are expected to be completed within one year, the assets and liabilities are being actively marketed for sale at a price that is reasonable in relation to its current fair value and it is unlikely that significant changes will be made to the plan. Upon designation of the assets and liabilities as held for sale, the Company records the assets at the lower of their carrying value or their estimated fair value, less estimated costs to sell. Assets held for sale are not depreciated. Any loss resulting from this measurement is recognized in the period in which the held for sale criteria are met and gains are not recognized until the date of sale. The Company assesses the fair value of assets held for sale less any costs to sell each reporting period it remains classified as held for sale and reports any reduction in fair value as an adjustment to the carrying value of the assets held for sale.

To facilitate the Company's planned acquisition of the Codman Neurosurgery Business, the Company identified certain assets and liabilities related to the Camino® Intracranial Pressure monitoring product line within its Specialty Surgical Solutions segment as Assets and Liabilities Held for Sale as of June 30, 2017 when all of the criteria above were met. On August 31, 2017, the Company identified additional assets and liabilities related to the Company's U.S. rights to the fixed pressure shunts product line within its Special Surgical Solutions segment as Assets and Liabilities Held for Sale.

Assets and liabilities held for sale consisted of the following as of September 30, 2017 (amounts in thousands):

Inventories	$	7,957
Property, plant and equipment, net		883
Goodwill		2,861
Total assets held for sale	$	11,701

Deferred revenue	$	909
Accrued compensation		197
Total liabilities held for sale	$	1,106

Goodwill was allocated to the assets and liabilities held for sale using the relative fair value method. Assets held for sale were included in prepaid expenses and other current assets and liabilities held for sale were included in accrued expenses and other current liabilities in the consolidated balance sheet. The Company recognized no losses in its consolidated statement of operations for the three and nine months ended September 30, 2017.

On September 8, 2017, the Company and certain of its subsidiaries entered into an asset purchase agreement (the "Divestiture Agreement") with Natus Medical Incorporated ("Natus"), pursuant to which the Company agreed to divest its Camino Intracranial Pressure monitoring and the U.S. rights to its fixed pressure shunts businesses together with certain neurosurgery assets acquired as part of the Codman Acquisition (the "Divestiture"). The Divestiture Agreement was entered into in connection with the review of the Codman Acquisition by the Federal Trade Commission and the antitrust authority of Spain. The Divestiture was completed on October 6, 2017. See Note 14 - *Subsequent Events.*

Recently Issued Accounting Standards

In May 2014, the FASB issued Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should 1) identify the contract(s) with a customer, 2) identify the performance obligations in the contract, 3) determine the transaction price, 4) allocate the transaction price to the performance obligations in the contract, and 5) recognize revenue when (or as) the entity satisfies a performance obligation. This update will become effective for all annual periods and interim reporting periods beginning after December 15, 2017.

The Company will adopt this standard on January 1, 2018. The Company expects to apply the full retrospective method of adoption. The Company is progressing with the implementation and continues to evaluate the impact of the standard's revenue recognition model on business processes, accounting systems, controls and financial statement disclosures. The Company has reviewed a sample of contracts with customers and does not expect the adoption of Accounting Standard Update ("ASU") 2014-09 to have a material impact on the amount or timing of revenues recognized. That said, the Company's initial conclusion could change as the implementation is finalized.

In July 2015, the FASB issued Update No. 2015-11, *Simplifying the Measurement of Inventory*. The amendment requires an entity to measure inventory that is within the scope of this amendment at the lower of cost and net realizable value. Existing impairment models will continue to be used for inventories that are accounted for using the last-in first-out ("LIFO") method. The ASU requires prospective adoption for inventory measurements for fiscal years beginning after December 15, 2016 and interim periods within those fiscal years for public business entities. Early adoption was permitted. The Company adopted *ASU 2015-11* as of January 1, 2017 on a prospective basis, and there was no significant impact of this guidance on its consolidated financial statements.

In February 2016, the FASB issued Update No. 2016-02, *Leases (Topic 842)*. Under current accounting guidance, an entity is not required to report operating leases on the balance sheet. The amendment requires that lessees recognize virtually all of their leases on the balance sheet by recording a right-of-use asset and lease liability (other than leases that meet the definition of a "short-term lease"). This update will become effective for all annual periods and interim reporting periods beginning after December 15, 2018. The new standard must be adopted using a modified retrospective transition. Early adoption is permitted. The Company is in the process of evaluating the impact of this standard on its financial statements.

In August 2016, the FASB issued Update No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*. The guidance addresses the classification of cash flows related to debt repayment or extinguishment costs, settlement of zero-coupon debt instruments or debt instruments with coupon rates that are insignificant in relation to the effective interest rate of the borrowing, contingent consideration payments made after business combination, proceeds from the settlement of insurance claims and corporate-owned life insurance, distribution received from equity method investees and beneficial interest in securitization transaction. This update will become effective for all annual periods and interim reporting periods beginning after December 15, 2017. Early adoption is permitted. The Company does not expect the adoption of ASU 2016-15 to have a material impact on its consolidated financial statements.

In October 2016, the FASB issued Update No. 2016-16, *Intra-Entity Transfers of Assets Other Than Inventory.* The guidance requires the income tax consequences of intra-entity transfers of assets other than inventory to be recognized as current period income tax expense or benefit and removes the requirement to defer and amortize the consolidated tax consequences of intra-entity transfers. The new standard will be effective for all annual periods beginning after December 15, 2017. The Company does not expect the adoption of ASU 2016-16 to have a material impact on its consolidated financial statements.

In January 2017, the FASB issued Update No. 2017-01, *Business Combinations*. The standard provides guidance for evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance provides a screen to determine when an integrated set of assets and activities (a "set") does not qualify to be a business. The screen requires that when substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in an identifiable asset or a group of similar identifiable assets, the set of assets and activities is not a business. If the screen is not met, the guidance requires a set of assets and activities to be considered a business and to include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs and removes the evaluation as to whether a market participant could replace the missing elements. The new standard will be effective for all annual periods beginning after December 15, 2017. Early adoption is permitted. The Company elected to early adopt ASU 2017-01 effective January 1, 2017. The implementation of the amended guidance did not have any material impact on the Company's consolidated financial statements.

In January 2017, the FASB issued Update 2017-04, *Simplifying the Test for Goodwill Impairment*. The standard eliminates the second step in the goodwill impairment test, which requires an entity to determine the implied fair value of the reporting unit's goodwill. Instead, an entity should recognize an impairment loss if the carrying value of the net assets assigned to the reporting unit exceeds the fair value of the reporting unit, with the impairment loss not to exceed the amount of goodwill allocated to the reporting unit. The standard is effective for annual and interim goodwill impairment tests conducted in fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company elected to early adopt *ASU 2017-04* effective January 1, 2017 and applied the new guidance in its annual assessment in the third quarter of 2017. The Company performed its annual goodwill impairment assessment as of July 31, 2017. The Company elected to perform a qualitative analysis for its reporting units. The Company determined, after performing the qualitative analysis, that there was no evidence that it is more likely than not that the fair value of any identified reporting unit was less than the carrying amount, and therefore, it was not necessary to perform quantitative analysis for any reporting units.

In May 2017, the FASB issued ASU 2017-09, *Stock Compensation (Topic 718): Scope of Modification Accounting*. The update to provide clarity and reduce both (1) diversity in practice and (2) cost and complexity when applying the guidance in Topic 718, Compensation-Stock Compensation, to a change to the terms or conditions of a share-based payment award. The new standard will be effective for all annual periods beginning after December 15, 2017. Early adoption is permitted. The Company does not expect the adoption of ASU 2017-09 to have a material impact on its consolidated financial statements.

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*. This update amends the hedge accounting rules to simplify the application of hedge accounting guidance and better portray the economic results of risk management activities in the financial statements. The guidance expands the ability to hedge nonfinancial and financial risk components, reduces complexity in fair value hedges of interest rate risk, eliminates the requirement to separately measure and report hedge ineffectiveness, as well as eases certain hedge effectiveness assessment requirements. This update will become effective for all annual periods and interim reporting periods beginning after December 15, 2018. Early adoption is permitted. The Company is in the process of evaluating the impact of this standard on its financial statements.

There are no other recently issued accounting pronouncements that are expected to have a material effect on the Company's financial position, results of operations or cash flows.

2. BUSINESS ACQUISITION

TGX Medical

On April 4, 2017, the Company entered into a Membership Interest Purchase Agreement (the "Purchase Agreement"), by and among the Company, MCF I LP THX Medical System LLC Holdings, Inc., Terragraphix, Inc. and TGX Medical Systems, LLC (collectively, "TGX Medical"). Pursuant to the Purchase Agreement, the Company purchased all issued and outstanding membership interests in TGX Medical for $5.4 million, including a $0.1 million adjustment made in the third quarter of 2017 related to additional closing costs incurred by TGX Medical.

TGX Medical designs, develops and markets software solutions that track surgical instruments from the operating room, through sterilization to storage, which helps ensure that the instruments have been properly cleaned, assembled and maintained. TGX Medical’s customers are located in the U.S. and Canada.

The Company recorded revenue for TGX Medical of approximately $0.2 million and $0.4 million in the condensed consolidated statements of operations and comprehensive income for three and nine months ended September 30, 2017, respectively. The net income or loss attributable to this acquisition cannot be identified on a stand-alone basis because it is in the process of being integrated into the Company's operations.

The following summarizes the preliminary allocation of the purchase price as of September 30, 2017 based on the fair value of the assets acquired and liabilities assumed:

	Preliminary Purchase Price Allocation (Dollars in thousands)	
Cash and cash equivalents	$ 49	
Accounts receivables	279	
Property, plant and equipment	3	
		Wtd. Avg. Life:
Intangible assets:		
Completed technology	4,707	13 Years
Goodwill	641	
Total assets acquired	5,679	
Accounts payable	13	
Accrued expenses and other current liabilities	65	
Other liabilities	234	
Net assets acquired	$ 5,367	

Goodwill was allocated to the Special Surgical Solutions segment. Goodwill is the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company and assembled workforce. Goodwill recognized as a result of the acquisition is not deductible for income tax purposes.

Derma Sciences

On February 24, 2017, the Company executed the Agreement and Plan of Merger (the "Merger Agreement") under which the Company acquired all of the outstanding shares of Derma Sciences, Inc., a Delaware corporation ("Derma Sciences") for an aggregate purchase price of approximately $210.8 million, including payment of certain of Derma Sciences' closing expenses and settlement of stock-based compensation plans of $4.8 million and $4.3 million, respectively. The purchase price consisted of a cash payment to the former shareholders of Derma Sciences of approximately $201.7 million upon the closing of the transaction.

Derma Sciences is a tissue regeneration company focused on advanced wound and burn care that offers products to help manage chronic and hard-to-heal wounds, especially those resulting from diabetes and poor vascular functioning.

The Company recorded revenue for Derma Sciences of approximately $24.1 million and $58.4 million in the condensed consolidated statements of operations and comprehensive income for the three and nine months ended September 30, 2017, respectively. The net income or loss attributable to this acquisition cannot be identified on a stand-alone basis because it has been integrated into the Company's operations.

The following summarizes the preliminary allocation of the purchase price as of September 30, 2017 based on the fair value of the assets acquired and liabilities assumed:

	Preliminary Purchase Price Allocation	
	(Dollars in thousands)	
Cash and cash equivalents	$ 16,512	
Short-term investments	19,238	
Accounts receivable	8,949	
Inventory	17,977	
Prepaid expenses and other current assets	4,369	
Property, plant and equipment	4,311	
Intangible assets:		Wtd. Avg. Life:
Customer relationship	78,300	14 years
Trademarks/brand names	13,500	15 years
Completed technology	11,600	14 years
Non-compete agreement	280	1 year
Goodwill	70,424	
Deferred tax assets	17,865	
Other assets	101	
Total assets acquired	263,426	
Accounts payable	4,560	
Accrued expenses and other current liabilities	7,409	
Contingent liability	37,174	
Other liabilities	3,805	
Net assets acquired	$ 210,478	

Goodwill was allocated to the Orthopedics and Tissue Technologies segment. Goodwill is the excess of the consideration transferred over the net assets recognized and represents the expected revenue and cost synergies of the combined company and assembled workforce. Goodwill recognized as a result of the acquisition is not deductible for income tax purposes.

In the second quarter of 2017, the Company adjusted its preliminary purchase price allocation of other liabilities by $1.7 million because of additional liabilities for sales and use tax, employment tax and unclaimed property. In the third quarter of 2017, the Company adjusted the purchase price and goodwill by $0.3 million, as a result of cash received from escrow related to the acquisition of BioD LLC ("BioD") by Derma Sciences. BioD is a wholly owned subsidiary of Derma Sciences.

Short-term Investments

Short-term investments recognized at the acquisition date of Derma Sciences are investments in equity and debt securities including certificates of deposit purchased with an original maturity greater than three months which are deposited in various U.S. financial institutions and are fully insured by the Federal Deposit Insurance Corporation. The Company considers securities with original maturities of greater than 90 days to be available for sale securities. Securities under this classification are recorded at fair value and unrealized gains and losses are recorded within accumulated other comprehensive income. The estimated fair value of the available for sale securities is determined based on quoted market prices. The Company evaluates securities with unrealized losses to determine whether such losses, if any, are other than temporary. Short-term investments are classified as Level 1 in fair value hierarchy. Fair values of short-term investments are determined using the unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the balance sheet date.

In the second quarter of 2017, the Company sold the acquired short-term investments and recognized a realized loss of $2.3 million included in other expense, net in the consolidated statement of operations.

Deferred Taxes

The acquired deferred taxes of $17.9 million include a deferred tax asset of $39.7 million related to a federal net operating loss which the Company expects to utilize against income in future periods, a deferred tax asset of $15.8 million related to intangibles acquired by Derma Sciences in previous periods, and a deferred tax asset of $0.7 million related to various deferred items, offset by a deferred tax liability of $38.3 million for new intangibles for which the Company will not receive a tax benefit. In second quarter of 2017, the Company increased the preliminary estimated value of deferred tax liability by $1.5 million to reflect the adjustments to preliminary estimated fair values of assets and liabilities acquired.

United States Food and Drug Administration ("FDA") Untitled Letter

On June 22, 2015, the FDA issued an Untitled Letter (the "Untitled Letter") alleging that BioD morselized amniotic membrane based products do not meet the criteria for regulation as human cellular tissue-based products (“HCT/Ps”) solely under Section 361 of the Public Health Service Act and that, as a result, BioD would need a biologics license to lawfully market those morselized products. Since the issuance of the Untitled Letter, BioD and now the Company had and plan to continue discussions with the FDA to communicate its disagreement with the FDA’s assertion that certain products are more than minimally manipulated and therefore do not meet the requirements for HCT/Ps. To date, the FDA has not changed its position that certain of the acquired morselized products are not eligible for marketing solely under Section 361 of the Public Health Service Act. The Company continues to market these products.

On December 22, 2014, the FDA issued for comment “Draft Guidance for Industry and FDA Staff: Minimal Manipulation of Human Cells, Tissues, and Cellular and Tissue-Based Products.” On October 28, 2015, the FDA issued for comment, "Draft Guidance for Industry and FDA Staff: Homologous Use of Human Cells, Tissues, and Cellular and Tissue-Based Products." The FDA held a public hearing on September 12 and 13, 2016 to obtain input on the Homologous Use draft guidance and the Minimal Manipulation draft guidance, as well as other recently issued guidance documents on HCT/Ps.

If the FDA does allow us to continue to market its morselized products without a 510(k) or biologics license either prior to or after finalization of the draft guidance documents, it may impose conditions on marketing, such as labeling restrictions and compliance with current Good Manufacturing Practices. Compliance with these conditions would require significant additional time and cost investments from us. It also is possible that the FDA will not allow us to market any form of a morselized product without a biologics license even prior to finalization of the draft guidance documents and could require us to recall our morselized products. We continue to market these products. The Company continues to monitor the FDA's position on these products. Any potential action of the FDA could have a financial impact on the sales of BioD’s morselized amniotic tissue-based products. Revenues from BioD morselized amniotic material based products for the three and nine months ended September 30, 2017 were less than 1.0% of consolidated revenues.

Contingent Consideration

The Company assumed contingent consideration incurred by Derma Sciences related to its acquisitions of BioD and the intellectual property related to the Medihoney product. The Company accounted for the contingent liabilities by recording their fair value on the date of the acquisition based on a discounted cash-flow model. The contingent liabilities recognized as part of the Derma Sciences acquisition relate to the following:

i. contractual incentive payments that could be made to former equity owners of BioD if net sales of BioD products exceed a certain amount for the twelve-month periods ending June 30, 2017 and 2018 ("BioD Earnout Payments");

ii. a contractual incentive payment that could be made to the former equity owners if there has been no specific enforcement action or notice by the FDA against the specific BioD products as a result of the Untitled Letter for a certain period after closing as defined by the agreement ("Product Payment"); and

iii. contractual incentive payments that could be made to the former owner of the intellectual property relating to the Medihoney product line, if net sales of Medihoney products exceed certain amounts defined in the agreement between Derma Sciences and the former owner of the intellectual property of Medihoney for any twelve-month period ("Medihoney Earnout Payments").

At the date of the acquisition, net sales used in estimating the BioD Earnout Payments is based on the weighted average of different possible scenarios using revenue volatility of 13.5%. The BioD Earnout Payments were valued using a discount rate of 3.0%. The maximum payout related to the BioD Earnout Payments is $26.5 million. The estimated fair value as of February 24, 2017 was $9.1 million. In August 2017, the Company paid $4.8 million for the twelve-month period ending June 30, 2017 component of the BioD Earnout Payments. As of September 30, 2017, the estimated fair value of the remaining portion of the BioD Earnout Payments is $2.1 million.

At the date of acquisition, the Company estimated that the probability of the Product Payment was 98.0% and valued it at a discount rate of 2.5%. The maximum payout related to the Product Payment is $29.7 million. The estimated fair value as of February 24, 2017 was $26.8 million. In the second quarter of 2017, the Company adjusted the preliminary estimated fair value to increase the Product Payment by $0.9 million related to additional products that should have been included in the preliminary estimate based on the Merger Agreement. On May 25, 2017, the Company made full payment for the Product Payment of $26.6 million. The payment was included in cash used in business acquisition, net of cash acquired within investing activities in the condensed consolidated statements of cash flows since the payment was made shortly after the acquisition.

At the date of the acquisition, net sales used in estimating the Medihoney Earnout Payments is based on the weighted average of different possible scenarios using revenue volatility of 27.5%. The Medihoney Earnout Payments were valued using a discount rate of 4.5%. The maximum payout related to the Medihoney Earnout Payments is $5.0 million. The estimated fair value as of February 24, 2017 and September 30, 2017 was $1.4 million.

These fair value measurements were based on significant inputs not observed in the market and thus represented a Level 3 measurement. The contingent considerations are re-measured to fair value at each reporting date until the contingency is resolved, and those changes in fair value are recognized in earnings. Depending on the expected timing of the estimated payments, the acquisition date fair values and subsequent remeasurement could be different.

Pro Forma Results

The following unaudited pro forma financial information summarizes the results of operations for the three months ended September 30, 2016 and for the nine months ended September 30, 2017 and 2016 as if the acquisitions had been completed as of the beginning of the prior year. The pro forma results are based upon certain assumptions and estimates, and they give effect to actual operating results prior to the acquisition and adjustments to reflect (i) the change in interest expense and intangible asset amortization, (ii) certain external expenses related to the acquisition as if they were incurred on January 1 of the year prior to the acquisition that will not be recurring in the post-acquisition periods, which includes $2.9 million incurred by Derma Sciences prior to acquisition and $12.5 million incurred by Integra, and (iii) income taxes on the aforementioned adjustments at the Company's statutory rate. No effect has been given to other cost reductions or operating synergies. As a result, these pro forma results do not necessarily represent results that would have occurred if the acquisition had taken place on the basis assumed above, nor are they indicative of the results of future combined operations.

	Three Months Ended September 30, 2016	Nine Months Ended September 30,	
		2017	2016
	(In thousands, except per share amounts)		
Total revenue	$ 272,427	$ 832,710	$ 792,672
Net income	$ 18,318	$ 24,091	$ 32,180
Basic income per share	$ 0.25	$ 0.32	$ 0.43

3. INVENTORIES

Inventories, net consisted of the following:

	September 30, 2017	December 31, 2016
	(In thousands)	
Finished goods	$ 136,729	$ 127,973
Work in process	47,257	50,043
Raw materials	48,354	39,247
	$ 232,340	$ 217,263

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of goodwill for the nine-month period ended September 30, 2017 were as follows:

	Specialty Surgical Solutions	Orthopedics and Tissue Technologies	Total
	(In thousands)		
Goodwill at December 31, 2016	$ 284,358	$ 226,213	$ 510,571
Derma Sciences acquisition	—	70,424	70,424
TGX Medical acquisition	641	—	641
Transfer to assets held for sale	(2,861)	—	(2,861)
Foreign currency translation	4,400	4,768	9,168
Balance, September 30, 2017	$ 286,538	$ 301,405	$ 587,943

The components of the Company's identifiable intangible assets were as follows:

		September 30, 2017		
	Weighted Average Life	Cost	Accumulated Amortization	Net
		(Dollars in thousands)		
Completed technology	17 years	$ 492,380	$ (114,996)	$ 377,384
Customer relationships	13 years	234,020	(88,944)	145,076
Trademarks/brand names	28 years	105,690	(22,336)	83,354
Supplier relationships	27 years	34,721	(14,735)	19,986
All other [1]	5 years	11,675	(3,423)	8,252
		$ 878,486	$ (244,434)	$ 634,052

		December 31, 2016		
	Weighted Average Life	Cost	Accumulated Amortization	Net
		(Dollars in thousands)		
Completed technology	17 years	$ 479,964	$ (94,991)	$ 384,973
Customer relationships	12 years	152,335	(77,005)	75,330
Trademarks/brand names	30 years	90,507	(19,158)	71,349
Supplier relationships	27 years	34,721	(13,664)	21,057
All other [1]	5 years	10,806	(2,340)	8,466
		$ 768,333	$ (207,158)	$ 561,175

[1] At September 30, 2017 and December 31, 2016, all other included in-process research and development ("IPR&D") of $1.0 million in both periods, which was indefinite-lived.

During the third quarter of 2017, the Company recorded an impairment charge of $3.3 million in cost of goods sold related to completed technology assets acquired from Tarsus Medical, Inc. ("Tarsus Technology"), since the underlying product will no longer be sold. Tarsus Technology was included in the Orthopedic and Tissue Technology segment.

Based on quarter-end exchange rates, annual amortization expense (including amounts reported in cost of product revenues, but excluding any possible future amortization associated with acquired in-process research and development) is expected to be approximately $48.4 million in 2017, $49.1 million in 2018, $49.0 million in 2019, $48.9 million in 2020, $47.9 million in 2021, $44.4 million in 2022 and $493.7 million thereafter. Identifiable intangible assets are initially recorded at fair market value at the time of acquisition using an income or cost approach.

5. DEBT

Amended and Restated Senior Credit Agreement

On March 31, 2017, the Company entered into an amendment ("March 2017 Amendment") to its fourth amended and restated Senior Credit Facility agreement with a syndicate of lending banks and Bank of America, N.A., as Administrative Agent. The March 2017 Amendment increased the aggregate principal amount from $1.5 billion to $2.2 billion available to the Company through the following facilities:

i. a $500.0 million Term Loan A facility;

ii. a $700.0 million Term Loan A-1, which will be available in a single drawing on a delayed basis at the time of closing of the Codman Acquisition (see Note 1 - *Basis of Presentation*); and

iii. a $1.0 billion revolving credit facility, which includes a $60.0 million sublimit for the issuance of standby letters of credit and a $60.0 million sublimit for swingline loans.

In connection with the March 2017 Amendment, the Company’s maximum consolidated total leverage ratio in the financial covenants was increased to the following:

Fiscal Quarter	Maximum Consolidated Total Leverage Ratio
December 31, 2016 through before the first fiscal quarter after the delayed draw date of Term Loan A-1	4.50 : 1.00
First fiscal quarter ended after the delayed draw date of Term Loan A-1 through September 30, 2018	5.50 : 1.00
October 1, 2018 through September 30, 2019	5.00 : 1.00
October 1, 2019 through September 30, 2020	4.50 : 1.00
October 1, 2020 and thereafter	4.00 : 1.00

There was no change in the maturity date, which remains at December 7, 2021.

Borrowings under the Senior Credit Facility bear interest, at the Company's option, at a rate equal to the following:

i. the Eurodollar Rate (as defined in the amendment and restatement) in effect from time to time plus the applicable rate (ranging from 1.00% to 2.00%), or

ii. the highest of:

   1. the weighted average overnight Federal funds rate, as published by the Federal Reserve Bank of New York, plus 0.50%, or
   2. the prime lending rate of Bank of America, N.A., or
   3. the one-month Eurodollar Rate plus 1.00%.

The applicable rates are based on the Company's consolidated total leverage ratio (defined as the ratio of (a) consolidated funded indebtedness less cash in excess of $40.0 million that is not subject to any restriction on the use or investment thereof to (b) consolidated EBITDA, as defined in the fourth amended and restated Senior Credit Facility agreement) at the time of the applicable borrowing.

The Company will pay an annual commitment fee ranging from 0.15% to 0.35%, based on the Company's consolidated total leverage ratio, on the amount available for borrowing under the revolving credit facility.

The Senior Credit Facility is collateralized by substantially all of the assets of the Company's U.S. subsidiaries, excluding intangible assets. The Senior Credit Facility is subject to various financial and negative covenants, and, as of September 30, 2017, the Company was in compliance with all such covenants. The Company capitalized $1.1 million of incremental financing costs in 2017 in connection with the modifications to the Senior Credit Facility.

At September 30, 2017 and December 31, 2016, there were $671.4 million and $165.0 million outstanding, respectively, under the revolving credit component of the Senior Credit Facility at a weighted average interest rate of 2.9% and 2.2%, respectively. At September 30, 2017 and December 31, 2016, there was $500.0 million outstanding under the Term Loan A component of the Senior Credit Facility at a weighted average interest rate of 2.8% and 2.2%, respectively. At September 30, 2017, there was no outstanding balance under the Term Loan A-1 component of Senior Credit Facility. At September 30, 2017, there was approximately $1.0 billion available for borrowing under the Senior Credit Facility, including the $700.0 million available under the Term Loan A-1 component. On October 2, 2017, the Company drew $700.0 million from the Term Loan A-1 component to fund a portion of the Codman Acquisition. Refer to Note 14 - *Subsequent Events.*

The fair value of outstanding borrowings of the Senior Credit Facility's revolving credit facility and Term Loan A components at September 30, 2017 was approximately $658.7 million and $490.0 million, respectively. These fair values were determined by using a discounted cash flow model based on current market interest rates available to the Company. These inputs are corroborated by observable market data for similar liabilities and therefore classified within Level 2 of the fair value hierarchy. Level 2 inputs represent inputs that are observable for the asset or liability, either directly or indirectly and are other than active market observable inputs that reflect unadjusted quoted prices for identical assets or liabilities.

Letters of credit outstanding as of September 30, 2017 and December 31, 2016 totaled $0.6 million. There were no amounts drawn as of September 30, 2017.

The Company uses interest rate derivative instruments to manage earnings and cash flow exposure to changes in interest rates of the Term Loan A component of the Senior Credit Facility. At September 30, 2017 and December 31, 2016, the notional amounts related to the Company's interest rate swaps were $400.0 million and $150.0 million, respectively.

Contractual repayments of the Term Loan A will begin March 31, 2018 and are due as follows:

Year Ended December 31,	Principal Repayment (In thousands)
2017	—
2018	25,000
2019	25,000
2020	37,500
2021	412,500
	$ 500,000

The outstanding balance of revolving credit component of the Senior Credit Facility is due on December 7, 2021.

2016 Convertible Senior Notes

On December 15, 2016, the Company extinguished its 1.625% Convertible Senior Notes due in 2016 (the "2016 Convertible Notes") by paying the principal amount of $227.1 million and issued 2.9 million shares of common stock with a fair value of $122.0 million related to excess conversion value. No gain or loss on extinguishment was recognized as a result of the conversion. The Company also received 2.9 million shares of common stock from the exercise of call options with hedge participants with a fair value of $123.1 million at the date of the exercise. The shares of common stock received from the exercise of the call options were held as treasury stock as of December 31, 2016 at a weighted average price of $41.78 for a total of $123.1 million.

The 2016 Convertible Notes were issued on June 15, 2011 with the aggregate principal of $230.0 million and a maturity date of December 15, 2016. The 2016 Convertible Notes bore interest at a rate of 1.625% per annum payable semi-annually in arrears on December 15 and June 15 of each year. The 2016 Convertible Notes were senior, unsecured obligations and were convertible into cash and, if applicable, shares of its common stock based on a conversion rate defined within the note agreement.

In connection with the issuance of the 2016 Convertible Notes, the Company entered into call transactions and warrant transactions, primarily with affiliates of the initial purchasers of such notes (the “hedge participants”). The initial strike price of the call transaction was approximately $28.72 per share, subject to customary anti-dilution adjustments. The initial strike price of the warrant transaction was approximately $35.03 per share, subject to customary anti-dilution adjustments. The strike price of the call transactions and warrant transactions has been adjusted similar to the 2016 Convertible Notes as a result of the spin-off of the Company's spine business in July 2015 to $26.42 per share and $32.22 per share, respectively. The warrants expired on a series of expiration dates from March 2017 to August 2017. For the three and nine months ended September 30, 2017, the hedge participants exercised 2,089,802 and 8,707,202 warrants, respectively and, as a result, the Company issued 946,323 and 2,839,743 shares of common stock for the three and nine months ended September 30, 2017, respectively. The Company has no warrants outstanding as of September 30, 2017.

Convertible Note Interest

The interest expense components of the Company’s convertible notes are as follows (net of capitalized interest amounts):

	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2016
	(In thousands)	
2016 Notes:		
Amortization of the discount on the liability component (1)	$ 2,132	$ 6,300
Cash interest related to the contractual interest coupon (2)	892	2,671
Total	$ 3,024	$ 8,971

(1) The amortization of the discount on the liability component of the 2016 Notes is presented net of capitalized interest of $0.1 million and $0.2 million for the three and nine months ended September 30, 2016, respectively.

(2) The cash interest related to the contractual interest coupon on the 2016 Notes is presented net of a minimal amount and $0.1 million of capitalized interest for the three and nine months ended September 30, 2016, respectively.

6. DERIVATIVE INSTRUMENTS

Interest Rate Hedging

The Company's interest rate risk relates to U.S. dollar denominated variable interest rate borrowings. The Company uses interest rate swap derivative instruments to manage earnings and cash flow exposure resulting from changes in interest rates. These interest rate swaps apply a fixed interest rate on a portion of our expected LIBOR-indexed floating-rate borrowings. The Company held the following interest rate swaps as of September 30, 2017 (amounts in thousands):

Hedged Item	Current Notional Amount	Designation Date	Effective Date	Termination Date	Fixed Interest Rate	Floating Rate	Estimated Fair Value
							Assets (Liabilities)
Term Loan A	$ 50,000	June 22, 2016	December 31, 2016	June 30, 2019	1.062%	3-month BBA LIBOR	$ 540
Term Loan A	50,000	June 22, 2016	December 31, 2016	June 30, 2019	1.062%	3-month BBA LIBOR	525
Term Loan A	50,000	July 12, 2016	December 31, 2016	June 30, 2019	0.825%	1-month USD LIBOR	654
Term Loan A	50,000	February 6, 2017	June 30, 2017	June 30, 2020	1.834%	3-month USD LIBOR	(68)
Term Loan A	100,000	February 6, 2017	June 30, 2017	June 30, 2020	1.652%	1-month USD LIBOR	120
Term Loan A	100,000	March 27, 2017	December 31, 2017	June 30, 2021	1.971%	1-month USD LIBOR	(476)
Total interested rate derivatives designated as cash flow hedge	$ 400,000						$ 1,295

The Company designated these derivative instruments as cash flow hedges. The Company records the effective portion of the change in the fair value of a derivative instrument designated as a cash flow hedge as unrealized gains or losses in accumulated other comprehensive income ("AOCI"), net of tax, until the hedged item affected earnings, at which point the effective portion of any gain or loss is reclassified to earnings. If the hedged cash flow does not occur, or if it becomes probable that it will not occur, the Company will reclassify the amount of any gain or loss on the related cash flow hedge to interest expense at that time.

Foreign Currency Hedging

From time to time the Company enters into foreign currency hedge contracts intended to protect the U.S. dollar value of certain forecasted foreign currency denominated transactions. The Company records the effective portion of any change in the fair value of foreign currency cash flow hedges in AOCI, net of tax, until the hedged item affects earnings. Once the related hedged item affects earnings, the Company reclassifies the effective portion of any related unrealized gain or loss on the foreign currency cash flow hedge to earnings. If the hedged forecasted transaction does not occur, or if it becomes probable that it will not occur, the Company will reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time.

The success of the Company's hedging program depends, in part, on forecasts of certain activity denominated in Euros. The Company may experience unanticipated currency exchange gains or losses to the extent that there are differences between forecasted and actual activity during periods of currency volatility. In addition, changes in currency exchange rates related to any unhedged transactions may affect its earnings and cash flows.

Counterparty Credit Risk

The Company manages its concentration of counterparty credit risk on its derivative instruments by limiting acceptable counterparties to a group of major financial institutions with investment grade credit ratings, and by actively monitoring their credit ratings and outstanding positions on an ongoing basis. Therefore, the Company considers the credit risk of the counterparties to be low. Furthermore, none of the Company's derivative transactions is subject to collateral or other security arrangements, and none contain provisions that depend upon the Company's credit ratings from any credit rating agency.

Fair Value of Derivative Instruments

The Company has classified all of its derivative instruments within Level 2 of the fair value hierarchy because observable inputs are available for substantially the full term of the derivative instruments. The fair value of the foreign currency forward exchange contracts related to inventory purchases is determined by comparing the forward rate as of the period end and the settlement rate specified in each contract. The fair value of the interest rate swaps was developed using a market approach based on publicly available market yield curves and the terms of the related swap. The Company performs ongoing assessments of counterparty credit risk.

The following table summarizes the fair value and presentation for derivatives designated as hedging instruments in the condensed consolidated balance sheets as of September 30, 2017 and December 31, 2016:

	Fair Value as of	
Location on Balance Sheet [1]:	**September 30, 2017**	**December 31, 2016**
	(In thousands)	
Derivatives designated as hedges — Assets:		
Interest rate swap — Prepaid expenses and other current assets [2]	$ 825	$ 242
Interest rate swap — Other assets [2]	$ 1,654	1,629
	$ 2,479	$ 1,871
Derivatives designated as hedges — Liabilities:		
Interest rate swap — Accrued expenses and other current liabilities [2]	$ 1,184	$ —

(1) The Company classifies derivative assets and liabilities as non-current based on the cash flows expected to be incurred within the following 12 months.
(2) At September 30, 2017 and December 31, 2016, the notional amounts related to the Company's interest rate swaps were $400.0 million and $150.0 million, respectively. There is no expected reduction in this notional amount in the next twelve months.

The following presents the effect of derivative instruments designated as cash flow hedges on the accompanying condensed consolidated statement of operations during the three and nine months ended September 30, 2017 and 2016:

	Balance in AOCI Beginning of Quarter	Amount of Gain Recognized in AOCI-Effective Portion	Amount of Loss Reclassified from AOCI into Earnings-Effective Portion	Balance in AOCI End of Quarter	Location in Statements of Operations
			(In thousands)		
Three Months Ended September 30, 2017					
Interest rate swap	$ 935	$ 297	$ (63)	$ 1,295	Interest (expense)
	$ 935	$ 297	$ (63)	$ 1,295	
Three Months Ended September 30, 2016					
Interest rate swap	$ (602)	$ 618	$ —	$ 16	Interest (expense)
	$ (602)	$ 618	$ —	$ 16	

	Balance in AOCI Beginning of Year	Amount of (Loss) Gain Recognized in AOCI-Effective Portion	Amount of Loss Reclassified from AOCI into Earnings-Effective Portion	Balance in AOCI End of Quarter	Location in Statements of Operations
			(In thousands)		
Nine Months Ended September 30, 2017					
Interest rate swap	$ 1,871	$ (618)	$ (42)	$ 1,295	Interest (expense)
	$ 1,871	$ (618)	$ (42)	$ 1,295	
Nine Months Ended September 30, 2016					
Interest rate swap	$ —	$ 16	—	$ 16	Interest (expense)
	$ —	$ 16	$ —	$ 16	

The Company recognized no gains or losses resulting from ineffectiveness of cash flow hedges during the three and nine months ended September 30, 2017 and 2016. The Company expects a minimal amount of pre-tax income recorded in AOCI related to interest rate hedges to be reclassified to earnings in the next twelve months.

7. STOCK-BASED COMPENSATION

As of September 30, 2017, the Company had stock options, restricted stock awards, performance stock units, contract stock awards and restricted stock unit awards outstanding under two plans, the 2001 Equity Incentive Plan (the “2001 Plan”) and the 2003 Equity Incentive Plan (the “2003 Plan,” and collectively, the “Plans”).

Stock options issued under the Plans become exercisable over specified periods, generally within three to four years from the date of grant for officers and employees, and within a year from date of grant for directors and generally expire eight years from the grant date for employees, and from eight to ten years for directors and certain executive officers. Restricted stock issued under the Plans vests over specified periods, generally three years after the date of grant. The vesting of performance stock issued under the Plans is subject to service and performance conditions.

Stock Options

As of September 30, 2017, there were approximately $4.6 million of total unrecognized compensation costs related to unvested stock options. These costs are expected to be recognized over a weighted-average period of approximately three years. There were 186,853 stock options granted during the nine months ended September 30, 2017.

Awards of Restricted Stock and Performance Stock

Performance stock and restricted stock awards generally have requisite service periods of three years. Performance stock units are subject to graded vesting conditions, and the Company expenses their fair value over the requisite service period. The Company expenses the fair value of restricted stock awards on a straight-line basis over the requisite service period. As of September 30, 2017, there were approximately $23.0 million of total unrecognized compensation costs related to these unvested awards. The Company expects to recognize these costs over a weighted-average period of approximately two years. The Company granted 347,590 restricted stock awards and 133,333 performance shares during the nine months ended September 30, 2017.

The Company has no formal policy related to the repurchase of shares for the purpose of satisfying stock-based compensation obligations.

The Company also maintains an Employee Stock Purchase Plan (the “ESPP”), which provides eligible employees with the opportunity to acquire shares of common stock at periodic intervals by means of accumulated payroll deductions. The ESPP is a non-compensatory plan based on its terms.

8. TREASURY STOCK

On October 25, 2016, the Board of Directors terminated its October 2014 authorization for the repurchase of its outstanding common stock and authorized management to repurchase up to $150.0 million of its outstanding common stock through December 2018. Shares may be repurchased either in the open market or in privately negotiated transactions. As of September 30, 2017, there remained $150.0 million available for repurchase under this authorization.

As part of the conversion of the 2016 Convertible Notes, the Company received 2.9 million shares of common stock from the exercise of call options with hedge participants. The shares of common stock received from the exercise of the call options are held as treasury stock, and there were 2.9 million shares of treasury stock outstanding as of September 30, 2017 and December 31, 2016, with a cost of $121.8 million and $123.1 million, respectively, at a weighted average of $41.77 and $41.78 per share, respectively.

There were no cash treasury stock repurchases during the nine months ended September 30, 2017 or 2016.

9. INCOME TAXES

The following table provides a summary of the Company's effective tax rate:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Reported tax rate	2.3%	19.4%	(27.6)%	15.7%

The Company’s effective income tax rates for the three months ended September 30, 2017 and 2016 were 2.3% and 19.4%, respectively. For the three months ended September 30, 2017, the primary drivers of the lower tax rate are lower income before income taxes compared to the same period in 2016, the jurisdictional mix of income before tax in U.S.-based operations relative to foreign operations, offset by a decrease of $0.4 million in excess tax benefits from stock-based compensation compared to the same period in 2016. The change in jurisdictional mix of income primarily results from significant acquisition and integration costs incurred in the U.S. in 2017. The tax rate for the three months ended September 30, 2016 included a benefit of $0.2 million related to the release of uncertain tax positions.

The Company's effective income tax rates for the nine months ended September 30, 2017 and 2016 were (27.6)% and 15.7%, respectively. For the nine months ended September 30, 2017, the primary drivers of the lower tax rate are lower income before income taxes compared to the same period in 2016, the jurisdictional mix of income before tax in U.S.-based operations relative to foreign operations, and an increase of $3.7 million in excess tax benefits from stock-based compensation for the nine months ended September 30, 2017. The change in jurisdictional mix of income results primarily from significant acquisition and integration costs incurred in the U.S. in 2017.

10. NET INCOME PER SHARE

Basic and diluted net income per share was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands, except per share amounts)			
Basic net income per share:				
Net income	$ 3,159	$ 20,144	$ 20,388	$ 46,316
Weighted average common shares outstanding	78,186	74,534	76,387	74,286
Basic net income per common share	$ 0.04	$ 0.27	$ 0.27	$ 0.62
Diluted net income per share:				
Net income	$ 3,159	$ 20,144	$ 20,388	$ 46,316
Weighted average common shares outstanding — Basic	78,186	74,534	76,387	74,286
Effect of dilutive securities:				
2016 Convertible notes	—	3,176	—	2,256
Warrants	158	2,012	1,295	974
Stock options and restricted stock	1,111	1,310	1,291	1,288
Weighted average common shares for diluted earnings per share	79,455	81,032	78,973	78,804
Diluted net income per common share	$ 0.04	$ 0.25	$ 0.26	$ 0.59

Shares of common stock of approximately 0.3 million and 0.4 million at September 30, 2017 and 2016, respectively, that are issuable through the exercise of dilutive securities were not included in the computation of diluted net income per share because their effect would have been antidilutive.

For the three and nine months ended September 30, 2017 and 2016 the potential excess conversion value on warrants was included in the Company's dilutive share calculation because the average stock price for the three and nine months ended September 30, 2017 and 2016 exceeded the conversion price.

For the three and nine months ended September 30, 2016 the potential excess conversion value on the 2016 Notes were included in the Company's dilutive share calculation because the average stock price for the three and nine months ended September 30, 2016 exceeded the conversion price.

Restricted and performance units that entitle the holders to approximately 0.5 million shares of common stock are included in the basic and diluted weighted average shares outstanding calculation because no further consideration is due related to the issuance of the underlying common shares.

11. COMPREHENSIVE INCOME

Comprehensive income was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Net income	$ 3,159	$ 20,144	$ 20,388	$ 46,316
Foreign currency translation adjustment	10,175	2,914	33,724	7,589
Change in unrealized gain (loss) on derivatives, net of tax	207	354	(331)	9
Pension liability adjustment, net of tax	(7)	(2)	(22)	(6)
Comprehensive income, net	$ 13,534	$ 23,410	$ 53,759	$ 53,908

Changes in Accumulated Other Comprehensive Income by component between December 31, 2016 and September 30, 2017 are presented in the table below, net of tax:

	Cash Flow Hedges	Defined Benefit Pension Items	Foreign Currency Items	Short-term Investment	Total
	(In thousands)				
Beginning balance	$ 1,071	$ (36)	$ (58,189)	—	$ (57,154)
Other comprehensive (loss) income	(290)	(22)	33,724	(3,019)	30,393
Amounts reclassified from accumulated other comprehensive income	(41)	—	—	3,019	2,978
Net current-period other comprehensive (loss) income	(331)	(22)	33,724	—	33,371
Ending balance	$ 740	$ (58)	$ (24,465)	$ —	$ (23,783)

For the nine months ended September 30, 2017, the Company reclassified a minimal amount and $3 million from AOCI to interest expense and other expenses, respectively.

12. SEGMENT AND GEOGRAPHIC INFORMATION

The Company internally manages two global reportable segments and reports the results of its businesses to its chief operating decision maker. The two reportable segments and their activities are described below.

- The Specialty Surgical Solutions segment includes (i) the Neurosurgery business, which sells a full line of products for neurosurgery and neuro critical care such as tissue ablation equipment, dural repair products, cerebral spinal fluid management devices, intracranial monitoring equipment, and cranial stabilization equipment and (ii) the precision tools and instruments business, which sells more than 60,000 instrument patterns and surgical and lighting products to hospitals, surgery centers, and dental, podiatry, and veterinary offices.
- The Orthopedics and Tissue Technologies segment includes such offerings as skin repair, advanced wound care, amniotic tissue, bone and joint fixation implants in the upper and lower extremities, bone grafts and nerve and tendon repair.

The Corporate and other category includes (i) various legal, finance, information systems, executive, and human resource functions, (ii) brand management, and (iii) share-based compensation costs.

The operating results of the various reportable segments as presented are not comparable to one another because (i) certain operating segments are more dependent than others on corporate functions for unallocated general and administrative and/or operational manufacturing functions, and (ii) the Company does not allocate certain manufacturing costs and general and administrative costs to the operating segment results. Net sales and profit by reportable segment for the three and nine months ended September 30, 2017 and 2016 are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Segment Net Sales				
Specialty Surgical Solutions	$ 164,760	$ 159,409	$ 480,907	$ 468,767
Orthopedics and Tissue Technologies	114,074	90,923	338,727	267,644
Total revenues	$ 278,834	$ 250,332	$ 819,634	$ 736,411
Segment Profit				
Specialty Surgical Solutions	$ 68,289	$ 67,148	$ 198,242	$ 188,126
Orthopedics and Tissue Technologies	30,411	27,727	88,500	74,027
Segment profit	98,700	94,875	286,742	262,153
Amortization	(5,456)	(3,467)	(14,976)	(10,410)
Corporate and other	(82,602)	(61,313)	(234,180)	(177,173)
Operating income	$ 10,642	$ 30,095	$ 37,586	$ 74,570

The Company does not allocate any assets to the reportable segments. No asset information is reported to the chief operating decision maker and disclosed in the financial information for each segment.

The Company attributes revenues to geographic areas based on the location of the customer. Total revenue by major geographic area consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
United States	$ 213,685	$ 194,346	$ 634,047	$ 567,103
Europe	32,609	28,553	93,924	89,623
Rest of World	32,540	27,433	91,663	79,685
Total Revenues	$ 278,834	$ 250,332	$ 819,634	$ 736,411

13. COMMITMENTS AND CONTINGENCIES

In consideration for certain technology, manufacturing, distribution, and selling rights and licenses granted to the Company, the Company has agreed to pay royalties on sales of certain products that it sells. The royalty payments that the Company made under these agreements were not significant for any of the periods presented.

The Company is subject to various claims, lawsuits and proceedings in the ordinary course of the Company's business, including claims by current or former employees, distributors and competitors and with respect to its products and product liability claims, lawsuits and proceedings, some of which have been settled by the Company. In the opinion of management, such claims are either adequately covered by insurance or otherwise indemnified, or are not expected, individually or in the aggregate, to result in a material adverse effect on our financial condition. However, it is possible that the Company's results of operations, financial position and cash flows in a particular period could be materially affected by these contingencies.

TEI, acquired by Integra on July 17, 2015, manufactures a bovine-derived surgical mesh product for Boston Scientific Corporation ("BSC") and has been named as a defendant in lawsuits under a broad range of products liability theories, many of which have not been served on TEI. As of September 30, 2017, only ten active cases remained against TEI. Pursuant to an indemnification agreement with BSC (i) BSC is managing the litigation; and (ii) TEI has in place a product liability insurance policy, of which it must exhaust $3.0 million before BSC’s indemnity begins to cover relevant claims (and of which only a small portion has been utilized to date and against which the insurer has reserved the entire $3.0 million). Because the thrust of products liability litigation focuses on synthetic surgical mesh products, counsel is filing motions to dismiss on behalf of TEI in many cases. In addition, Integra has certain protections in the merger agreements with TEI which would indemnify it for approximately $30.0 million for the first fifteen months after closing and between $20.0 and $30.0 million for the remainder of the three-year period after closing for losses relating to a variety of matters, including half of certain products liability claims (including those related to the product it manufactures for BSC) not covered by insurance. As of October 26, 2017, no indemnification payments were received nor owed in relation to the lawsuits.

The Company accrues for loss contingencies when it is deemed probable that a loss has been incurred and that loss is estimable. The amounts accrued are based on the full amount of the estimated loss before considering insurance proceeds and do not include an estimate for legal fees expected to be incurred in connection with the loss contingency. The Company consistently accrues legal fees associated with loss contingencies as incurred with outside counsel as a selling, general and administrative expense in the consolidated statements of operations.

Contingent Consideration

The Company determined the fair value of contingent consideration during the nine-month period ended September 30, 2017 and 2016 to reflect the change in estimate, additions, payments, transfers and the time value of money during the period.

A reconciliation of the opening balances to the closing balances of these Level 3 measurements for the nine months ended September 30, 2017 and 2016 is as follows (in thousands):

Nine Months Ended September 30, 2017	Contingent Considerations Liabilities Related to Acquisition of Derma Sciences (*See Note 2*)		Contingent Consideration Liability Related to Acquisition of Confluent Surgical, Inc.		Location in Financial Statements
	Short-term	Long-term	Short-term	Long-term	
Balance as of January 1, 2017	$ —	$ —	$ —	$ 22,036	
Additions from acquisition of Derma Sciences	33,707	3,467	—	—	
Transfers from long-term to current portion	2,193	(2,193)	21,312	(21,312)	
Payments	(31,346)		—	—	
(Gain) loss from change in fair value of contingent consideration liabilities	(2,421)	82	—	148	Selling, general and administrative
Balance as of September 30, 2017	$ 2,133	$ 1,356	$ 21,312	$ 872	

Nine Months Ended September 30, 2016	Contingent Consideration Liability Related to Acquisition of Confluent Surgical, Inc.	Location in Financial Statements
	Long-term	
Balance as of January 1, 2016	$ 21,831	
Loss from change in fair value of contingent consideration liabilities	74	Selling, general and administrative
Balance as of September 30, 2016	$ 21,905	

On January 15, 2014, the Company acquired all outstanding shares of Confluent Surgical, Inc., ("Confluent Surgical"). The purchase price includes contingent consideration. The potential maximum undiscounted contingent consideration of $30.0 million consists of $25.0 million upon obtaining certain U.S. governmental approvals and $5.0 million upon obtaining certain European governmental approvals, both related to the completion of the transition of the Confluent Surgical business. The fair values of contingent consideration related to the acquisition of Confluent Surgical were estimated using a discounted cash flow model using discount rate of 2.2%.

The Company assesses these assumptions on an ongoing basis as additional information affecting the assumptions is obtained. The contingent consideration balance was included in accrued expenses and other current liabilities and other liabilities at September 30, 2017 and in other liabilities at September 30, 2016.

Supply Agreement Liability and Above Market Supply Agreement Liability

On January 15, 2014, the Company entered into a transitional supply agreement with Covidien Group S.a.r.l ("Covidien"). This agreement contains financial incentives to Covidien for the timely supply of products each fiscal quarter through the third anniversary of the agreement. The prices paid under the supply agreement are essentially flat through the third anniversary of the agreement, and then increase significantly in each of the following three years.

The Company determined the fair value of its supply agreement liability and above market supply agreement liability with Covidien during the nine-month period ended September 30, 2017 and 2016 to reflect the payments, change in estimate and the time value of money during the period.

A reconciliation of the opening balances to the closing balances of these Level 3 measurements is as follows (in thousands):

Nine Months Ended September 30, 2017	Supply Agreement Liability - Short-term	Above Market Supply Agreement Liability - Short-term	Above Market Supply Agreement Liability - Long-term	Location in Financial Statements
Balance as of January 1, 2017	$ 166	$ —	$ 2,648	
Payments	(166)		(415)	
Transfer from long-term to current portion	—	3,216	(3,216)	
Loss from increase in fair value	—	(352)	1,040	Selling, general and administrative
Balance as of September 30, 2017	$ —	$ 2,864	$ 57	

Nine Months Ended September 30, 2016	Supply Agreement Liability - Short-term	Supply Agreement Liability - Long-term	Above Market Supply Agreement Liability - Long-term	Location in Financial Statements
Balance as of January 1, 2016	$ 1,991	$ 161	$ 931	
Payments	(1,500)		—	
Transfer from long-term to current portion	161	(161)	—	
Loss from increase in fair value	13	—	1,009	Selling, general and administrative
Other	—	—	681	Goodwill
Balance as of September 30, 2016	$ 665	$ —	$ 2,621	

The fair values of supply agreement liability and above market supply agreement liability were estimated using a discounted cash flow model using a discount rate of 12.0%. The Company assesses these assumptions on an ongoing basis as additional information impacting the assumptions is obtained. The supply agreement liability - short-term and above market supply agreement liability - short-term were included in accrued expenses and other current liabilities and the supply agreement - long-term and above market supply agreement liability - long-term were included in other liabilities at September 30, 2017 and December 31, 2016.

There are no transfers between level 1, 2 or 3 during the nine months ended September 30, 2017 and 2016. If the Company's estimate regarding the fair value of its contingent consideration liabilities, supply agreement liability and above market supply agreement liability are inaccurate, a future adjustment to these estimated fair values may be required which could change significantly.

BioD

On April 7, 2017, the Company's indirect wholly-owned subsidiary, BioD filed an action in the Superior Court of New Jersey, Chancery Division, Middlesex County seeking a declaration that the resignation of Russell Olsen, the former CEO of BioD, was “for Good Reason” (as defined in Olsen’s employment agreement); a finding that Olsen breached the implied covenant of good faith and fair dealing, committed legal fraud, equitable fraud and negligent misrepresentation; and an award of damages for such actions, including a return of severance fees paid to Olsen. BioD was acquired in August 2016 by Derma Sciences, which Integra subsequently acquired in February 2017. After receiving a job offer from Integra that Olsen believed materially diminished his title and authority, on February 24, 2017 Olsen indicated his intention to terminate his position with BioD for Good Reason, as otherwise permitted by his employment agreement with BioD. Shortly thereafter, Cynthia Weatherly (as representative of the former equity owners of BioD) claimed in a letter to Derma Sciences that Olsen’s resignation was a “termination Without Cause” (as also defined in Olsen’s employment agreement), which would arguably trigger an acceleration of the earn out under a merger agreement between Derma Sciences, BioD and other parties (the "BioD Merger Agreement"), which was entered into in July 2016, and require as a result of the acceleration the payment of $26.5 million by BioD. As previously disclosed and described in *Note 2 - Business Acquisition*, to the Company's consolidated financial statements for the three and nine months ended September 30, 2017, Integra assumed this contingent liability in connection with its acquisition of Derma Sciences. The action for a declaratory judgment was filed to clarify that Olsen’s termination was for Good Reason and not Without Cause. If the employment agreement was terminated for Good Reason, then the Company believes that the earn out provision under the BioD Merger Agreement should not be accelerated and the likelihood of loss is remote.

14. SUBSEQUENT EVENTS

Johnson & Johnson's Codman Neurosurgery Business

On October 2, 2017, upon the terms and subject to the conditions set forth in the Purchase Agreement, the Codman Acquisition was completed. Under the terms of the Purchase Agreement, the Company paid an aggregate purchase price of $1.014 billion, subject to adjustments set forth in the Purchase Agreement relating to the book value of inventory transferred to the Company at the closing of the Codman Acquisition, the book value of certain inventory retained by DePuy Synthes will be transferred to the Company in the future along with certain prepaid taxes.

To facilitate the completion of the Codman Acquisition, the Company drew $700.0 million from the Term Loan A-1 compnent of the Senior Credit Facility and used cash available as of September 30, 2017.

The Codman Acquisition will be accounted for using the acquisition method of business combination under ASC 805, *Business Combinations*. The initial accounting for the business combination is incomplete due to the timing of the acquisition, therefore, the Company is unable to disclose certain information required by ASC 805. The Company will provide preliminary purchase price allocation information in the Company's Annual Report on Form 10-K for year ending December 31, 2017

Divestiture to Natus

On October 6, 2017, upon the terms and subject to the conditions set forth in the Divestiture Agreement (see Note 1 - *Basis of Presentation*), the Divestiture was completed and Natus paid an aggregate purchase price of $46.4 million. The assets sold to Natus pursuant to the Divestiture Agreement are related to the Company’s intracranial pressure monitoring and U.S. fixed pressure valve shunt systems businesses along with certain assets related to the Codman U.S. dural graft implant, external ventricular drainage catheter and cerebrospinal fluid collection systems businesses that the Company purchased from DePuy Synthes on October 2, 2017.

A portion of the proceeds from the Divestiture of $36.4 million were used to settle a portion of the revolving credit component of the Senior Credit Facility.

Cross-Currency Rate Swap

On October 2, 2017, the Company entered into cross currency swap agreements to convert a notional amount of $300.0 million equivalent to 291.2 million of Swiss Franc ("CHF") denominated intercompany loans into U.S. dollars. The CHF denominated intercompany loans were the result of the purchase of intellectual property by a subsidiary in Switzerland as part of the Codman Acquisition. The objective of these cross-currency swaps is to reduce volatility of earnings and cash flows associated with changes in the foreign currency exchange rate. Under the terms of these contracts, which have been designated as cash flow hedges, the Company will make interest payments in Swiss Francs and receive interest in U.S. dollars. Upon the maturity of these contracts, the Company will pay the principal amount of the loans in Swiss Francs and receive U.S. dollars from the counterparties.

The following table summarizes the cross-currency swaps entered on October 2, 2017:

	Effective Date	Termination Date	Fixed Rate	Aggregate Notional Amount	
				(amounts in thousands)	
Pay CHF	October 2, 2017	October 2, 2020	1.75%	CHF	97,065
Receive U.S.$			4.38%	$	100,000
Pay CHF	October 2, 2017	October 2, 2021	1.85%	CHF	48,532
Receive U.S.$			4.46%	$	50,000
Pay CHF	October 2, 2017	October 2, 2022	1.95%	CHF	145,598
Receive U.S.$			4.52%	$	150,000

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and the related notes thereto appearing elsewhere in this report and our consolidated financial statements for the year ended December 31, 2016 included in our Annual Report on Form 10-K.

We have made statements in this report which constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). These forward-looking statements are subject to a number of risks, uncertainties and assumptions about the Company. Our actual results could differ

materially from those anticipated in these forward-looking statements as a result of many factors, including but not limited to those set forth under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2016, Quarterly Report on Form 10-Q for the quarterly periods ended March 31, 2017 and June 30, 2017, and in this report. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

You can identify these forward-looking statements by forward-looking words such as "believe," "may," "might," "could," "will," "estimate," "continue," "anticipate," "intend," "seek," "plan," "expect," "should," "would" and similar expressions in this report.

GENERAL

Integra is a worldwide leader in medical technology focused on limiting uncertainty for surgeons so that they can concentrate on providing the best patient care. Integra provides customers with clinically relevant, innovative and cost-effective products that improve the quality of life for patients. We focus on cranial procedures, small bone and joint reconstruction, the repair and reconstruction of soft tissue, and instruments for surgery.

We manufacture and sell our products in two reportable business segments — Specialty Surgical Solutions and Orthopedics and Tissue Technologies. Our Specialty Surgical Solutions products offer specialty surgical implants and instrumentation for a broad range of specialties. This product category includes products and solutions for dural repair, precision tools and instruments, tissue ablation, and neuro critical care including market-leading product portfolios used in neurosurgery operating suites and critical care units. Our Orthopedics and Tissue Technologies products offer a unique combination of differentiated regenerative technology products for soft tissue repair and tissue regeneration products, alongside small bone fixation and joint replacement hardware products for both upper extremities and lower extremities. This product category also includes private-label sales of a broad set of our regenerative medicine technologies.

We manufacture many of our products in plants located in the United States, Puerto Rico, France, Germany, Ireland, Canada, China and Mexico. We also source most of our handheld surgical instruments and specialty metal and pyrocarbon implants, and dural sealant products through specialized third-party vendors.

We have several sales channels in the United States. Specialty Surgical Solutions products are sold through a combination of directly employed sales representatives, distributors and wholesalers, depending on the customer call point. Orthopedics and Tissue Technologies products are sold through directly employed sales representatives and specialty distributors focused on their respective surgical specialties. We sell in the international markets through a combination of direct sales organizations and distributors.

We also market certain products through strategic partners in the United States.

Our objective is to become a multi-billion dollar diversified global medical technology company that helps patients by limiting uncertainty for medical professionals and is a high-quality investment for shareholders. We will achieve these goals by delivering on our brand promises to our customers so they can concentrate on providing the best care for their patients and by becoming a company recognized as a leader by our customers worldwide in specialty surgical applications, regenerative technologies and extremities orthopedics. Our strategy is built around three pillars - execute, optimize, and accelerate growth. These three pillars support our strategic initiatives to deliver on our commitments through improved planning and communication, optimizing our infrastructure, and growing by introducing new products to the market through internal development, geographic expansion, and strategic acquisitions.

We aim to achieve growth in our revenues while maintaining strong financial results. While we pay attention to any meaningful trend in our financial results, we pay particular attention to measurements that are indicative of long-term profitable growth. These measurements include (1) revenue growth (including organic growth and acquisitions), (2) gross margins on total revenues, (3) operating margins (which we aim to expand as we leverage our existing infrastructure), (4) earnings before interest, taxes, depreciation, and amortization, (5) earnings per diluted share of common stock, and (6) operating cash flows.

We believe that we are particularly effective in the following aspects of our business:

- *Regenerative Technology Platform*. We have developed numerous product lines through our proprietary collagen and polyethylene glycol technologies that are sold through all of our sales channels.

- *Diversification and Platform Synergies*. The selling platforms of Specialty Surgical Solutions and Orthopedics and Tissue Technologies each contribute a different strength to our core business. Specialty Surgical Solutions provides us with a strong presence in the hospital, with market-leading products and comprehensive solutions for surgical specialties, such as neurosurgery, as well as a strong capacity to generate cash flows. Orthopedics and Tissue Technologies enables us to grow our top line by continuing to introduce new, differentiated products in fast-growing markets, such as small joint replacement and advanced wound care, as well as to increase gross margins. We have unique synergies between these platforms, such as our regenerative technology, instrument sourcing capabilities, and enterprise contract management.

- *Specialized Sales Footprint*. Our medical technology investment and manufacturing strategy provide us with a specialized set of customer call-points and synergies. We have market-leading products across our portfolio providing both scale and depth in solutions for a broad set of clinical needs across many departments in healthcare systems. We also have clinical expertise across all our channels in the United States, and an opportunity to expand and leverage this expertise in markets worldwide. In response to our customers' needs for clinical and technical solutions across multiple departments and clinical areas, we have developed and deployed our enterprise selling team to bring unique clinical solutions for the most difficult healthcare issues in our key accounts across multiple clinical sites and multi-hospital integrated delivery networks.

- *Ability to Change and Adapt*. Our corporate culture is what enables us to adapt and evolve. We have demonstrated that we can quickly and profitably integrate new products and businesses. This core strength has made it possible for us to grow over the years, and is key to our ability to grow into a multi-billion-dollar company.

Acquisitions

Derma Sciences

On February 24, 2017, the Company executed the Agreement and Plan of Merger (the "Merger Agreement") under which the Company acquired all the outstanding shares of Derma Sciences, Inc., a Delaware corporation ("Derma Sciences") for an aggregate purchase price of approximately $210.8 million including payment of certain of Derma Sciences' closing expenses and settlement of stock-based compensation plans of $4.8 million and $4.3 million, respectively. The purchase price consisted of a cash payment to the former shareholders of Derma Sciences of approximately $201.7 million upon the closing of the transaction.

Derma Sciences is a tissue regeneration company focused on advanced wound and burn care that offers products to help manage chronic and hard-to-heal wounds, especially those resulting from diabetes and poor vascular functioning.

TGX Medical

On April 4, 2017, the Company entered into a Membership Interest Purchase Agreement (the "Purchase Agreement"), by and among the Company, MCF I LP THX Medical System LLC Holdings, Inc., Terragraphix, Inc. and TGX Medical Systems, LLC (collectively, "TGX Medical"). Pursuant to the Purchase Agreement, the Company purchased all issued and outstanding membership interests in TGX Medical for $5.4 million, including a $0.1 million adjustment made in the third quarter of 2017 related to additional closing costs incurred by TGX Medical.

TGX Medical designs, develops and markets software solutions that track surgical instruments from the operating room, sterilization, to storage, which helps ensure that the instruments have been properly cleaned, assembled and maintained. TGX Medical's customers are located in the U.S. and Canada.

Johnson & Johnson's Codman Neurosurgery Business

On May 11, 2017, the Company entered into an asset purchase agreement (the "Purchase Agreement") with DePuy Synthes, Inc., a Delaware corporation ("DePuy Synthes"), a wholly-owned subsidiary of Johnson & Johnson, pursuant to which the Company agreed to acquire certain assets, and assume certain liabilities, of Johnson & Johnson's Codman neurosurgery business (the "Codman Acquisition"). The assets and liabilities subject to the Codman Acquisition relate to the research, development, manufacturing, marketing, distribution and sale of certain products used in connection with neurosurgery procedures.

On October 2, 2017, upon the terms and subject to the conditions set forth in the Purchase Agreement, the Codman Acquisition was completed. Under the terms of the Purchase Agreement, the Company paid an aggregate purchase price of $1.014 billion, subject to adjustments set forth in the Purchase Agreement relating to the book value of inventory transferred to us at the closing of the Codman Acquisition, the book value of certain inventory retained by DePuy Synthes that will be transferred to the Company in the future along with certain prepaid taxes.

To facilitate the completion of the Codman Acquisition, the Company drew $700.0 million from the Term Loan A-1 component of the Senior Credit Facility and cash available as of September 30, 2017.

Divestitures

On September 8, 2017, the Company and certain of its subsidiaries entered into an asset purchase agreement (the “Divestiture Agreement”) with Natus Medical Incorporated (“Natus”), pursuant to which the Company agreed to divest its Camino Intracranial Pressure monitoring and the U.S. rights to the fixed pressure shunts businesses together with certain of the neurosurgery assets that will be acquired as part of the Codman Acquisition (the “Divestiture”). The Divestiture Agreement was entered in connection with the review of the Codman Acquisition by the Federal Trade Commission and the antitrust authority of Spain. The Divestiture was conditioned upon completion of the Codman Acquisition.

On October 6, 2017, upon the terms and subject to the conditions set forth in the Divestiture Agreement (see Note 1 - *Basis of Presentation*), the Divestiture was completed and Natus paid an aggregate purchase price of $46.4 million. The assets sold to Natus pursuant to the Divestiture Agreement are related to the Company’s intracranial pressure monitoring and the U.S. rights to the fixed pressure valve shunt systems businesses along with certain assets related to the Codman U.S. rights to the dural graft implant, external ventricular drainage catheter and cerebrospinal fluid collection systems businesses that the Company purchased from DePuy Synthes on October 2, 2017.

Clinical and Product Development Activities

After finalizing our multi-center clinical trial evaluating the safety and effectiveness of the INTEGRA Dermal Regeneration Template for the treatment of diabetic foot ulcers ("DFU") in 2015, we filed the resulting data with the FDA and received PMA approval on January 7, 2016. The Company started commercializing the resulting DFU product, Omnigraft, late in 2016. Additionally, we finalized patient follow-up in a post-approval study for our DuraSeal Exact Spine Sealant System, and submitted the study results to the FDA in October 2016. The study showed the continued safety and effectiveness of this approved medical device, and we expect that this study will satisfy the post-approval commitment related to this product. We continue to invest in additional clinical studies to support market access and promotion of existing products, and to pursue new product indications, such as breast reconstruction. The Company continues to invest in product development such as long-term research programs to evaluate products as well as next generation nerve product.

FDA Untitled Letter

On June 22, 2015, the FDA issued an Untitled Letter (the "Untitled Letter") alleging that BioD LLC's ("BioD") morselized amniotic membrane based products do not meet the criteria for regulation as human cellular tissue-based products (“HCT/Ps”) solely under Section 361 of the Public Health Service Act and that, as a result, BioD would need a biologics license to lawfully market those morselized products (BioD is a wholly owned subsidiary of Derma Sciences). Since the issuance of the Untitled Letter, BioD and now the Company had and plan to continue discussions with the FDA to communicate its disagreement with the FDA’s assertion that certain products are more than minimally manipulated. To date, the FDA has not changed its position that certain of the acquired morselized products are not eligible for marketing solely under Section 361 of the Public Health Service Act. The Company continues to market these products.

On December 22, 2014, the FDA issued for comment “Draft Guidance for Industry and FDA Staff: Minimal Manipulation of Human Cells, Tissues, and Cellular and Tissue-Based Products.” On October 28, 2015, the FDA issued for comment, "Draft Guidance for Industry and FDA Staff: Homologous Use of Human Cells, Tissues, and Cellular and Tissue-Based Products." The FDA held a public hearing on September 12 and 13, 2016 to obtain input on the Homologous Use draft guidance and the Minimal Manipulation draft guidance, as well as other recently issued guidance documents on HCT/Ps.

If the FDA does allow us to continue to market its morselized products without a 510(k) or biologics license either prior to or after finalization of the draft guidance documents, it may impose conditions on marketing, such as labeling restrictions and compliance with current Good Manufacturing Practices. Compliance with these conditions would require significant additional time and cost investments from us. It also is possible that the FDA will not allow us to market any form of a morselized product without a biologics license even prior to finalization of the draft guidance documents and could require us to recall our morselized products. We continue to market these products. The Company continues to monitor the FDA's position on these products. Any potential action of the FDA could have a financial impact on the sales of BioD’s morselized amniotic tissue-based products. Revenues from BioD morselized amniotic membrane based products for the three and nine months ended September 30, 2017 were less than 1.0% of consolidated revenues.

RESULTS OF OPERATIONS

Executive Summary

Net income for the three months ended September 30, 2017 was $3.2 million, or $0.04 per diluted share, as compared to $20.1 million or $0.25 per diluted share for the three months ended September 30, 2016.

Net income for the nine months ended September 30, 2017 was $20.4 million, or $0.26 per diluted share, as compared to $46.3 million or $0.59 per diluted share for the nine months ended September 30, 2016.

Net income for the nine months ended September 30, 2017 decreased from the same period last year, primarily resulting from higher acquisition-related expenses of $51.9 million, and offset by growth in both of our Orthopedics and Tissue Technologies and Specialty Surgical Solutions segments. The results also reflect strong growth in our regenerative technology franchise.

Income before taxes includes the following special charges:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Global ERP implementation charges	$ —	$ 3,366	$ 3,261	$ 12,386
Structural optimization charges	1,944	1,993	5,336	5,540
Certain employee severance charges	—	153	125	1,420
Discontinued product lines charges	—	—	1,025	—
Acquisition-related charges	24,904	4,935	68,919	16,996
Convertible debt non-cash interest	—	2,132	—	6,300
Hurricane Maria related	1,261	—	1,261	—
Total	$ 28,109	$ 12,579	$ 79,927	$ 42,642

The items reported above are reflected in the condensed consolidated statements of operations as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
Cost of goods sold	$ 4,141	$ 5,662	$ 9,567	$ 16,479
Research and development	—	200	—	200
Selling, general and administrative	23,968	4,585	68,097	19,663
Interest expense	—	2,132	—	6,300
Other expense	—	—	2,263	—
Total from continuing operations	$ 28,109	$ 12,579	$ 79,927	$ 42,642

We typically define special charges as items for which the amounts and/or timing of such expenses may vary significantly from period to period, depending upon our acquisition, integration and restructuring activities, and for which the amounts are non-cash in nature, or for which the amounts are not expected to recur at the same magnitude. We believe that given our ongoing strategy of seeking acquisitions, our continuing focus on rationalizing our existing manufacturing and distribution infrastructure and our continuing review of various product lines in relation to our current business strategy, some of the special charges discussed above could recur with similar materiality in the future. In 2010, we began investing significant resources in the global implementation of a single enterprise resource planning ("ERP") system. We began capitalizing certain costs for the project starting in 2011 and continued to do so during 2017. We expect the additional capital and integration expenses associated with our current ERP system to decrease in 2017 as the project is substantially complete. We expect additional capital and integration expenses in 2017 associated with the integration of the Derma Sciences and Codman neurosurgery businesses. In September 2017, Hurricane Maria caused disruption and minor damage to our operations in our facility in Añasco, Puerto Rico. We incurred expenses to restore the facility to its normal operations.

We believe that the separate identification of these special charges provides important supplemental information to investors regarding financial and business trends relating to our financial condition and results of operations. Investors may find this

information useful in assessing comparability of our operating performance from period to period, assessing the business model objectives that management has established, and comparing our performance against other companies in our industry. We provide this information to investors so that they can analyze our operating results in the same way that management does and to use this information in their assessment of our core business and valuation of Integra.

Update on Remediation Activities

We had an FDA warning letter related to TEI, acquired by Integra on July 17, 2015. TEI received a Warning Letter from the FDA dated May 29, 2015 for promoting the product SurgiMend for breast surgery applications that were not cleared in the 510(k) process and do not have a PMA approval for the indication. The FDA requested that TEI immediately cease all activities that resulted in misbranding or adulteration of the product in commercial distribution. The FDA also required TEI to cease all violations regarding promotion of the product for an indication that was not cleared or approved. TEI responded to the FDA with a corrective action plan and took action to address the issues prior to the completion of the acquisition. The FDA warning letter was lifted on August 31, 2017.

Revenues and Gross Margin on Product Revenues

Our revenues and gross margin on product revenues were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Segment Net Sales	(Dollars in thousands)			
Specialty Surgical Solutions	$ 164,760	$ 159,409	$ 480,907	$ 468,767
Orthopedics & Tissue Technologies	114,074	90,923	338,727	267,644
Total revenue	278,834	250,332	819,634	736,411
Cost of goods sold	101,757	89,329	287,340	263,667
Gross margin on total revenues	$ 177,077	$ 161,003	$ 532,294	$ 472,744
Gross margin as a percentage of total revenues	63.5%	64.3%	64.9%	64.2%

Three Months Ended September 30, 2017 as Compared to Three Months Ended September 30, 2016

Revenues and Gross Margin

For the three months ended September 30, 2017, total revenues increased by $28.5 million to $278.8 million from $250.3 million for the same period in 2016. Revenues for the quarter were negatively impacted by approximately $7.0 million due to the hurricanes in Texas, Florida and Puerto Rico.

Specialty Surgical Solutions revenues were $164.8 million, an increase of 3.4% from the prior-year period. The increase resulted from double-digit growth in our tissue ablation franchise, including the continued launch of our CUSA Clarity product. Our dural repair products and precision tools and instruments product lines both increased in the low single digits for the quarter. Our dural repair growth was lower than expected based on competitive pressures, which resulted in lower pricing.

Orthopedics and Tissue Technologies revenues were $114.1 million, an increase of 25.5% from the prior-year period. Revenue from the Derma Sciences acquisition was $24.1 million for the three months ended September 30, 2017. Revenues from our regenerative technologies products grew during the quarter, driven by Integra Skin and PriMatrix, and offset by the declines in our SurgiMend portfolio. Disruption to operations in our Puerto Rico facility drove our private label business to decline double-digits in the third quarter of 2017, while we experienced strong growth in our ankle and shoulder portfolios, which together grew 30% compared to the same period last year.

Gross margin increased to $177.1 million for the three-month period ended September 30, 2017, an increase of $16.1 million from $161.0 million for the same period last year. Gross margin as a percentage of total revenue decreased to 63.5% for the third quarter of 2017 from 64.3% for the same period last year. The decrease in gross margin percentage resulted primarily from sales of Derma Sciences products with lower margins than the company average. The decrease also results from the impairment charge of $3.3 million related to the completed technology assets acquired from Tarsus Medical, Inc., since the underlying product will no longer be sold.

We expect our consolidated gross margin percentage for the full year 2017 to be approximately 63.0%, which includes the impact of the Codman Acquisition. We expect no significant change in gross margin percentage in 2017 compared to 2016, as gross margins from products acquired in the Derma Sciences transaction are expected to offset the margins from the growth in our regenerative business.

Operating Expenses

The following is a summary of operating expenses as a percent of total revenues:

	Three Months Ended September 30,	
	2017	2016
Research and development	5.4%	6.0%
Selling, general and administrative	52.3%	44.9%
Intangible asset amortization	2.0%	1.4%
Total operating expenses	59.7%	52.3%

Total operating expenses, which consist of research and development expenses, selling, general and administrative expenses, and amortization expense, increased $35.5 million, or 27.1%, to $166.4 million in the three months ended September 30, 2017, compared to $130.9 million in the same period last year.

Research and development expenses in the third quarter of 2017 decreased by $0.1 million to $15.0 million compared to $15.1 million in the same period last year. We expect full-year 2017 spending on research and development to be approximately 6.0% of total revenues.

Selling, general and administrative expenses in the third quarter of 2017 increased by $33.6 million to $145.9 million compared to $112.3 million in the same period last year. Selling and marketing expenses increased by $13.8 million compared to last year resulting primarily from selling and marketing expenses of Derma Sciences of approximately $8.0 million and additional investments in adding direct sales representatives and distributors. We also paid higher commissions resulting from the increase in revenues. General and administrative costs increased by $19.8 million, resulting from the increase in acquisition-related expenses of $20.0 million, offset by lower ERP implementation costs. We expect full-year selling, general and administrative expenses to be approximately 52.0% to 53.0% of revenue in 2017, resulting from acquisition and integration-related costs and additional investments in our commercial channels.

Amortization expense as a percentage of revenues in the third quarter of 2017 increased compared to the same period last year. This increase was related primarily to the intangible assets recognized from the Derma Sciences acquisition in the first quarter of 2017.

Non-Operating Income and Expenses

The following is a summary of non-operating income and expenses:

	Three Months Ended September 30,	
	2017	2016
	(In thousands)	
Interest income	$ 89	$ 2
Interest expense	(6,761)	(6,295)
Other (expense) income, net	(735)	1,192

Interest Income and Interest Expense

Interest expense in the three months ended September 30, 2017 increased by $0.5 million, primarily due to the higher outstanding balance on our Senior Credit Facility for the period compared to the same period in 2016, offset by the settlement of our 2016 Convertible Notes in December 2016. Our reported interest expense for the three-month period ended September 30, 2016 included non-cash interest related to the accounting for convertible securities of $2.1 million.

Interest income was negligible for the three months ended September 30, 2017 and 2016.

Other (Expenses) Income, net

Other (expenses) income, net for the three months ended September 30, 2017 and 2016 includes the impact of transactional foreign exchange gains and losses.

Income Taxes

	Three Months Ended September 30,	
	2017	2016
	(In thousands)	
Income before income taxes	$ 3,235	$ 24,994
Income tax expense	76	4,850
Effective tax rate	2.3%	19.4%

The Company's effective income tax rates for the three months ended September 30, 2017 and 2016 were 2.3% and 19.4%, respectively. For the three months ended September 30, 2017, the primary drivers of the lower tax rate are lower income before income taxes compared to the same period in 2016, the jurisdictional mix of income before tax in U.S.-based operations relative to foreign operations, offset by a decrease of $0.4 million in excess tax benefits from stock-based compensation compared to the same period in 2016. The change in jurisdictional mix of income results primarily from significant acquisition and integration costs incurred in the U.S. in 2017. The tax rate for the three months ended September 30, 2016 included $0.2 million related to the release of uncertain tax positions.

Including the impact of Codman Acquisition in the fourth quarter of 2017, the Company expects its effective income tax rate for the full year to be approximately a benefit of 65.7%, mainly from lower income before taxes resulting from acquisition-related expenses and from benefits from stock-based compensation, Federal research credit benefits, and the jurisdictional mix of pretax income in U.S.-based operations relative to foreign operations. This estimate could be revised in the future as additional information is presented to the Company.

The effective tax rate may vary from period to period depending on, among other factors, the geographic and business mix of taxable earnings and losses, tax planning and settlements with various taxing authorities. We consider these factors and others, including our history of generating taxable earnings, in assessing our ability to realize tax assets on a quarterly basis.

While it is often difficult to predict the final outcome or the timing of resolution of any particular matter with the various Federal, state, and foreign tax authorities, we believe that our reserves reflect the most probable outcome of known tax contingencies. Settlement of any particular issue would usually require the use of cash. Favorable resolution would be recognized as a reduction to our annual effective tax rate in the year of resolution. The tax reserves are presented in the balance sheet within other liabilities, except for amounts relating to items that we expect to pay in the coming year, which would be classified as current income taxes payable.

On March 29, 2017, the United Kingdom ("UK") provided formal notice of its intention to leave the European Union ("EU"). This notice begins the two-year negotiation process for the UK's exit. Existing tax exemptions and tax relief between the UK and EU member states will most likely cease. The Company has entities domiciled in the UK and conducts transactions with entities within the EU. New tax legislation or renegotiated exemptions and tax relief could result in additional tax liabilities. The Company will monitor the ongoing negotiations and will assess the impact on its tax expense.

Nine Months Ended September 30, 2017 as Compared to Nine Months Ended September 30, 2016

Revenues and Gross Margin

For the nine months ended September 30, 2017, total revenues increased by $83.2 million to $819.6 million from $736.4 million during the prior-year period.

Specialty Surgical Solutions revenues were $480.9 million, an increase of 2.6% from the prior-year period. The increase resulted from low-single digit growth in our dural repair and precision tools and instrument products. Together, our tissue ablation and neuro critical care revenues grew in the low single-digits. Our DuraGen, DuraSeal, next generation Mayfield 2 cranial stabilization device and MicroFrance products contributed to the increase. Our dural repair franchise did not grow at the rate we expected because of the impact of increased competition for our dural sealant product.

Orthopedics and Tissue Technologies revenues were $338.7 million, an increase of 26.6% from the prior-year period. Revenue from Derma Sciences acquisition was $58.4 million for the nine months ended September 30, 2017. Sales from our regenerative technologies products excluding revenues from Derma Sciences grew mid-single digits, including strength in skin products as a result of strong demand from both domestic and international markets. Our upper extremities products grew double-digits, driven by strength in our shoulder products. The increases were offset by declining sales in both lower extremities and SurgiMend.

Gross margin increased to $532.3 million for the nine-month period ended September 30, 2017, up from $472.7 million for the same period last year. Gross margin as a percentage of total revenue increased to 64.9% for the year to date period from 64.2% for the same period last year. The increase in gross margin percentage resulted from an increase in sales of higher margin products such as dural repair, skin and wound products, and lower effect of purchase price adjustments from acquisitions, offset by sales in Derma Sciences with lower margins than the Company's average and an impairment charge of $3.3 million related to the completed technology assets acquired from Tarsus Medical, Inc., since the underlying product will no longer be sold.

Operating Expenses

The following is a summary of operating expenses as a percent of total revenues:

	Nine Months Ended September 30,	
	2017	2016
Research and development	5.6%	6.0%
Selling, general and administrative	52.9%	46.6%
Intangible asset amortization	1.8%	1.4%
Total operating expenses	60.3%	54.0%

Total operating expenses, which consist of research and development expenses, selling, general and administrative expenses, and amortization expense, increased $96.5 million, or 24.2%, to $494.7 million for the first nine months of 2017, compared to $398.2 million in the same period last year.

Research and development expenses in the first nine months of 2017 increased approximately $2.0 million and decreased as a percentage of sales from 6.0% to 5.6%. This increase in spending resulted from additional spending on new product development and clinical studies.

Selling, general and administrative expenses in the first nine months of 2017 increased by $89.9 million to $433.5 million compared to $343.5 million in the same period last year. Selling and marketing expenses increased by $35.5 million, resulting primarily from selling and marketing expenses of Derma Sciences of approximately $22.4 million and additional spending on new product launches and the addition of new sales representatives. General and administrative costs increased by $54.5 million resulting from the increase in acquisition-related expenses of $51.9 million offset by lower ERP implementation costs.

Amortization expense in the first nine months of 2017 increased by $4.6 million to $15.0 million, compared to $10.4 million in the same period last year. Amortization expense in the first nine months of 2017 reflects the increase in intangibles due to the two acquisitions in the first half of 2017.

Non-Operating Income and Expenses

The following is a summary of non-operating income and expenses:

	Nine Months Ended September 30,	
	2017	2016
	(In thousands)	
Interest income	$ 160	$ 14
Interest expense	(18,073)	(19,255)
Other expense, net	(3,691)	(398)

Interest Income and Interest Expense

Interest expense in the nine-month period ended September 30, 2017 decreased by $1.2 million primarily resulting from the settlement of our 2016 Convertible Notes in December 2016 offset by increased borrowings and higher effective borrowing rates on our Senior Credit Facility compared to the prior year. Our reported interest expense for the nine-month period ended September 30, 2016 includes non-cash interest related to the accounting for convertible securities of $6.3 million.

Interest income was negligible for the nine months ended September 30, 2017 and 2016.

Other Expense, net

Other expense, net for the nine months ended September 30, 2017 includes a $2.3 million loss on sale of short term investments. Other expense for the nine months ended September 30, 2017 and 2016 includes the impact of transactional foreign exchange gains and losses.

Income Taxes

	Nine Months Ended September 30,	
	2017	2016
	(In thousands)	
Income before income taxes	$ 15,982	$ 54,931
Income tax (benefit) expense	(4,406)	8,615
Effective tax rate	(27.6)%	15.7%

The Company's effective income tax rates for the nine months ended September 30, 2017 and 2016 were (27.6)% and 15.7%, respectively. In the nine months ended September 30, 2017, the primary drivers of the lower tax rate are lower income before taxes compared to the same period in 2016, the jurisdictional mix of income before tax in U.S.-based operations relative to foreign operations, and an increase in excess tax benefits of $3.7 million from stock-based compensation for the nine months ended September 30, 2017. The change in jurisdictional mix of income primarily results from significant acquisition and integration costs incurred in the U.S. in 2017.

Including the impact of the Codman Acquisition in the fourth quarter of 2017, the Company expects its effective income tax rate for the full year to be approximately a benefit of 65.7%, mainly from lower income before taxes resulting from acquisition-related expenses and benefits from stock-based compensation, Federal research credit benefits, and the jurisdictional mix of pretax income in U.S.-based operations relative to foreign operations. This estimate could be revised in the future as additional information is presented to the Company.

The effective tax rate may vary from period to period depending on, among other factors, the geographic and business mix of taxable earnings and losses, tax planning and settlements with the various taxing authorities. We consider these factors and others, including our history of generating taxable earnings, in assessing our ability to realize deferred tax assets on a quarterly basis.

While it is often difficult to predict the final outcome or the timing of resolution of any particular matter with the various Federal, state and foreign tax authorities, we believe that our reserves reflect the most probable outcome of known tax contingencies. Settlement of any particular issue would usually require the use of cash. Favorable resolution would be recognized as a reduction to our annual effective tax rate in the year of resolution. The tax reserves are presented in the balance sheet within other liabilities, except for amounts relating to items it expects to pay in the coming year which are classified as current income taxes payable.

GEOGRAPHIC PRODUCT REVENUES AND OPERATIONS

We attribute revenues to geographic areas based on the location of the customer. Total revenue by major geographic area consisted of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
	(In thousands)			
United States	$ 213,685	$ 194,346	$ 634,047	$ 567,103
Europe	32,609	28,553	93,924	89,623
Rest of World	32,540	27,433	91,663	79,685
Total Revenues	$ 278,834	$ 250,332	$ 819,634	$ 736,411

We generate significant revenues outside the United States, a portion of which are U.S. dollar-denominated transactions conducted with customers who generate revenue in currencies other than the U.S. dollar. As a result, currency fluctuations between the U.S. dollar and the currencies in which those customers do business could have an impact on the demand for our products in foreign countries. Local economic conditions, regulatory compliance or political considerations, the effectiveness of our sales representatives and distributors, local competition and changes in local medical practice all may combine to affect our sales into markets outside the United States.

Domestic revenues increased to $213.7 million, or 76.6% of total revenues, for the three months ended September 30, 2017 from $194.3 million, or 77.6% of total revenues, for the three months ended September 30, 2016. The Derma Sciences acquisition accounted for $19.3 million of the increase for the three months ended September 30, 2017. International revenues increased to $65.1 million from $56.0 million in the prior-year period. The Derma Sciences acquisition accounted for $4.8 million of the increase for the three months ended September 30, 2017. Foreign exchange fluctuations had a favorable impact of $1.7 million on revenues for the three months ended September 30, 2017 compared to the same period in 2016.

Domestic revenues increased to $634.0 million, or 77.4% of total revenues, for the nine months ended September 30, 2017 from $567.1 million, or 77.0% of total revenues, for the nine months ended September 30, 2016. The Derma Sciences acquisition accounted for $46.9 million of the increase for the nine months ended September 30, 2017. International revenues increased to $185.6 million from $169.3 million in the prior-year period. The Derma Sciences acquisition accounted for $11.5 million of the increase for the nine months ended September 30, 2017. Foreign exchange fluctuations had an unfavorable impact of $0.8 million on revenues for the nine months ended September 30, 2017 compared to the same period in 2016.

LIQUIDITY AND CAPITAL RESOURCES

Cash and Marketable Securities

We had cash and cash equivalents totaling approximately $481.9 million and $102.1 million at September 30, 2017 and December 31, 2016, respectively, which are valued based on Level 1 measurements in the fair value hierarchy. At September 30, 2017, our non-U.S. subsidiaries held approximately $133.7 million of cash and cash equivalents that are available for use outside the United States. If cash and cash equivalents held by our non-U.S. subsidiaries were repatriated to the United States, or used for operations, certain amounts could be subject to tax in the United States for the incremental amount in excess of the foreign tax paid.

Cash Flows

	Nine Months Ended September 30,	
	2017	2016
	(In thousands)	
Net cash provided by operating activities	$ 102,995	$ 109,876
Net cash used in investing activities	(237,767)	(21,480)
Net cash provided by (used in) financing activities	504,733	(28,879)
Effect of exchange rate fluctuations on cash	9,927	(51)

In 2017, we anticipate that our principal uses of cash will include approximately $50.0 to $55.0 million of capital expenditures primarily for support and maintenance in our existing plants, facility automation, our enterprise resource planning system implementation, and additions to our instrument kits used in sales of orthopedic products. On October 2, 2017, the Codman Acquisition was completed. The Company paid an aggregate purchase price of $1.014 billion, subject to certain adjustments under the Purchase Agreement. To facilitate the completion of the Codman Acquisition, the Company drew $326.4 million from the revolving component of the Senior Credit Facility on September 29, 2017 and $700.0 million from the Term Loan A-1 component of the Senior Credit Facility on October 2, 2017.

Cash Flows Provided by Operating Activities

We generated operating cash flows of $103.0 million and $109.9 million for the nine months ended September 30, 2017 and 2016, respectively.

Operating cash flows for the nine months ended September 30, 2017 decreased compared to the same period in 2016. Net income decreased compared to the same period of the prior year. Net income after non-cash adjustments decreased cash flows for the nine months ended September 30, 2017 by approximately $17.1 million compared to the same period in 2016, which resulted primarily from the increase in depreciation and amortization, non-cash impairment charges, share-based compensation expenses and realized loss on sale of short-term investments offset by non-cash interest expense from convertible debt, which was settled in December 2016. Net changes in working capital were minimal for the nine months ended September 30, 2017. Among the changes in working capital, accounts receivable used $9.9 million of cash, inventory used $0.9 million of cash, prepaid expenses and other current assets used $14.7 million of cash and accounts payable, accrued expenses and other current liabilities provided $24.0 million of cash, deferred revenue provided $1.4 million of cash, and other non-current liabilities provided $2.4 million of cash. Increases in accounts receivables and inventories are consistent with the increase in revenue.

Operating cash flow for the nine months ended September 30, 2016 increased compared to the same period in 2015. Net income increased compared to the same period of the prior year. Net income after non-cash adjustments increased cash flows for the nine months ended September 30, 2016 by approximately $35.1 million compared to the same period in 2015, which resulted primarily from the $35.6 million expense relating to the adjustment of the valuation

allowance recorded as a result of the spin-off of our spine business in July 2015 offset by the increase in depreciation and amortization. Changes in working capital decreased cash flows for the nine months ended September 30, 2016 by approximately $8.9 million. Among the changes in working capital, accounts receivable used $8.1 million of cash, inventory used $9.1 million of cash, prepaid expenses and other current assets provided $1.1 million of cash and accounts payable, and accrued expenses and other current liabilities provided $5.8 million of cash. Increases in accounts receivables and inventories are consistent with the increase in revenue.

Cash Flows Used in Investing Activities

During the nine months ended September 30, 2017, we paid $29.8 million for capital expenditures, most of which were directed to the expansion of a manufacturing facility and commercial expansion. We also used $225.6 million for the acquisition of Derma Sciences and TGX Medical, net of cash acquired. The payment for Derma Sciences includes a $210.5 million initial payment plus a $26.6 million payment for the BioD Product Payment in May 2017. We received $17.0 million from the sale of short-term investments acquired from Derma Sciences. In the third quarter of 2017, we received $0.3 million in cash from escrow related to the acquisition of BioD by Derma Sciences.

During the nine months ended September 30, 2016, we paid $26.1 million for capital expenditures, most of which were directed to the implementation of our global enterprise system implementation and manufacturing and commercial expansion. We also released $4.2 million from a restricted cash account that supported our European cash pool activities.

Cash Flows Provided by (Used in) Financing Activities

Our principal source of cash from financing activities in the nine months ended September 30, 2017 was $571.4 million in borrowings under our Senior Credit Facility used to acquire Derma Sciences and to fund a portion of the Codman Acquisition and proceeds that we received from the exercise of stock options of $9.8 million, offset by repayments of $65.0 million on the revolving portion of our Senior Credit Facility and $6.8 million cash taxes paid in net equity settlement. In the third quarter of 2017, we paid $4.8 million related to the BioD Earnout Payments.

Our principal source of cash from financing activities in the nine months ended September 30, 2016 was a $15.0 million borrowing under our Senior Credit Facility for general operating purposes and proceeds that we received from stock option exercises of $9.9 million, offset by repayments of $48.8 million on the revolving portion of our Senior Credit Facility and $4.6 million cash taxes paid in net equity settlement.

Upcoming Debt Maturities

The first quarterly installment of the Company's Term Loan A component of its Senior Credit Facility is due on March 31, 2018. We recorded $18.8 million of the Term Loan A component of the Senior Credit Facility as a current liability in the Company's consolidated balance sheets. There are no other upcoming debt maturities in the next twelve months.

Amended and Restated Senior Credit Agreement, Convertible Debt and Related Hedging Activities

See Note 5 - *Debt* to the current period’s condensed consolidated financial statements for a discussion of our (i) amended and restated Senior Credit Agreement, and (ii) convertible debt and related hedging activities.

Share Repurchase Plan

On October 25, 2016, our Board of Directors terminated the share repurchase authorization dated October 28, 2014, which authorized management to purchase up to $75.0 million of outstanding common stock prior to the end of 2016, and authorized new repurchases of up to $150.0 million of outstanding common stock through December 2018. Shares may be repurchased either in the open market or in privately negotiated transactions.

The Company has not repurchased any shares of common stock under these authorizations through September 30, 2017.

Dividend Policy

We have not paid any cash dividends on our common stock since our formation. Our Senior Credit Facility limits the amount of dividends that we may pay. Any future determinations to pay cash dividends on our common stock will be at the discretion of our Board of Directors and will depend upon our financial condition, results of operations, cash flows and other factors deemed relevant by the Board of Directors.

Capital Resources

We believe that our cash and available borrowings under the Senior Credit Facility are sufficient to finance our operations and capital expenditures for the foreseeable future. The Company considers the portion of the Senior Credit Facility payable within the next twelve-month period of $18.8 million as a current liability.

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements during the nine months ended September 30, 2017 that have or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our interests.

OTHER MATTERS

Critical Accounting Estimates

The critical accounting estimates included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, have not materially changed.

Recently Issued Accounting Standards

Information regarding new accounting pronouncements is included in Note 1 - *Basis of Presentation* to the current period’s condensed consolidated financial statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks, including changes in foreign currency exchange rates and interest rates that could adversely affect our results of operations and financial condition. To manage the volatility relating to these typical business exposures, we may enter into various derivative transactions when appropriate. We do not hold or issue derivative instruments for trading or other speculative purposes.

Foreign Currency Exchange and Other Rate Risks

We operate on a global basis and are exposed to the risk that changes in foreign currency exchange rates could adversely affect our financial condition, results of operations and cash flows. We are primarily exposed to foreign currency exchange rate risk with respect to transactions and net assets denominated in Euros, British pounds, Swiss francs, Canadian dollars, Japanese yen, Mexican pesos, Brazilian reais, Australian dollars and Chinese yuan. We manage the foreign currency exposure centrally, on a combined basis, which allows us to net exposures and to take advantage of any natural offsets. To mitigate the impact of currency fluctuations on transactions denominated in nonfunctional currencies, we periodically enter into derivative financial instruments in the form of foreign currency exchange forward contracts with major financial institutions. We temporarily record realized and unrealized gains and losses on these contracts that qualify as cash flow hedges in other comprehensive income, and then recognize them in other income or expense when the hedged item affects net earnings.

From time to time, we enter into foreign currency forward exchange contracts with terms of up to 12 months to manage currency exposures for transactions denominated in a currency other than an entity's functional currency. As a result, the impact of foreign currency gains/losses recognized in earnings are partially offset by gains/losses on the related foreign currency forward exchange contracts in the same reporting period.

We maintain written policies and procedures governing our risk management activities. With respect to cash flow hedges, changes in cash flows attributable to hedged transactions are generally expected to be completely offset by changes in the fair value of hedge instruments. Consequently, foreign currency exchange contracts would not subject us to material risk resulting from exchange rate movements, because gains and losses on these contracts offset gains and losses on the assets, liabilities or transactions being hedged.

The results of operations discussed herein have not been materially affected by inflation.

Interest Rate Risk

Cash and Cash Equivalents - We are exposed to the risk of interest rate fluctuations on the interest income earned on our cash and cash equivalents. A hypothetical 100 basis point movement in interest rates applicable to our cash and cash equivalents outstanding at September 30, 2017 would increase interest income by approximately $4.8 million on an annual basis. No significant decrease in interest income would be expected as our cash balances are earning interest at rates of approximately one basis point. We are subject to foreign currency exchange risk with respect to cash balances maintained in foreign currencies.

Senior Credit Facility - Our interest rate risk relates primarily to U.S. dollar LIBOR-indexed borrowings. We have used an interest rate derivative instrument to manage our earnings and cash flow exposure to changes in interest rates. This interest rate swap fixes the interest rate on a portion of our expected LIBOR-indexed floating-rate borrowings beginning various dates starting on December 31, 2016.

Based on our outstanding borrowings at September 30, 2017, a one-percentage point increase in interest rates would affect interest expense on the debt by $7.7 million on an annualized basis. A one-percentage point decrease in interest rates would affect interest expense on the debt by $7.7 million on an annualized basis.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Management has designed our disclosure controls and procedures to provide reasonable assurance of achieving the desired control objectives.

As required by Exchange Act Rule 13a-15(b), we have carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2017. Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2017 to provide such reasonable assurance.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

As previously disclosed, the Company is in the process of a multi-year implementation of a global enterprise resource planning system. In response to business integration activities, the Company has and will continue to further align and streamline the design and operation of the financial control environment to be responsive to the changing business model.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Various lawsuits, claims and proceedings are pending or have been settled by us; the most significant of which are described below.

The Company is subject to various claims, lawsuits and proceedings in the ordinary course of the Company's business, including claims by current or former employees, distributors and competitors and with respect to its products and product liability claims, lawsuits and proceedings, some of which have been settled by the Company. In the opinion of management, such claims are either adequately covered by insurance or otherwise indemnified, or are not expected, individually or in the aggregate, to result in a material adverse effect on our financial condition. However, it is possible that the Company's results of operations, financial position and cash flows in a particular period could be materially affected by these contingencies.

TEI

TEI, acquired by Integra on July 17, 2015, manufactures a bovine-derived surgical mesh product for Boston Scientific Corporation ("BSC") and has been named as a defendant in lawsuits under a broad range of products liability theories, many of which have not been served on TEI. As of September 30, 2017, only ten cases remained against TEI. Pursuant to an indemnification agreement with BSC (i) BSC is managing the litigation; (ii) TEI has in place a products liability insurance policy, of which it must exhaust $3.0 million before BSC's indemnity begins to cover relevant claims (and of which only a small portion has been utilized to date and against which the insurer has reserved the entire $3.0 million). Because the thrust of products liability litigation focuses on synthetic surgical mesh products, counsel is filing motions to dismiss on behalf of TEI in many cases. In addition, Integra has certain protections in the merger agreements with TEI which would indemnify it for approximately $30.0 million for the first fifteen months after closing and between $20.0 and $30.0 million for the remainder of the three-year period after closing for losses relating to a variety of matters, including half of certain products liability claims (including those related to the product it manufactures for BSC) not covered by insurance. As of October 26, 2017, no indemnification payments were received nor owed in relation to the lawsuits for the initial indemnification time period, which covered the first fifteen months after closing.

The Company accrues for loss contingencies when it is deemed probable that a loss has been incurred and that loss is estimable. The amounts accrued are based on the full amount of the estimated loss before considering insurance proceeds, and do not include an estimate for legal fees expected to be incurred in connection with the loss contingency. The Company consistently accrues legal fees expected to be incurred in connection with loss contingencies as those fees are incurred by outside counsel as a period cost.

BioD

On April 7, 2017, the Company's indirect wholly-owned subsidiary, BioD filed an action in the Superior Court of New Jersey, Chancery Division, Middlesex County seeking a declaration that the resignation of Russell Olsen, the former CEO of BioD, was "for Good Reason" (as defined in Olsen's employment agreement); a finding that Olsen breached the implied covenant of good faith and fair dealing, committed legal fraud, equitable fraud and negligent misrepresentation; and an award of damages for such actions, including a return of severance fees paid to Olsen. BioD was acquired in August 2016 by Derma Sciences, which Integra subsequently acquired in February 2017. After receiving a job offer from Integra that Olsen believed materially diminished his title and authority, on February 24, 2017 Olsen indicated his intention to terminate his position with BioD for Good Reason, as otherwise permitted by his employment agreement with BioD. Shortly thereafter, Cynthia Weatherly (as representative of the former equity owners of BioD) claimed in a letter to Derma Sciences that Olsen's resignation was a "termination Without Cause" (as also defined in Olsen's employment agreement), which would arguably trigger an acceleration of the earn out under a merger agreement between Derma Sciences, BioD and other parties (the "BioD Merger Agreement"), which was entered into in July 2016, and require as a result of the acceleration the payment of $26.5 million by BioD. As previously disclosed and described in *Note 2 - Business Acquisition*, to the Company's consolidated financial statements for the three and nine months ended September 30, 2017, Integra assumed this contingent liability in connection with its acquisition of Derma Sciences. The action for a declaratory judgment was filed to clarify that Olsen's termination was for Good Reason and not Without Cause. If the employment agreement

was terminated for Good Reason, then the Company believes that the earn out provision under the BioD Merger Agreement should not be accelerated.

ITEM 1A. RISK FACTORS

The Risk Factors included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016 and Quarterly Report on Form 10-Q for the quarterly periods ended March 31, 2017 and June 30, 2017 have not materially changed except the following:

If any of our manufacturing facilities were damaged and/or our manufacturing or business processes interrupted, we could experience lost revenues and our business could be seriously harmed.

Damage to our manufacturing, development and/or research facilities because of fire, extreme weather conditions, natural disaster, power loss, communications failure, unauthorized entry or other events, such as a flu or other health epidemic, could significantly disrupt our operations, the operations of suppliers and critical infrastructure and delay or prevent product manufacture and shipment during the time required to repair, rebuild or replace the damaged facilities. In particular, our San Diego, California facility is susceptible to earthquake damage, wildfire damage and power losses from electrical shortages as are other businesses in Southern California. Our Añasco, Puerto Rico plant, where we manufacture collagen, silicone and our private-label products, is vulnerable to hurricane, storm, earthquake and wind damage. In September 2017, Hurricane Maria caused catastrophic damage and disruption to the infrastructure in Puerto Rico, including power, communications, water supply and transportation and to the operations of suppliers and service providers, some of which persists or has not been restored fully. While our Añasco plant sustained relatively minor damage from the impact of this hurricane, our ability to fully restore and maintain sustainable operations at our Añasco plant depends on the restoration and reliability of the infrastructure and other essential services in Puerto Rico. Until such infrastructure and essential services are fully restored, we cannot guarantee that we will be able to sustain operations at full capacity at our Añasco plant. Our Plainsboro, New Jersey facility is vulnerable to hurricane damage.

Although we maintain property damage and business interruption insurance coverage on these facilities, our insurance might not cover all losses under such circumstances, and we may not be able to renew or obtain such insurance in the future on acceptable terms with adequate coverage or at reasonable costs. While we believe that our exposure to significant losses from such circumstances could be partially mitigated by our ability to manufacture, store, and distribute some of our products at other facilities, the losses could have a material adverse effect on our business for an undetermined period of time before the transition is complete and operations resume without significant disruption.

In addition, certain of our surgical instruments have some manufacturing processes performed by third parties in Pakistan, and we purchase a much smaller amount of instruments directly from vendors there. Pakistan is subject to political instability and unrest. Such instability could interrupt our ability to sell surgical instruments to our customers and could have a material adverse effect on our revenues and earnings. While we have developed a relationship with an alternative provider of these services in another country, and continue to work to develop other providers in other countries, we cannot guarantee that we will be completely successful in establishing all of these relationships. Even if we are successful in establishing all of these alternative relationships, we cannot guarantee that we will be able to do so at the same level of costs or that we will be able to pass along additional costs to our customers.

Further, we manufacture certain products in Europe and our European headquarters is located in France, which has experienced labor strikes and acts of terrorism. Thus far, strikes and acts of terrorism have not had a material impact on our business; however, if either were to occur, there is no assurance that they would not disrupt our business, and any such disruption could have a material adverse effect on our business.

An experienced third party hosts and maintains the enterprise business system used to support certain of our transaction processing for accounting and financial reporting, supply chain and manufacturing. Currently, we have developed a comprehensive disaster recovery plan for the Company’s infrastructure. As we have not fully tested the plan, we have adopted alternative solutions to mitigate business risk, including backup equipment, power and communications. We also implemented a comprehensive backup and recovery process for our key software applications. Our global production and distribution operations are dependent on the effective management of information flow between facilities. An interruption of the support provided by our enterprise business systems could have a material adverse effect on the business.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

There were no repurchases of our common stock under the repurchase program during the three and nine months ended September 30, 2017.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On October 24, 2017, the Company entered into the Third Amended and Restated Employment Agreement with Peter J. Arduini, President and Chief Executive Officer of the Company (the "Agreement"). The Agreement will become effective January 1, 2018 and will amend and restate the Second Amended and Restated Employment Agreement between the Company and Mr. Arduini, dated June 16, 2014, that is scheduled to expire on December 31, 2017.

Unless earlier terminated, the term of the Agreement will terminate on December 31, 2020. In the event that a change in control of the Company occurs prior to the expiration of the term, the employment period will instead continue through the later of December 31, 2020, or the second anniversary of the consummation of the change in control.

Under the Agreement, Mr. Arduini is entitled to receive an annual base salary of $911,622.27. Commencing with calendar year 2018, Mr. Arduini will also be eligible for an annual bonus opportunity targeted at 120% of his annual base salary. Mr. Arduini's bonus opportunity will range from 50% of his target annual bonus opportunity (if threshold performance goals are achieved) to a maximum of 200% of his target annual bonus opportunity. Mr. Arduini's base salary is subject to annual review and may be increased at the discretion of the Company.

The Agreement provides that Mr. Arduini is eligible to receive a discretionary annual equity award, with the amount, form and mix of such award to be determined by the Company's Compensation Committee in its discretion after giving consideration to annual equity-based awards granted to chief executive officers in the Company's peer group. Any annual equity awards will be granted pursuant to award agreements on forms substantially similar to the applicable form attached to the Agreement, which include provisions for accelerated time-vesting in connection with Mr. Arduini's retirement. The Agreement also provides that each current and future equity award held by Mr. Arduini that provides for double trigger accelerated vesting will provide for accelerated vesting upon a qualifying termination that occurs on or within 24 months following a change in control. In addition, Mr. Arduini's stock options will remain exercisable for up to two years following a qualifying termination or such longer period of time provided in the applicable option agreement.

The Agreement contains non-compete and non-solicitation covenants that extend for 18 months following a termination of Mr. Arduini's employment (or 12 months in the event of a termination due to the expiration of the employment term). Further, the Company will reimburse Mr. Arduini for up to $15,000 in legal fees and expenses incurred in connection with the drafting, review and negotiation of the Agreement and any related agreements.

Under the Agreement, if Mr. Arduini's employment is terminated outside the context of a change in control by the Company other than for "cause," death or "disability," or by Mr. Arduini for "good reason" (each, as defined in the Agreement), then, in addition to accrued amounts, Mr. Arduini will be entitled to the following payments and benefits:

- A lump sum payment equal to 2.99 times Mr. Arduini's annual base salary;
- Company-subsidized healthcare continuation coverage for Mr. Arduini and his dependents for up to 18 months after his termination date; and
- Company-paid life and disability insurance premiums for Mr. Arduini for up to 18 months after his termination date.

If Mr. Arduini's employment is terminated by the Company within 24 months following a change in control by the Company other than for cause, death or disability, or by Mr. Arduini for good reason, then Mr. Arduini will be entitled to receive the same payments and benefits as in the non-change in control context, except: (i) the lump sum cash payment will instead equal 2.99 times the sum of Mr. Arduini's annual base salary and target bonus and (ii) Mr. Arduini will receive a pro-rata portion of his annual bonus for the year of termination, determined based on actual performance.

If Mr. Arduini's employment is terminated due to his death, then his estate will receive (i) a lump sum cash payment equal to Mr. Arduini's annual base salary, and (ii) Company-subsidized healthcare continuation coverage for up to 12 months after his termination date.

Mr. Arduini's right to receive the severance payments pursuant to the Agreement (other than upon his death) is contingent on Mr. Arduini's executing a general release of claims against the Company (provided that the Company also executes a general release of claims against Mr. Arduini). In addition, to the extent that any payment or benefit received in connection with a change in control would be subject to an excise tax under Section 4999 of the Internal Revenue Code, such payments and/or benefits will

be subject to a “best pay cap” reduction if such reduction would result in a greater net after-tax benefit to Mr. Arduini than receiving the full amount of such payments.

The foregoing description of the Agreement is not complete and is subject to and qualified in its entirety by the terms of the Agreement, a copy of which is filed herewith as Exhibit 10.1 and incorporated herein by reference.

ITEM 6. EXHIBITS

Exhibits

*2.1	Asset Purchase Agreement, dated September 8, 2017, between the Company and certain of its subsidiaries and Natus Medical Incorporated
*#10.1	Third Amended and Restated Employment Agreement between the Company and Peter J. Arduini
*31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*†101.INS	XBRL Instance Document
*†101.SCH	XBRL Taxonomy Extension Schema Document
*†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*†101.DEF	XBRL Definition Linkbase Document
*†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
*†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

\# Indicates a management contract or compensatory plan or arrangement.

† The financial information of Integra LifeSciences Holdings Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed on October 26, 2017 formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations and Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) Parenthetical Data to the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements, is furnished electronically herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

Date: October 26, 2017

/s/ Peter J. Arduini

Peter J. Arduini

President and Chief Executive Officer

Date: October 26, 2017

/s/ Glenn G. Coleman

Glenn G. Coleman

Corporate Vice President and Chief Financial Officer

Table of Contents

Exhibits

*2.1	Asset Purchase Agreement, dated September 8, 2017, between the Company and certain of its subsidiaries and Natus Medical Incorporated
*#10.1	Third Amended and Restated Employment Agreement between the Company and Peter J. Arduini
*31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*†101.INS	XBRL Instance Document
*†101.SCH	XBRL Taxonomy Extension Schema Document
*†101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*†101.DEF	XBRL Definition Linkbase Document
*†101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
*†101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

\# Indicates a management contract or compensatory plan or arrangement.

† The financial information of Integra LifeSciences Holdings Corporation Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed on October 26, 2017 formatted in XBRL (Extensible Business Reporting Language): (i) the Condensed Consolidated Statements of Operations and Comprehensive Income, (ii) the Condensed Consolidated Balance Sheets, (iii) Parenthetical Data to the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements, is furnished electronically herewith.

Exhibit 2.1

ASSET PURCHASE AGREEMENT

dated as of

September 8, 2017

by and among

INTEGRA LIFESCIENCES HOLDINGS CORPORATION,

INTEGRA LIFESCIENCES CORPORATION

INTEGRA LIFESCIENCES SALES LLC,

INTEGRA LIFESCIENCES (IRELAND) LIMITED,

INTEGRA NEUROSCIENCES IMPLANTS (FRANCE) SAS,

INTEGRA LIFESCIENCES SERVICES (FRANCE) SAS,

INTEGRA NEUROSCIENCES LIMITED,

INTEGRA LIFESCIENCES ITALY S.R.L,

INTEGRA GMBH,

INTEGRA LS (BENELUX) NV,

INTEGRA CANADA ULC

INTEGRA CI INC.

as the Sellers

and

NATUS MEDICAL INCORPORATED,

as Buyer

TABLE OF CONTENTS

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT is made as of September 8, 2017 (this "Agreement"), by and among Integra LifeSciences Holdings Corporation, a Delaware corporation ("Integra"), Integra LifeSciences Corporation, a Delaware corporation, Integra Lifesciences Sales LLC, a Delaware limited liability company, Integra CI Inc., a Cayman Islands corporation, Integra Lifesciences (Ireland) Limited, a single member company, Integra Neurosciences Implants (France) SAS, a French société par actions simplifiée, Integra Lifesciences Services (France) SAS, a French société par actions simplifiée, Integra Neurosciences Limited, a company limited by shares, Integra Lifesciences Italy S.r.l., an Italian Società a responsabilità limitata, Integra GmbH, a limited liability company, Integra LS (Benelux) NV, a Belgian company, a company limited by shares, and Integra Canada ULC, a Canadian company, a company limited by shares (collectively with Integra, the "Sellers"), and Natus Medical Incorporated, a Delaware corporation ("Buyer").

RECITALS

WHEREAS, Integra is a party to the Codman Purchase Agreement, pursuant to which Integra has agreed to acquire certain assets and assume certain liabilities of DePuy Synthes Inc. ("Codman") comprising its Codman neurosurgery business;

WHEREAS, the United States Federal Trade Commission ("FTC") staff has raised the concern that the acquisition of those certain Codman assets and liabilities by Seller is likely to produce anti-competitive effects in the alleged relevant product market(s) in the United States for neurosurgery products, which would not be in the public interest, including, but not limited to, by eliminating competition between Seller and those Codman assets and liabilities;

WHEREAS, in order to resolve the concerns raised by FTC staff in these alleged product markets in the United States, Seller has agreed to enter into an agreement to divest certain assets related to these products with the Buyer to permit the Buyer to replace lost competition by itself manufacturing, marketing and selling the products referred to above into the respective alleged product markets;

WHEREAS, the FTC has or is about to issue a Decision and Order (the "FTC Order"), governing the scope, nature and extent and requirements of this Agreement.

WHEREAS, the Sellers desire to sell to Buyer, and Buyer desires to purchase from the Sellers, on the terms and subject to the conditions set forth herein, all of the Sellers' right, title and interest in and to the Business Assets, which consist of both the Integra Business Assets and the Codman Business Assets, to satisfy the requirements of an anticipated Law issued by the FTC, all upon the terms and subject to the conditions hereinafter set forth; and

WHEREAS, in connection therewith, the Parties desire that Buyer assume, on the terms and subject to the conditions set forth herein, the Assumed Liabilities.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties agree as follows:

Article I.
CERTAIN DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. As used herein, the following terms shall have the following meanings:

"Accountant" has the meaning provided such term in Section 2.5(c).

2 "Accrued PTO" means with respect to any Business Employee, such employee's accrued but unpaid paid time off balance, excluding for the avoidance of doubt Company holidays or paid personal days, in each case as of the Closing.

3 "Accrued PTO Rollover Consents" has the meaning provided such term in Section 5.9(c).

4 "Affiliate" means, with respect to any specified Person, any Person that, directly or indirectly, controls, is controlled by or is under common control with, such specified Person through one or more intermediaries or otherwise; *provided* that such Person shall be deemed an Affiliate for only so long as such control exists. For purposes of this definition, "control", when used with respect to any specified Person, means (i) the direct or indirect ownership of more than fifty percent (50%) of the total voting power of securities or other evidence of ownership interest in such Person or (ii) the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through ownership of voting securities, by Contract or otherwise; and the terms "controls" and "controlled" have meanings correlative to the foregoing.

5 "Agreement" has the meaning provided such term in the preamble to this Agreement.

6 "Allocation" has the meaning provided such term in Section 2.2.

7 "Añasco Facility" means the facility located at Road 402 North, Km 1.2 Añasco, 00610, Puerto Rico.

8 "Ancillary Agreements" means the Integra Transitional Services Agreement, the Reverse Transitional Services Agreement, the Integra ICP Transitional Manufacturing Agreement, Integra Shunts Transitional Manufacturing Agreement, the Bill of Sale, the Assumption Agreement, the Assignment of Registered Intellectual Property and any other agreements or instruments executed pursuant hereto.

9 "Assumed Liabilities" means: (i) any and all Liabilities to the extent resulting from or arising out of any operation or conduct of the Business on or after the Closing Date or the ownership or use of any of the Business Assets on or after the Closing Date, including all such Liabilities of Integra and its Affiliates arising on or after the Closing Date under the Shunt Development Agreement to the extent related to the activities subject thereto occurring within the United States, but, in each case, excluding Liabilities to the extent they constitute Retained Liabilities (ii) all Liabilities allocated to Buyer pursuant to Section 5.1, Section 5.6, or Section 5.9, (iii) all

Liabilities listed on Schedule 1.1(a), (iv) all Liabilities assumed by or agreed to be performed by Buyer pursuant to this Agreement or any of the Ancillary Agreements and (v) the Assumed PTO.

10 "Assumed PTO" has the meaning provided such term in Section 5.9(c).

11 "Base Purchase Price" has the meaning provided such term in Section 2.2.

12 "Benefit Plan" means each material benefit, retirement, employment, compensation, incentive, compensatory equity award, change in control, severance, vacation, paid time off and fringe-benefit agreement, plan, policy and program in effect and covering one or more Business Employees or the beneficiaries or dependents of any such persons, and is maintained, sponsored, contributed to, or required to be contributed to by any Seller, or under which any Seller has any material liability for premiums or benefits.

13 "Biot Facility" means the facility located at 2905 Route des Dolines, 06560 Valbonne, France.

14 "Business" means, as comprised as of the Closing Date, the Integra Business and the Codman Business.

15 "Business Assets" means all of the Sellers' right, title and interest as of the Closing in and to all of the Integra Business Assets and Codman Business Assets owned, licensed or leased by any of the Sellers.

16 "Business Contracts" means the Integra Business Contracts and the Codman Business Contracts.

17 "Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of New Jersey or a federal holiday in the United States.

18 "Business Employees" means the employees of any Seller who are listed on Schedule 1.1(b) and employed by such Seller as of immediately prior to the Closing.

19 "Business Intellectual Property" means the Integra Business Intellectual Property and the Codman Business Intellectual Property.

20 "Business Lease(s)" has the meaning provided such term in this Section 1.1.

21 "Buyer" has the meaning provided such term in the preamble to this Agreement.

22 "Buyer 125 Plan" has the meaning provided such term in Section 5.9(g).

23 "Buyer 401(k) Plan" has the meaning provided such term in Section 5.9(f).

24 "Buyer Indemnified Parties" has the meaning provided such term in Section 8.2(a).

25 "Claim Notice" has the meaning provided such term in Section 8.3(a).

26 "Closing" has the meaning provided such term in Section 2.3(a).

27 "Closing Date" has the meaning provided such term in Section 2.3(a).

28 "Closing Statement" has the meaning provided such term in Section 2.5(a).

29 "Closing Statement Principles" means GAAP applied on a basis consistent with the application of GAAP in the Financial Information.

30 "Code" means the Internal Revenue Code of 1986, as amended.

31 "Codman Business" means, as comprised on the Closing Date, the business activities and operations of the Sellers in the United States to the extent acquired by Integra or any of the Sellers pursuant to the Codman Purchase Agreement involving the research, development, manufacture, assembly, marketing, sale, and distribution of the Codman Products in the United States.

32 "Codman Business Assets" means all of the Sellers' right, title and interest as of the Closing in and to all of the following assets owned, licensed or leased by any of the Sellers, in each case, to the extent acquired by Integra or any of the Sellers pursuant to the Codman Purchase Agreement:

(i) all inventory of finished Codman Products, and Codman Product specific raw materials and work in process, in each case, to the extent related to the Codman Business and excluding the Codman Excluded Inventory (the "Codman Inventory");

(ii) all Codman Contracts listed on Schedule 1.1(c)(ii) (the "Codman Business Contracts");

(iii) all rights under or pursuant to warranties, representations, indemnities or guarantees made by suppliers, manufacturers or contractors in connection with products or services provided to the Codman Business from third parties exclusively in connection with the Codman Business;

(iv) all Intellectual Property used or held for use exclusively in the Codman Business, including the Patents, Copyrights, Trademarks and internet domain names listed on Schedule 1.1(c)(iv), together with all rights to sue for past and present infringement, dilution, misappropriation or other violation thereof (the "Codman Business Intellectual Property");

(v) all records, files, data and other materials, whether in hard copy or electronic form, to the extent relating to the Codman Business and in the possession of Seller (but excluding records or files to the extent they do not relate to the Codman Business): (1) vendor lists, (2) customer lists, (3) a list of the names of the distributors for the Codman Products, (4) pricing lists for the Codman Products, (5) testing and clinical data, market research reports, marketing plans and other marketing-related information and materials (including any underlying personal information to the extent transferrable under applicable Law), (6) advertising, marketing data, marketing plans, sales and promotional materials, to the extent permitted under the Codman Agreement (7) quality control,

vigilance and regulatory records and (8) ledgers, and other business records (to the extent transferrable under applicable Law, and excluding all Tax Returns and related workpapers); provided that, to the extent practicable, Buyer shall be entitled to copies or extracts of any such materials relating to the Codman Business that are not included in the foregoing transferred records; provided, further, that the Sellers shall be entitled to retain copies of any such materials they deem reasonably necessary (and such information shall be considered an Excluded Asset).

(vi) all Permits held in the name of Sellers or their Affiliates, or the Codman Sellers or their Affiliates, as applicable, and exclusively related to the marketing, distribution and sale of the Codman Business Assets in the United States ("Codman Transferred Governmental Permits"); and

(vii) Sellers' goodwill exclusively related to the Codman Business or any of the assets described in the foregoing clauses.

"Codman Business Contracts" has the meaning provided such term in this Section 1.1.

1 "Codman Business Intellectual Property" has the meaning provided such term in this Section 1.1.

2 "Codman Excluded Inventory" means to the extent related to the Codman Assets (a) all inventory located outside of the United States or to the extent held for use or sale outside of the United States (b) all inventory of all finished Codman Products, Codman Product specific work in process and Codman Product specific raw materials owned or held by GMED Healthcare BVBA or Johnson & Johnson Pte Ltd and (c) all inventory of all Codman Product specific work in process and Codman Product specific raw materials located at the Raynham Facility and Le Locle Facility.

3 "Codman Inventory" has the meaning provided such term in this Section 1.1.

4 "Codman Products" means the products listed on Schedule 1.1(d), in each case, only to the extent sold in the United States.

5 "Codman Purchase Agreement" means that certain Asset Purchase Agreement, dated as of February 14, 2017, by and between Depuy Synthes Inc. and Integra Lifesciences Holdings Corporation, as amended or modified from time to time.

6 "Codman Sellers" mean Depuy Synthes Inc. and its Affiliates that transfer assets, liabilities, employees or businesses to Integra and its Affiliates pursuant to the Codman Purchase Agreement.

7 "Codman Transferred Governmental Permits" has the meaning provided such term in Section 1.1.

8 "Codman Transitional Manufacturing Agreement" means that that certain agreement in the form of Exhibit G.

9 "Codman Transitional Services Agreement" means that that certain agreement in the form of Exhibit H.

10 "Confidential Information" has the meaning provided such term in Section 5.11(a).

11 "Confidentiality Agreement" means that certain confidentiality agreement between Integra and Buyer dated March 10, 2017, as amended by that First Amendment to Confidentiality Agreement dated June 23, 2017.

12 "Contract" means any legally binding written agreement, commitment, arrangement, lease, license, understanding or other contract.

13 "Copyrights" means copyrights, mask works and other rights in works of authorship, and all registrations of and applications to register any of the foregoing.

14 "Credit Support" means all guaranties, letters of credit, comfort letters, surety bonds and other credit support provided by any of the Sellers or their Affiliates in support of the obligations of any of the Sellers with respect to the Business.

15 "Deferred Revenue" means all revenue received by Sellers to the extent exclusively related to the Business and allocated to any service or repair work not yet performed as of the Closing.

16 "Determination Date" has the meaning provided such term in Section 2.5(e).

17 "Disclosure Schedule" means the schedules attached hereto.

18 "Dollars" and "$" mean the lawful currency of the United States.

19 "Environment" means any surface water, groundwater, drinking water supply, land surface, subsurface strata or ambient air.

20 "Environmental Claim" means any Proceeding, order, directive or written notice by, or on behalf of, any Governmental Authority or Person alleging actual or potential Liability arising out of or resulting from the requirements or violation of any Environmental Law or Environmental Permit.

21 "Environmental Law" means any applicable Law relating to the protection of the Environment.

22 "Environmental Permit" means any permit, license, waiver, exemption, approval or other authorization issued by any Governmental Authority pursuant to any Environmental Law.

23 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

24 "Estimated Assumed PTO" has the meaning provided such term in Section 2.4

25 "Estimated Deferred Revenue" has the meaning provided such term in Section 2.4.

"Estimated Purchase Price" has the meaning provided such term in Section 2.2.

26 "Excluded Assets" means all assets of the Sellers and their Affiliates (including those acquired from the Codman Sellers pursuant to the Codman Purchase Agreement) other than the Business Assets, whether or not related to the Products or used or held for use in the Business, including: (i) all rights of the Sellers under this Agreement and any of the Ancillary Agreements; (ii) all claims, causes of action, rights or benefits of or to any insurance policies of the Sellers and their Affiliates, including defense and indemnity benefits attributable to or arising from or under such policies; (iii) the Benefit Plans and underlying assets; (iv) each Seller's corporate franchise, Organizational Documents, corporate seal, minute book, and other corporate or Tax records (including Tax Returns); (v) the Shared Contracts; (vi) each Seller's ownership or other equity interests in any Person; (vii) all real property interests (including leases of real property and leasehold interests) other than the Business Lease(s); (viii) all Permits (other than the Transferred Governmental Permits) and Environmental Permits; (ix) all claims, recoveries and judgments in favor of or for the benefit of any Seller relating to any Retained Liabilities; (x) all Intellectual Property other than the Business Intellectual Property, including for the avoidance of doubt, the Excluded Marks, and any Intellectual Property rights in the Shared Components; (xi) all cash, cash equivalents, bank accounts and similar cash items of any Seller (including cash security and other deposits); (xii) all accounts receivable and other such claims for money due to any Seller from any third parties; (xiii) the Excluded Inventory and (xiv) all Tax Assets.

27 "Excluded Business" means the businesses, activities and operations of the Sellers and their Affiliates (including those acquired from the Codman Sellers pursuant to the Codman Purchase Agreement), other than the Business.

28 "Excluded Business IP" has the meaning provided such term in Section 5.22(a).

29 "Excluded Inventory" means (i) all Codman Excluded Inventory; (ii) all Shunts Excluded Inventory and (iii) all raw materials and work in process inventories located at the Tullamore Facility, Añasco Facility, Biot Facility, Raynham Facility, and Le Locle Facility to the extent necessary for Integra or Codman to perform their obligations under the Transitional Manufacturing Agreements and all spare parts and other inventory located at the service and repair operations of the San Diego Service and Repair Facility and Ratingen Facility.

30 "Excluded Marks" means any and all Trademarks other than the Trademarks listed on Schedule 1.1(e) or Schedule 1.1(f), including, for the avoidance of doubt, all Trademarks containing or comprising the word "Integra", " "JOHNSON & JOHNSON", "JOHNSON & JOHNSON MEDICAL", "J&J", "DEPUY SYNTHES", "CODMAN & SHURTLEFF", "ETHISORB", "MEDOS", "CODMAN", "CODMAN NEURO", "CODMAN NEUROSURGERY", and "LICOX".

31 "FDA" means the United States Food and Drug Administration.

32 "Fiber Optic Cables" means alternative fiber optic cables to be used to replace the current fiber identified as "30182 - FIBER, OPTICAL – CAMINO" in Integra's books and records, which alternatives may include the fiber optic cables identified in Integra's books and records as of the date hereof as (i) part number 30920 – Camino Optical Fiber (DS-2015 Etched), (ii) part number 30921 -Camino Optical Fiber (DS-2015 HF Free Etched), (iii) part number 30918 – Camino Optical Fiber (DF-0009 Etched) and (iv) part number 30919 -Camino Optical Fiber (DF-0009 HF Free Etched).

33 "Final Purchase Price" has the meaning provided such term in Section 2.5(e).

34 "Financial Information" has the meaning provided such term in Section 3.4.

35 "FTC" means the United States Federal Trade Commission or any successor entity.

36 "FTC Consent" means the consent of the FTC with respect to the Buyer, this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby in accordance with the terms of the FTC Order.

37 "FTC Order" has the meaning provided such term in the preamble to this Agreement.

38 "Fundamental Representations" means the representations and warranties of the Sellers contained in the first sentence of Section 3.1 (Organization and Qualification), Section 3.2 (Due Authorization), Section 3.6 (Title and Sufficiency of Assets) and Section 3.13 (Brokers' Fees).

39 "GAAP" means generally accepted accounting principles of the United States.

40 "Governmental Authority" means any United States or non-United States federal, national, supranational, provincial, state, municipal, local or similar government, governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, tribunal, arbitrator or arbitral body.

41 "Indemnified Party" has the meaning provided such term in Section 8.3(a).

42 "Indemnifying Party" has the meaning provided such term in Section 8.3(a).

43 "Integra" has the meaning provided such term in the preamble to this Agreement.

44 "Integra Business" means, the Integra Shunts Business and the Integra ICP Business.

45 "Integra Business Assets" means all of the Sellers' right, title and interest as of the Closing in and to all of the following assets owned, licensed or leased by any of the Sellers:

(i) all raw materials, work in process and finished goods inventories used or held for use exclusively in connection with the Integra Business (without taking into account any reserve therefor), but excluding the Excluded Inventory (the "Integra Inventory");

(ii) all Contracts listed on Schedule 1.1(g)(ii) (the "Integra Business Contracts");

(iii) all machinery, equipment (including all tooling and molds) and other tangible personal property listed on Schedule 1.1(g)(iii);

(iv) all Integra IT Assets listed on Schedule 1.1(g)(iv);

(v) the real property lease(s) listed on Schedule 1.1(g)(v) (the "Business Leases");

(vi) all rights under or pursuant to warranties, representations, indemnities or guarantees made by suppliers, manufacturers or contractors in connection with products or services provided to the Sellers from third parties exclusively in connection with the Integra Business;

(vii) all Intellectual Property used or held for use exclusively in the Integra Business, including the Patents, Copyrights, Trademarks and internet domain names listed on Schedule 1.1(g)(vii), together with all rights to sue for past and present infringement, dilution, misappropriation or other violation thereof (the "Integra Business Intellectual Property");

(viii) all books, records, ledgers, files, documents, correspondence, lists, plans, specifications, drawings, reports and other materials (in whatever form or medium) that pertain exclusively to the Integra Business, excluding personnel files of the Transferred Employees and all Tax Returns and related workpapers; *provided*, *however*, that the Sellers shall be entitled to retain copies of any such materials they deem reasonably necessary (and such information shall be considered an Excluded Asset);

(ix) any rights to credits or claims for refunds or reimbursements (but excluding (A) cash security or other deposits and (B) Tax Assets) from third parties pertaining exclusively to the Integra Business;

(x) all Permits held in the name of Sellers or their Affiliates and exclusively related to (A) the marketing, distribution and sale of the Integra ICP Products in the United States, the European Union, China, Canada, Australia, and New Zealand, (B) the marketing, distribution and sale of the Integra Shunts in the United States or (C) the manufacture of the Integra Business Assets at the San Diego Manufacturing Facility ("Integra Transferred Governmental Permits"); and

(xi) Sellers' goodwill exclusively related to the Integra Business or any of the assets described in the foregoing clauses.

"Integra Business Contracts" has the meaning provided such term in this Section 1.1.

46 "Integra Business Intellectual Property" has the meaning provided such term in this Section 1.1.

47 "Integra ICP Business" means, as comprised on the Closing Date, the business activities and operations of the Sellers involving the manufacture, assembly, marketing, sale, distribution, export, service and repair of the Integra ICP Products.

48 "Integra ICP Products" means the products listed on Schedule 1.1(h).

49 "Integra Inventory" has the meaning provided such term in this Section 1.1.

50 "Integra Products" means the Integra ICP Products and the Integra Shunts.

51 "Integra Shunts" means the products listed on Schedule 1.1(i), in each case, only to the extent sold in the United States.

52 "Integra Shunts Business" means, as comprised on the Closing Date, the business activities and operations of the Sellers involving the manufacture and assembly of the Integra Shunts and the marketing, sale and distribution of the Integra Shunts for use in the United States.

53 "Integra Shunts Transitional Manufacturing Agreement" has the meaning provided such term in Section 2.3(b)(viii).

54 "Integra ICP Transitional Manufacturing Agreement" has the meaning provided such term in Section 2.3(b)(vii).

55 "Integra Transferred Governmental Permits" has the meaning provided such term in this Section 1.1.

56 "Integra Transitional Services Agreement" has the meaning provided such term in Section 2.3(b)(v).

57 "Integra IT Assets" means software, computers, firmware, servers, workstations, routers, hubs, switches, data communications lines, and all other information technology equipment owned, leased or licensed by the Sellers and included in the Integra Business Assets.

58 "Intellectual Property" means intellectual property rights, including (i) Trademarks, (ii) Copyrights, (iii) Patents, (iv) internet domain names, and (v) all intellectual property rights in databases and data, confidential know-how, trade secrets, similar proprietary rights in computer software programs and confidential inventions, discoveries, analytic models, improvements, processes, techniques, devices, methods, patterns, formulae, and specifications.

59 "Inventory" means the Integra Inventory and the Codman Inventory.

60 "IRS" means the United States Internal Revenue Service.

61 "Knowledge" and any variations thereof or words to the same effect means: (i) with respect to Buyer, actual knowledge of those persons in Schedule 1.1(j); and (ii) with respect to the Sellers, actual knowledge of those persons listed in Schedule 1.1(k).

62 "Law" means any applicable law, rule, regulation, judgment, statute, ordinance order or decree enacted, issued or promulgated by any Governmental Authority.

63 "Le Locle Facility" means the facility located at Giardet 29, Le Locle, Switzerland.

64 "Liabilities" shall mean any and all liabilities and obligations, whether accrued, fixed or contingent, mature or inchoate, known or unknown, reflected on a balance sheet or otherwise, including those arising under any Proceeding or Law or any judgment of any court of any kind or any award of any arbitrator of any kind, and those arising under any Contract.

65 "Licensed Seller Marks" has the meaning provided such term in Section 5.3(b).

66 "Lien" means any mortgage, deed of trust, pledge, hypothecation, encumbrance, security interest or other lien of any kind.

67 "Losses" means all Liabilities, losses, damages, judgments, settlements, awards, costs and expenses (including reasonable fees and expenses of counsel, consultants, experts and other professional fees) that have required an outlay of cash or other non-cash consideration; *provided* that Losses shall not include (i) any special, punitive or exemplary damages, unless awarded to a third party, (ii) any loss of enterprise value, diminution in value of any business, damage to reputation or loss to goodwill or (iii) any lost profits or other incidental, indirect or consequential damages.

68 "Material Adverse Effect" means a material adverse effect on the business, results of operations, Business Assets or financial condition of the Business, taken as a whole (after taking into account insurance recoveries), but shall exclude any change, effect or circumstance resulting or arising from: (i) any change in economic conditions, generally or in any of the industries or markets in which the Business operates; (ii) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war (whether or not declared), or the occurrence of any military or terrorist attack upon the United States or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States; (iii) changes in Law, accounting requirements or principles, or other binding directives issued by any Governmental Authority; (iv) the entry into or announcement of this Agreement and the Ancillary Agreements, actions contemplated by this Agreement and the Ancillary Agreements or the consummation of the transactions contemplated hereby and thereby; (v) any omission to act or action taken with the consent of Buyer (including those omissions to act or actions taken which are permitted by this Agreement or the Ancillary Agreements); (vi) any natural or man-made disasters or acts of God; or (vii) any failure by the Business to meet any projections, forecasts or revenue or earnings predictions; *provided* that the underlying causes of such failure (subject to the other provisions of this definition) shall not be excluded.

69 "Mirrored Shared Contracts" has the meaning provided such term in Section 5.1(a).

70 "Mirrored Shared Contractual Liabilities" has the meaning provided such term in Section 5.1(c).

71 "Organizational Documents" means charter, certificate of incorporation, articles of association, bylaws, operating agreement or similar formation or governing documents and instruments.

72 "Parties" means the Sellers and Buyer.

73 "Patents" means patents and patent applications, together with all reissues, reexaminations, divisions, continuations, continuations-in-part, and extensions thereof.

74 "Permits" means authorizations, licenses, permits or certificates issued by Governmental Authorities (excluding any Environmental Permits).

75 "Permitted Liens" means: (i) mechanics, materialmen's and similar Liens with respect to any amounts not yet due and payable or which are being contested in good faith through appropriate proceedings; (ii) Liens for Taxes not yet due and payable or which are being contested in good faith through appropriate proceedings; (iii) Liens of any kind that are to be released at or prior to Closing; (iv) Liens securing rental payments under equipment or capital lease agreements; (v) other Liens arising in the ordinary course of business and not incurred in connection with the borrowing of money; and (vi) Liens described in Schedule 1.1(l).

76 "Person" means any individual, firm, corporation, partnership, limited liability company, incorporated or unincorporated association, joint venture, joint stock company, trust, Governmental Authority or other entity of any kind.

77 "Post-Closing Tax Period" means any Tax period beginning after the Closing Date and that portion of a Straddle Period beginning after the Closing Date.

78 "Pre-Closing Covenants" means any and all covenants and agreements of one or more of the Parties contained in this Agreement to the extent that they are required by their terms to be performed on or before the Closing.

79 "Pre-Closing Tax Period" means any Tax Period ending on or before the Closing Date and that portion of any Straddle Period ending on the Closing Date.

80 "Proceeding" means any lawsuit, action, suit, claim (including claim of a violation of Law) or other proceeding at Law or in equity by or before any Governmental Authority.

81 "Products" means the Integra Products and the Codman Products.

82 "Property Taxes" has the meaning set forth in Section 5.6(b).

83 "Purchase Price" has the meaning provided such term in Section 2.2.

84 "Ratingen Facility" means the facility located at Halskestrasse 9, D-40880 Ratingen, Germany.

85 "Raynham Facility" means the industrial facility at 325 Paramount Drive, Raynham, Massachusetts, that is identified in the Codman Transition Manufacturing Agreement.

86 "Registered Intellectual Property" shall have the meaning set forth in Section 3.7(a).

87 "Representatives" means, as to any Person, its officers, directors, employees, counsel, accountants, financial advisers, consultants and agents.

88 "Resolution Period" has the meaning provided such term in Section 2.5(b).

89 "Retained Liabilities" means: (i) any and all Liabilities of the Sellers, whether arising before, on or after the Closing Date, to the extent resulting from or arising out of the past, present or future operation or conduct of the Excluded Business or the past, present or future ownership or use of any of the Excluded Assets by the Sellers (other than the Assumed PTO), (ii) all Liabilities allocated to the Sellers pursuant to Section 5.1, (iii) all Liabilities assumed by, retained by or agreed to be performed by the Sellers pursuant to this Agreement or any of the Ancillary Agreements, (iv) all Liabilities to the extent resulting from or arising out of the operation or conduct of the Integra Business prior to the Closing or ownership or use of any of the Integra Business Assets prior to the Closing, (v) all indebtedness for borrowed money and trade accounts payable of the Sellers incurred prior to the Closing, (vi) all Liabilities of the Sellers in respect of Taxes (a) arising out of, relating to or in respect of the Business or the Business Assets for a Pre-Closing Tax Period and (b) that are unrelated to the Business or the Business Assets; *provided*, *however*, that "Retained Liabilities" shall not include any of the Assumed Liabilities set forth in clauses (ii), (iii), and (iv) of the definition of Assumed Liabilities, and (vii) any and all Liabilities of Seller related to the matters set forth in item 1 on Schedule 3.8. For the sake of clarity, and notwithstanding any other provision in this Agreement or any Ancillary Agreement, any and all Liabilities relating to the matters set forth in item 1 on Schedule 3.8 shall be Seller's sole responsibility.

90 "Reverse Transitional Services Agreement" has the meaning provided such term in Section 2.3(b)(vi).

91 "San Diego Manufacturing Facility" means the manufacturing facility located at 5955 & 5965 Pacific Center Blvd. San Diego, CA 92121.

92 "San Diego Products" has the meaning provided such term in Section 5.3(b)(i).

93 "San Diego Service and Repair Facility" means the service and repair facility located at 5965 Pacific Center Blvd #705, San Diego, CA 92121.

94 "Seller Indemnified Parties" has the meaning provided such term in Section 8.2(b).

95 "Sellers 125 Plan" has the meaning provided such term in Section 5.9(g).

96 "Sellers" has the meaning provided such term in the preamble to this Agreement.

97 "Shared Components" means those finished goods, sub-assemblies, and parts listed on Schedule 1.1(m).

98 "Shared Contracts" means Contracts with third parties that directly benefit both (i) the Business and (ii) the Excluded Business.

99 "Shunt Development Agreement" means the Shunt Development Agreement dated September 11, 1991 between Clinical Neuro Systems, Inc. and Radionics Medical Products, Inc. (previously, Radionics Shunt Corporation), in each case which Persons are Affiliates of Integra as of the date hereof, as amended by the Amendment to the Shunt Development Agreement dated May 1, 1994.

100 "Shunts Excluded Inventory" means, to the extent related to the Integra Shunts, all inventory to the extent held for use or sale outside of the United States.

101 "Shunts Shared Contracts" means that certain Processing, Lab, and Consulting Agreement by and between Sterigenics and Integra LifeSciences Corporation, dated as of June 19, 2015, and as supplemented by Annexes A-E, dated as of September 3, 2015, that certain EO Sterilization Services Agreement by and between Integra CI, Inc. and Edwards LifeSciences Technology Sarl dated as of March 2, 2009, as amended by that certain Letter Agreement by and between Integra CI, Inc. and Edwards LifeSciences Technology Sárl, dated as of September 8, 2011 and that certain Interstate Shipping Agreement by and between Integra NeuroScience PR and Edwards Lifesciences Technology Sarl at Anasco, PR dated as of September 6, 2011.

102 "Shunts TMA Products" has the meaning provided such term in Section 5.3(b)(iii).

103 "Straddle Period" means any Tax Period beginning before or on and ending after the Closing Date.

104 "Tax Asset" means any net operating loss, net capital loss, investment tax credit, foreign tax credit, charitable deduction, refund of Taxes or claim for refund of Taxes or any other credit or Tax attribute which could reduce Taxes (including deductions and credits related to alternative minimum tax), except that Tax Assets shall not include any refund or credit with respect to Property Taxes that are allocable to a Post-Closing Tax Period as determined in Section 5.6(b).

105 "Tax Authority" means any Governmental Authority or any subdivision, agency, commission or authority thereof, or any quasi-governmental or private body having jurisdiction over the assessment, determination, collection or imposition of any Tax.

106 "Tax Period" means any period prescribed by Law or any Tax Authority for which a Tax Return is required to be filed or a Tax is required to be paid.

107 "Tax Refund" has the meaning provided such term in Section 5.6(d).

108 "Tax Returns" means any report, return, election, document, estimated tax filing, declaration or other filing provided to any Tax Authority or jurisdiction with respect to Taxes, including any amendments thereto.

109 "Taxes" means all taxes, assessments, charges, duties, fees, levies, imposts or other governmental charges, including all federal, state, local, municipal, county, foreign and other income, franchise, profits, capital gains, capital stock, gross receipts, sales, use, transfer, occupation, ad valorem, property, excise, severance, windfall profits, premium, stamp, license, payroll,

employment, social security, unemployment, disability, environmental, alternative minimum, add-on, value-added, withholding and other taxes of any kind whatsoever, and all estimated taxes, additions to tax, penalties and interest.

110 "Third Party Claim" has the meaning provided such term in Section 8.3(a).

111 "Third Party IP" means any Intellectual Property owned by any Person other than Sellers.

112 "TMA Products" has the meaning provided such term in Section 5.3(b)(ii).

113 "Trademarks" means trademarks, service marks, certification marks, trade dress, trade names and other indicia of origin, whether registered or unregistered, and all goodwill associated therewith, and all registrations of and applications to register any of the foregoing

114 "Transfer Taxes" has the meaning provided such term in Section 5.6(a).

115 "Transferred Employee" has the meaning provided such term in Section 5.9(b).

116 "Transferred Governmental Permits" means the Integra Transferred Governmental Permits and the Codman Transferred Governmental Permits.

117 "Transitional Manufacturing Agreements" means the Codman Transitional Manufacturing Agreement the Integra ICP Transitional Manufacturing Agreement and the Integra Shunts Transitional Manufacturing Agreement.

118 "Transitional Service Agreements" means the Codman Transitional Services Agreement and the Integra Transitional Services Agreement

119 "Treasury Regulations" means the United States Treasury regulations promulgated under the Code.

120 "Tullamore Facility" means the facility located at IDA Business and Technology Park, Sragh, Tullamore, Co Offaly, Ireland.

121 "United States" means the United States of America, its territories and possessions.

Section 1.2 Rules of Construction.

(a) All article, section, schedule and exhibit references used in this Agreement are to articles and sections of, and to schedules and exhibits to, this Agreement unless otherwise specified. The schedules and exhibits attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes.

(b) If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Terms defined in the singular have the corresponding meanings in the plural, and vice versa. Unless the context of this Agreement

clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa. The term “includes” or “including” shall mean “including without limitation.” The words “hereof,” “hereto,” “hereby,” “herein,” “hereunder” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not any particular section or article in which such words appear. The word “or” is not exclusive.

(c) Any reference to a Law shall include any amendment thereof or any successor thereto and any rules and regulations promulgated.

(d) The Parties acknowledge that each Party and its attorney has reviewed this Agreement and that any rule of construction to the effect that any ambiguities are to be resolved against the drafting Party, or any similar rule operating against the drafter of an agreement, shall not be applicable to the construction or interpretation of this Agreement.

(e) The captions in this Agreement are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Agreement.

(f) All references to currency herein shall be to, and all payments required hereunder shall be paid in, Dollars. In all cases where it is necessary to determine the amount of a Loss or whether a monetary limit or threshold set out herein has been reached or exceeded and the value of the relevant Loss or underlying value is expressed in a currency other than Dollars, the value of each such Loss or underlying value shall be converted into Dollars at an exchange rate equal to the most recent exchange rate published by *The Wall Street Journal* on the date on which the applicable Loss was incurred (or, if no such exchange rate is published by *The Wall Street Journal*, then the most recent exchange rate published by *The Financial Times* on such date).

(g) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP.

Section 1.3 Incorporation by Reference and Supremacy of the FTC Order.

(a) The Parties hereby agree and acknowledge that the terms and provisions of the FTC Order shall govern this Agreement. The terms and provisions of the FTC Order that pertain to this Agreement are hereby deemed incorporated by reference into this Agreement.

(b) To the extent that any term or provision of this Agreement conflicts with any corresponding term or provision of the FTC Order, the Parties hereby agree that the terms or provisions of the FTC Order shall control the rights and obligations of the Parties.

(c) The proposed FTC Order is appended hereto as Exhibit J and, when issued, the final FTC Order will be appended hereto as Exhibit K by the Parties.

ARTICLE II.
PURCHASE, SALE AND ASSUMPTION

Section 2.1 Purchase and Sale of Business Assets; Assumption of Assumed Liabilities. At the Closing, upon the terms and subject to the conditions set forth in this Agreement,

(a) the Sellers shall sell, assign, transfer and convey to Buyer, and Buyer shall purchase and acquire from the respective Sellers, the Business Assets, free and clear of any Liens (other than Permitted Liens); and provided, further, that Buyer shall not take possession of any machinery, equipment (including all tooling and molds) and other tangible personal property, in each case, listed on Schedule 1.1(g)(ii) for the production of the Integra Shunts until the expiration or termination of the Integra Shunts Transitional Manufacturing Agreement in accordance with the terms thereof; and

(b) Buyer shall assume the Assumed Liabilities.

Section 2.2 Purchase Price; Allocation of Purchase Price. The aggregate cash purchase price for the Business Assets shall consist of cash in the amount equal to (a) $47,500,000 (the "Base Purchase Price"), *minus* (b) the Estimated Deferred Revenue, *minus* (c) the Estimated Assumed PTO (together, the "Estimated Purchase Price") subject to the adjustment set forth in Section 2.5 hereof (the "Purchase Price"). The Purchase Price (plus Assumed Liabilities, to the extent properly taken into account under the Code), shall be allocated among the Business Assets consistent with Schedule 2.2 and in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder (and any similar provision of state, local or foreign law, as appropriate) (the "Allocation"). The Allocation shall be delivered by the Sellers to Buyer within ninety (90) days after the Closing Date (but in no event prior to the determination of Final Purchase Price pursuant to Section 2.5) for Buyer's approval, which approval shall not be unreasonably withheld. The Buyer shall notify Integra of any dispute relating to the Allocation within ten (10) days after Buyer's receipt of the Allocation. The Sellers and Buyer shall work in good faith to resolve any disputes relating to the Allocation within thirty (30) days after Buyer's receipt of the Allocation. To the extent that the Sellers and Buyer are unable to resolve any disputed items within such 30-day period, they shall jointly submit any remaining disputed items for resolution to the Accountant, and shall instruct the Accountant to render its decision with respect to such remaining disputed items within thirty (30) days after such firm is retained, which decision shall be final and binding on the Parties. The Sellers, on the one hand, and Buyer, on the other hand, shall each bear fifty percent (50%) of the fees and expenses of the Accountant. The Allocation (as finally agreed upon or determined by the Accountant) shall be adjusted (a) as reasonably determined by mutual agreement of the Parties if the Purchase Price is adjusted for any payments made pursuant to Section 2.5 or Article VIII herein, (b) as reasonably determined by the Sellers to reflect any necessary adjustments under the Codman Purchase Agreement with respect to the Codman Business Assets, or (c) to reflect any other adjustments mutually agreed to between the Parties. The Allocation (as finally agreed upon or determined by the Accountant) shall be binding on the Parties for all Tax reporting purposes (including, but not limited to, the preparation and filing of IRS Form 8594); and neither Buyer nor the Sellers shall take, nor shall they permit any of their Affiliates to take, any position inconsistent with the Allocation on any Tax Return; *provided*, *however*, that nothing contained herein shall prevent Buyer or the Sellers from settling any proposed deficiency or adjustment by any Tax Authority based upon or arising out of the Allocation, and neither Buyer nor the Sellers shall be required to litigate before any

court any proposed deficiency or adjustment by any Tax Authority challenging such Allocation; *provided*, *further*, that each Party that receives a notice from any Tax Authority indicating a challenge, an inquiry or an investigation with respect to the Allocation shall promptly inform the other Party of such notice and, if requested, furnish a copy of such notice.

Section 2.3 The Closing.

(a) The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of the Sellers' counsel in Chicago, Illinois, or such other place as Buyer and the Sellers may mutually determine, commencing at 9:00 a.m. Central Time on the date that is two (2) Business Days after the date on which all conditions to the obligations of the Parties to consummate the transactions contemplated hereby set forth in Article VI (other than conditions with respect to actions the respective Parties shall take at the Closing itself) are satisfied or waived or such other date as Buyer and the Sellers may mutually determine (the "Closing Date"). The Closing shall be deemed effective as of 12:01 a.m. Pacific Time on the Closing Date.

(b) At the Closing:

(i) each of the Sellers and Buyer shall execute and deliver to each other an instrument in the form of Exhibit A effecting the transfer to Buyer of such Seller's right, title and interest in and to the Business Assets;

(ii) each of the Sellers and Buyer shall execute and deliver to each other an instrument in the form of Exhibit B effecting the assumption by Buyer of the Assumed Liabilities;

(iii) Buyer shall deliver the Estimated Purchase Price to Integra, on behalf of the Sellers, by wire transfer of immediately available funds to an account specified by Integra, without withholdings of any kind;

(iv) a non-foreign affidavit shall be delivered to Buyer by each Seller that sells or transfers any Business Asset that is a United States real property interest within the meaning of Section 897(c)(1) of the Code, dated as of the Closing Date, in form and substance as required under the Treasury Regulations Section 1.1445-2(b);

(v) Buyer and Integra shall execute and deliver to each other the Integra Transitional Services Agreement, in the form of Exhibit C (the "Integra Transitional Services Agreement");

(vi) Buyer and Integra shall execute and deliver to each other the Reverse Transitional Services Agreement, in the form of Exhibit D (the "Reverse Transitional Services Agreement"); and

(vii) Buyer and Integra shall execute and deliver to each other the Integra ICP Transitional Manufacturing Agreement, in the form of Exhibit E (the "Integra ICP Transitional Manufacturing Agreement");

(viii) Buyer and Integra shall execute and deliver to each other the Integra Shunts Transitional Manufacturing Agreement, in the form of Exhibit I (the "Integra Shunts Transitional Manufacturing Agreement");

(ix) each of the Sellers and Buyer shall execute and deliver to each other an instrument in the form of Exhibit F effecting the transfer to Buyer of such Seller's right, title and interest in and to the Registered Intellectual Property.

Section 2.4 Estimated Assumed PTO, and Estimated Deferred Revenue. No later than two (2) Business Days before the Closing Date, Integra shall deliver to Buyer a statement setting forth its good faith dollar value estimates of each of the Deferred Revenue (the "Estimated Deferred Revenue") and the Assumed PTO (the "Estimated Assumed PTO").

Section 2.5 Post-Closing Purchase Price Adjustment.

(a) Within one hundred and thirty (130) days after the Closing Date, Integra shall prepare and deliver to Buyer a calculation of the Deferred Revenue and the Assumed PTO (and the Purchase Price based thereon) in accordance with the Closing Statement Principles, together with reasonably detailed supporting information (the "Closing Statement"). From and after the Closing Date, Buyer shall provide Integra and its Representatives reasonable access to the books, records and employees of the Buyer reasonably necessary to assist Integra with preparing the Closing Statement as Seller shall reasonably request and that are available to the Sellers.

(b) From and after the delivery of the Closing Statement, Integra shall provide Buyer and its Representatives reasonable access to the books, records and employees of Integra reasonably necessary in connection with Buyer's review of the Closing Statement as Buyer shall reasonably request and that are available to Integra. Within thirty (30) days after Buyer's receipt of the Closing Statement, Buyer shall notify Integra as to whether Buyer agrees or disagrees with the Closing Statement and, if Buyer disagrees, such notice shall set forth in reasonable detail the particulars of such disagreement. If Buyer provides a notice of agreement or does not provide a notice of disagreement within such thirty (30)-day period, then Buyer shall be deemed to have accepted the calculations and the amounts set forth in the Closing Statement delivered by Integra, which shall then be final, binding and conclusive for all purposes hereunder. If any notice of disagreement is timely provided in accordance with this Section 2.5(b), then Buyer and Integra shall each use commercially reasonable efforts for a period of thirty (30) days thereafter (the "Resolution Period") to resolve any disagreements with respect to the calculations in the Closing Statement.

(c) If, at the end of the Resolution Period, Buyer and Integra are unable to resolve any disagreements as to calculations in the Closing Statement, then an accounting firm of recognized national standing in the United States as may be mutually selected by Buyer and Integra shall resolve any remaining disagreements (such firm as is ultimately selected pursuant to the aforementioned procedures being the "Accountant"). The Accountant shall be charged with determining as promptly as practicable, but in any event within thirty (30) days after the date on which such dispute is referred to the Accountant, whether the Deferred Revenue, and the Assumed PTO as set forth in the Closing Statement were prepared in accordance with this Agreement and (only with respect to the

disagreements as to the items set forth in the notice of disagreement and submitted to the Accountant) whether and to what extent (if any) the Purchase Price requires adjustment.

(d) The Accountant shall allocate its costs and expenses between Buyer and Integra based upon the percentage which the portion of the contested amount submitted to the Accountant not awarded to each such Party bears to the amount actually contested by such Party. For example, if Integra claims the Purchase Price is $1,000 greater than the amount determined by Buyer, and Buyer contests only $500 of the amount claimed by Integra, and if the Accountant ultimately resolves the dispute by awarding Integra $300 of the $500 contested, then the Accountant's costs and expenses shall be allocated sixty percent (60%) (*i.e.* 300/500) to Buyer and forty percent (40%) (*i.e.* 200/500) to Integra. The determination of the Accountant shall be final, binding and conclusive for all purposes hereunder.

(e) The date on which the Purchase Price is finally determined in accordance with this Section 2.5 is hereinafter referred as to the "Determination Date", and such amount as so finally determined (the "Final Purchase Price") shall be used to determine the Purchase Price.

(f) Promptly following the Determination Date, and in any event within fifteen (15) Business Days of the Determination Date, Buyer shall pay to Integra, on behalf of the Sellers, an amount equal to the excess, if any, of the Final Purchase Price minus the Estimated Purchase Price, or Integra, on behalf of the Sellers, shall pay to Buyer an amount equal to the excess, if any, of the Estimated Purchase Price minus the Final Purchase Price, such payment to be made by wire transfer of immediately available funds.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES OF THE SELLERS

Except as disclosed in the Disclosure Schedule, each Seller hereby represents and warrants to Buyer as follows:

Section 3.1 Organization and Qualification. Such Seller is duly organized, validly existing and (to the extent such concept is recognized) in good standing under the Laws of the jurisdiction of its organization and has all requisite organizational power and authority to own or lease its assets and to conduct its business as it is now being conducted. Such Seller is duly licensed or qualified in all jurisdictions in which the ownership of its assets or the character of its activities is such as to require it to be so licensed or qualified, except where the failure to be so licensed or qualified would not reasonably be expected to have a Material Adverse Effect or a material adverse effect on the ability of such Seller to enter into and perform its obligations under this Agreement or consummate the transactions contemplated hereby. Integra is the respondent to the FTC Order.

Section 3.2 Due Authorization. Such Seller has all requisite organizational power and authority to execute and deliver this Agreement and the Ancillary Agreements to which it is a party and to perform all obligations to be performed by it hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Agreements to which such Seller is a party and the consummation of the transactions contemplated hereby and thereby have been duly

and validly authorized and approved by all requisite action on the part of such Seller. This Agreement has been, and as of the Closing the Ancillary Agreements to which such Seller is a party will have been, duly and validly executed and delivered by such Seller and this Agreement and the Ancillary Agreements to which such Seller is a party constitute, or when executed will constitute (assuming due authorization, execution and delivery of Buyer), valid and binding obligations of such Seller, enforceable against such Seller in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

Section 3.3 No Conflict. Except as set forth in Schedule 3.3 or as would not reasonably be expected to have a Material Adverse Effect or a material adverse effect on the ability of such Seller to enter into and perform its obligations under this Agreement and the Ancillary Agreements to which it is a party or consummate the transactions contemplated hereby or thereby, the execution and delivery by such Seller of this Agreement and the Ancillary Agreements to which it is a party and the consummation of the transactions contemplated hereby and thereby by such Seller do not:

(a) assuming all required filings, waivers, approvals, consents, authorizations and notices set forth in Schedule 3.3 have been made, given or obtained, violate any provision of, or result in the breach of, any Law applicable to such Seller or require any consent, approval or authorization of any Governmental Authority;

(b) violate or result in the breach of any Organizational Documents of such Seller; or

(c) (i) violate, breach or result in a default under any (A) Integra Business Contract to which such Seller is a party or by which such Seller is bound, or (B) Codman Business Contract to which such Seller will be a party as of the Closing Date or by which such Seller will be bound as of the Closing Date, (ii) terminate or result in the termination of any such Integra Business Contract or such Codman Business Contract, (iii) result in the creation of any Lien (other than any Permitted Lien) upon any of the Business Assets or (iv) constitute an event which, after notice or lapse of time or both, would result in any such violation, breach, default, termination or creation of a Lien (other than any Permitted Lien) upon any of the Business Assets.

Section 3.4 Financial Statements.

(a) Set forth on Schedule 3.4 is a statement of the revenue and direct contribution margins for the Integra Business, in each case, as of and for the years ended December 31, 2014, 2015 and 2016, subject to the assumptions set forth on such statement (the "Financial Information"). The Financial Information was derived from, and accurately reflects, the financial records of Sellers and their Affiliates. As of December 31, 2016, Sellers had no material Liabilities, with respect to the Integra Business or Integra Business Assets, that would be reflected on the face of a balance sheet of the Integra Business prepared in accordance with GAAP, other than any such Liabilities as arose in the ordinary course of business. Since December 31 2016, Sellers have not, with respect to the Integra Business or Integra Business Assets, incurred any material Liabilities, that would be included in the Assumed Liabilities and would be required to be reflected on the face of a balance

sheet of the Integra Business prepared in accordance with GAAP, except (a) as disclosed on Schedule 3.4, (b) Liabilities incurred in the ordinary course of business since December 31, 2016, (c) Liabilities under the Ancillary Agreements; or (d) Liabilities assumed pursuant to the express terms of the Codman Purchase Agreement

(b) With respect to the Codman Business, Section 3.06 of the Codman Purchase Agreement is true and correct to the extent set forth therein as of the dates contemplated thereby.

Section 3.5 Contracts; No Defaults. True, correct and complete copies of each of the Integra Business Contracts and, to the extent provided to the Sellers by the Codman Sellers, each of the Codman Business Contracts has been made available to Buyer. Each Business Contract as of the date hereof (a) is in full force and effect and (b) represents the legal, valid and binding obligation of the applicable Seller or Codman Seller party thereto and, to the Knowledge of the Sellers, represents the legal, valid and binding obligation of the other parties thereto, in each case, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar laws affecting creditors' rights generally and to general principles of equity. No Seller nor, to the Knowledge of the Sellers, any other party is in breach of or default under any Business Contract, except where the occurrence of such breach or default would not reasonably be expected to have a Material Adverse Effect.

Section 3.6 Title and Sufficiency of Assets. The Sellers (solely with respect to the Integra Business Assets) owns and has good title to all material tangible personal property reflected on its books as owned by it, free and clear of all Liens other than Permitted Liens, and as of the Closing Date, such Seller will own and have good title to the material tangible Codman Business Assets, free and clear of all Liens other than Permitted Liens. Except as set forth on Schedule 3.6, the material tangible Integra Business Assets, taken as a whole, are and to the Knowledge of the Sellers, the material tangible Codman Business Assets, taken as a whole, will as of the Closing Date be, in all material respects, in good operating condition and repair, ordinary wear and tear excepted. Except for Shared Contracts, the services to be provided by Sellers or their Affiliates under the Integra Transitional Services Agreement, Integra ICP Transitional Manufacturing Agreement or the Integra Shunts Transitional Manufacturing Agreement, and as set forth in Schedule 3.6, (a) the Integra Business Assets, together with all other assets the benefit of which is to be provided to Buyer pursuant to this Agreement or the Ancillary Agreements, immediately after the Closing, will constitute all assets (other than the Excluded Assets) required to operate the Integra Business in all material respects in the manner conducted on the date hereof by Integra and its subsidiaries and (b) the Codman Business Assets, together with all other assets the benefit of which is to be provided to Buyer pursuant to this Agreement or the Ancillary Agreements or the Codman Transitional Manufacturing Agreement or the Codman Transitional Services Agreement, immediately after the Closing, will constitute all assets (other than the Excluded Assets) required to operate the Codman Business in all material respects in the manner conducted as of the date of the Codman Purchase Agreement by the Codman Sellers; *provided* that the foregoing is subject to the limitation that certain transfers, assignments, licenses, sublicenses, leases and subleases, as the case may be, of assets, Contracts, Permits and any claim or right or benefit arising thereunder or resulting therefrom may require consent of a third party that has not been obtained, and that such matters are addressed in the

Ancillary Agreements and Section 5.10, which contemplate the transfer of the economic benefits and obligations thereof.

Section 3.7 Intellectual Property.

(a) Schedule 3.7(a) accurately sets forth a list of all (i) Patents, (ii) Trademark registrations and applications, (iii) Copyright registrations and applications, and (iv) internet domain names, in each case, which are owned by the Sellers or, with respect to the Codman Business, will be owned by the Sellers as of the Closing and which are used or held for use exclusively in the Business (the "Registered Intellectual Property"). With respect to each item of Registered Intellectual Property (x) no Proceeding is pending or, to the Knowledge of the Sellers, is threatened, that challenges the legality, validity, enforceability, registration, use or ownership of such item, and (y) such item is subsisting, and has not been abandoned or cancelled.

(b) To the Knowledge of the Sellers, the conduct of the Business as currently conducted does not infringe, dilute, misappropriate or otherwise violate any Intellectual Property of any third party in a manner which would reasonably be expected to result in material Liability to the Business, as applicable. No Proceeding is pending, or to the Knowledge of the Sellers has been threatened during the past two (2) years (or earlier if not resolved), alleging that any of the Sellers or Codman Sellers, as applicable, are infringing, misappropriating, diluting or otherwise violating the Intellectual Property of any third party in connection with the Business. To the Knowledge of the Sellers, no third party is infringing, misappropriating, diluting, or otherwise violating, in any material respect, any Intellectual Property owned by the Sellers or Codman Sellers, as applicable, and included in the Business Assets.

(c) All Intellectual Property included in the Business Assets that is material to the Business and that derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use has been maintained in confidence by the Sellers and their Affiliates (with respect to the Integra Business Assets) and by the Codman Sellers and their Affiliates (with respect to the Codman Business Assets), in each case, in accordance with protection procedures that are adequate for protection, and in accordance with procedures customarily used in the industry to protect rights of like importance. To the Knowledge of the Sellers, there has been no unauthorized use or disclosure of any such Intellectual Property. No former and current officers, directors, employees, personnel, consultants, advisors, agents, and independent contractors of the Sellers, the Codman Sellers and their respective Affiliates, and each of their predecessors, who have contributed to or participated in the conception and development of Intellectual Property for the Sellers or Codman Sellers, as applicable, in connection with the Business has asserted, and to the Knowledge of the Sellers, no such Person has, any right, title, interest or other claim in any such Intellectual Property.

(d) The Integra IT Assets have not materially malfunctioned or failed during the past three (3) years. The Sellers shall have, over the past three (3) years, taken commercially reasonable actions, consistent with current industry standards, to protect the confidentiality, integrity and security of the Integra IT Assets (and all information and transactions stored or contained therein or transmitted thereby) against any unauthorized use, access, interruption, modification or corruption. To the Knowledge of the Sellers, no Person has gained unauthorized access to the Integra

IT Assets during the past three (3) years in a manner which resulted in unauthorized access to, or the modification, misappropriation, corruption, or encryption of, any material information contained therein. The Sellers have implemented a disaster recovery plan for the infrastructure relating to the Integra Business Assets. Reasonable data backup, data storage, and system redundancy plans are in place with respect to key software applications relating to the Integra Business Assets and are consistent with industry practices; provided, however, that such plans have not been fully tested.

Section 3.8 Litigation. Except as set forth in Schedule 3.8 or for matters to the extent they are Retained Liabilities, as of the date hereof, ***(%3)*** there are no Proceedings pending or, to the Knowledge of the Sellers, threatened in writing against any Seller or any Codman Seller, as applicable, specifically relating to the Business (other than the FTC Order) that would reasonably be expected to have a Material Adverse Effect or a material adverse effect on the ability of such Seller to enter into and perform its obligations under this Agreement or the Ancillary Agreements to which it is a party or to consummate the transactions contemplated hereby or thereby and ***(%3)*** there is no unsatisfied judgment, order or decree or any open injunction binding upon any Seller (with respect to the Business Assets and other than the FTC Order).

Section 3.9 Legal Compliance. Except as set forth in Schedule 3.9, and other than with respect to Environmental Laws (which are addressed in Section 3.12) and employment Laws (which are addressed in Section 3.15 below) since January 1, 2016 through the date hereof, with respect to the Business, none of the Sellers or Codman Sellers has received any written notice from any Governmental Authority regarding any actual or alleged violation of, or failure to comply with, any Law, except for notices of violations or failures to comply with any Law that would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Schedule 3.9, to the Knowledge of the Sellers, there is no investigation pending or threatened in writing by any Governmental Authority against any of the Sellers or the Codman Sellers (with respect to the Business Assets) as of the date hereof that would reasonably be expected to have a Material Adverse Effect.

Section 3.10 Licenses, Permits and Authorizations.

(a) Except as set forth on Schedule 3.10(a) or in the Ancillary Agreements or the Codman Transitional Manufacturing Agreement or the Codman Transitional Services Agreement and other than with respect to Environmental Permits (which are addressed in Section 3.12(a)), such Seller (with respect to the Integra Business) possesses and (with respect to the Codman Business) will possess as of the Closing Date all material Permits necessary to permit it to own, operate, use and maintain its Business Assets (other than Intellectual Property, which is addressed in Section 3.7) in the operation of the Business substantially in the manner in which they are now operated, used and maintained and to conduct the Business substantially as currently conducted by such Seller or the Codman Sellers, as applicable. To the Knowledge of the Sellers, as of the date hereof, (i) all such Permits are in full force and effect, and, (ii) there are no proceedings pending or threatened in writing that seek the revocation, cancellation, suspension or adverse modification thereof, in the case of each of clauses (i) and (ii), except as would not reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth in Schedule 3.10(b) hereto, the Sellers and, to the Knowledge of the Sellers, the Codman Sellers, have not received any written notice or other written communication from the FDA (i) contesting production or distribution of the Products, or (ii) otherwise alleging any violation of any Law by the Sellers or Codman Sellers, as applicable, related to the manufacturing, marketing, and sale of the Products, as currently conducted.

(c) Since January 1, 2016, there have been no recalls, field notifications or seizures ordered or, to the Knowledge of Sellers, adverse regulatory actions that were directed specifically at Sellers, the Codman Sellers or the Products taken, nor has any of the same to the Knowledge of Sellers been threatened, by the FDA with respect to the marketing and sale of any Products.

Section 3.11 Absence of Certain Changes or Events. From December 31, 2016 through the date of this Agreement, except as set forth in Schedule 3.11, (a) such Seller has operated the Integra Business only in the ordinary course, (b) the Codman Sellers have operated the Codman Business in the ordinary course and (c) there has not occurred a Material Adverse Effect.

Section 3.12 Environmental Matters. Except as set forth on Schedule 3.12:

(a) to the Knowledge of the Sellers, the Sellers (with respect to the Integra Business) and the Codman Sellers (with respect to the Codman Business) are in compliance with all applicable Environmental Laws, which compliance includes obtaining and complying with all Environmental Permits necessary for the operation of the Business as currently conducted by them, except where failure to be in compliance would not reasonably be expected to have a Material Adverse Effect;

(b) as of the date hereof, there is no Environmental Claim pending or, to the Knowledge of the Sellers, threatened in writing against any Seller (with respect to the Integra Business) or any Codman Seller (with respect to the Codman Business), except for any Environmental Claim that would not reasonably be expected to have a Material Adverse Effect; and

(c) the representations and warranties contained in this Section 3.12 shall be the exclusive representations and warranties with respect to Environmental Claims, Environmental Laws and Environmental Matters.

Section 3.13 Brokers' Fees. Except for Merrill Lynch, Pierce, Fenner & Smith Incorporated, whose fees and expenses will be paid by the Sellers, no broker, finder, investment banker or other Person is entitled to any brokerage fee, finders' fee or other commission in connection with the transactions contemplated by this Agreement based upon arrangements made by any Seller or any of its Affiliates.

Section 3.14 Product Liabilities; Warranties. To the Knowledge of the Sellers, each Product sold by the Sellers prior to the date of this Agreement (collectively, the "Specified Products"), at the time of such sale, was (a) in compliance with all applicable Laws and (b) in conformity with all express warranties made by the Sellers with respect to such Specified Product, except, in each case, as would not reasonably be expected to have a Material Adverse Effect. None of the Sellers has provided any material warranty outside of the ordinary course of

business in respect of any Specified Products other than as may be set forth in any of the Contracts constituting the Business Assets.

Section 3.15 Employee Matters; Benefit Plans.

(a) Schedule 3.15(a) is a true and complete list of each Benefit Plan.

(b) Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter from the Internal Revenue Service or is the subject of a favorable opinion letter from the Internal Revenue Service on the form of such Benefit Plan and, to the to the Sellers' Knowledge, there are no facts or circumstances that would be reasonably likely to adversely affect the qualified status of any such Benefit Plan.

(c) No Benefit Plan is (i) a multiemployer plan (within the meaning Section 3(37) or 4001(a)(3) of ERISA) or (ii) a single employer plan or other pension plan that is subject to Title IV of ERISA or Section 302 of ERISA or Section 412 of the Code.

(d) No Seller is bound by any collective bargaining agreement with respect to any Business Employee. Except as would not reasonably be expected to have a Material Adverse Effect, there is no labor strike or material work stoppage or lockout pending or, to the to the Sellers' Knowledge, threatened against any Seller relating to any Business Employee, and no Seller has experienced any such labor strike or material work stoppage or lockout during the past year. There are no labor unions or other organizations representing, purporting to represent and, to the to the Sellers' Knowledge, no union organization campaign is in progress with respect to, any Business Employee.

(e) Except as would not reasonably be expected to have a Material Adverse Effect, Sellers are in compliance with all applicable Laws, statutes, rules and regulations respecting employment and employment practices, terms and conditions of employment, wages and hours, pay equity, discrimination in employment, wrongful discharge, classification, collective bargaining, fair labor standards, occupational health and safety, personal rights or any other labor and employment-related matters, in each case, with respect to the Business Employees.

Section 3.16 Purchase Orders. On or prior to the date hereof, Sellers have placed purchase orders for (a) 120,000 meters of Fiber, Optical – Camino (Item Number 30182), the cost of which under such purchase orders is two hundred thirty five thousand two hundred dollars ($235,200), (b) 24,000 Bellows, Gold Plated (Item number 30255), the cost of which under such purchase orders is one hundred seventy seven thousand three hundred and sixty dollars ($177,360) and (c) 8,000 Header Mount Assembly (Item number 30879), the cost of which under such purchase orders is sixty seven thousand seven hundred and sixty dollars ($67,760) (the aggregate cost of four hundred eighty thousand three hundred and twenty dollars ($480,320) of the foregoing, the "Purchase Orders' Cost"). Sellers make no representations or warranties relating to or in connection with delivery by the applicable suppliers of the Fiber, Optical – Camino, Bellows, Gold Plated or Header Mount Assembly.

Section 3.17 Costs. Seller's represent that the costs as used throughout this Agreement and Ancillary Agreements are the actual direct costs for the Products and Services referenced.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES RELATING TO BUYER

Buyer hereby represents and warrants to the Sellers as follows:

Section 4.1 Organization of Buyer. Buyer is a corporation duly incorporated, validly existing and in good standing under the Laws of Delaware and has the corporate power and authority to own or lease its assets and to conduct its business as it is now being conducted, except as would not reasonably be expected to have a material adverse effect on the ability of Buyer to enter into or perform its obligations under this Agreement or the Ancillary Agreements or consummate the transactions contemplated hereby or thereby. Buyer is duly licensed or qualified and in good standing as a foreign corporation in all jurisdictions in which the ownership of its assets or the character of its activities is such as to require it to be so licensed or qualified, except where the failure to be so licensed or qualified would not reasonably be expected to have a material adverse effect on the ability of Buyer to enter into or perform its obligations under this Agreement or the Ancillary Agreements or consummate the transactions contemplated hereby or thereby.

Section 4.2 Due Authorization. Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the Ancillary Agreements and to perform all obligations to be performed by it, and to consummate the transactions, hereunder and thereunder. The execution and delivery of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized and approved by Buyer, and no other corporate proceeding on the part of Buyer is necessary to authorize this Agreement and the Ancillary Agreements. This Agreement has been, and as of the Closing the Ancillary Agreements will have been, duly and validly executed and delivered by Buyer, and this Agreement and the Ancillary Agreements constitute, or when executed will constitute (assuming due authorization, execution and delivery of the other parties thereto), valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject, as to enforceability, to general principles of equity.

Section 4.3 No Conflict. Except as could not reasonably be expected to have a material adverse effect on the ability of Buyer to enter into and perform its obligations under this Agreement and the Ancillary Agreements or to consummate the transactions contemplated hereby or thereby, the execution and delivery by Buyer of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby by Buyer do not:

(a) assuming all required filings, waivers, approvals, consents, authorizations and notices set forth in Schedule 4.3 have been made, given or obtained, violate any provision of, or

result in the breach of, any Law applicable to Buyer or require any consent, approval or authorization of any Governmental Authority;

(b) violate or result in the breach of any Organizational Documents of Buyer; or

(c) (i) violate, breach or result in a default under any material Contract, indenture or other instrument to which Buyer is a party or by which Buyer is bound, (ii) terminate or result in the termination of any such Contract, indenture or instrument, (iii) result in the creation of any Lien upon any of the properties or assets of Buyer or (iv) constitute an event which, after notice or lapse of time or both, would result in any such violation, breach, default, termination or creation of a Lien.

Section 4.4 Litigation and Proceedings. As of the date hereof, there are no Proceedings or, to the Knowledge of Buyer, investigations, before or by any Governmental Authority pending or, to the Knowledge of Buyer, threatened against Buyer that would reasonably be expected to have a material adverse effect on the ability of Buyer to enter into and perform its obligations under this Agreement or the Ancillary Agreements or to consummate the transactions contemplated hereby or thereby. As of the date hereof, there is no unsatisfied judgment or any open injunction binding upon Buyer which would reasonably be expected to have a material adverse effect on the ability of Buyer to enter into and perform its obligations under this Agreement or the Ancillary Agreements or to consummate the transactions contemplated hereby or thereby.

Section 4.5 Financial Ability. Buyer has, and as of the Closing will have, unrestricted cash on hand or committed existing lines of credit to provide, in the aggregate, monies sufficient to fund the consummation of the transactions contemplated by this Agreement and satisfy all other costs and expenses arising in connection therewith.

Section 4.6 Brokers' Fees. No broker, finder, investment banker or other Person is entitled to any brokerage fee, finders' fee or other commission in connection with the transactions contemplated by this Agreement based upon arrangements made by Buyer or any of its Affiliates.

Section 4.7 Solvency. Immediately after giving effect to the consummation of the transactions contemplated by this Agreement, Buyer will be Solvent. For purposes of this Section 4.7, "Solvent" means that: (a) the fair saleable value (determined on a going concern basis) of the assets of Buyer shall be greater than the total amount of Buyer's liabilities (including all liabilities, whether or not reflected in a balance sheet prepared in accordance with GAAP, and whether direct or indirect, fixed or contingent, secured or unsecured, disputed or undisputed); (b) Buyer shall be able to pay its debts and obligations in the ordinary course of business as they become due; and (c) Buyer shall have adequate capital to carry on its businesses and all businesses in which it is about to engage.

ARTICLE V.
COVENANTS

Section 5.1 Shared Contracts.

(a) Notwithstanding anything to the contrary herein, Shared Contracts and any rights or obligations thereunder shall not be deemed to be Business Assets. Prior to Closing, the Parties will use their respective reasonable best efforts to cause the Mirrored Shared Contract listed as item 1 on Schedule 5.1 to be replaced with a separate Contract. Further, the Parties shall use commercially reasonable efforts to cause the Shared Contracts set forth on Schedule 5.1 ("Mirrored Shared Contracts") to be replaced with separate Contracts by Closing that provide that a Seller (with respect to the Excluded Business) and Buyer (with respect to the Business) receive only such rights and obligations under a replacement Contract as are substantially similar to those contract rights and obligations used by it (or, in the case of Buyer, used by a Seller with respect to the Business) in the conduct of its business immediately prior to the Closing Date. To the extent such Mirrored Shared Contracts are not replaced with separate Contracts by Closing, the Parties agree to cooperate and provide each other with commercially reasonable assistance in effecting such separation of such Mirrored Shared Contracts, other than the Shunts Shared Contracts, for a period of eighteen (18) months following the Closing Date. Notwithstanding the foregoing, the separation of the Shunts Shared Contracts and such eighteen (18) month cooperation period shall commence upon mutual agreement of the Parties.

(b) Buyer shall be solely responsible for any additional Buyer-related costs or fees arising from and under a replacement Contract, in connection with the separation of a Mirrored Shared Contract, or in connection with any arrangement described in this Section 5.1. Until any such Mirrored Shared Contract is separated, to the extent permissible under Law and the terms of such Mirrored Shared Contract, each of the Parties shall (%4) assume and perform the Liabilities and obligations under such Mirrored Shared Contract relating to its respective business or that of its Affiliates (and shall promptly reimburse the other Party for any reasonable expenses relating thereto incurred by the other Party or its Affiliates), (%4) hold in trust for the benefit of the other Party, and shall promptly forward to the other Party, any monies or other benefits received pursuant to such Mirrored Shared Contract relating to the business of the other Party or its Affiliates and (%4) endeavor to institute alternative arrangements intended to put the Parties in substantially the same economic position as if such Mirrored Shared Contract were separated as of the Closing Date, including by amending the Integra Transitional Services Agreement such that Sellers and their Affiliates will agree to provide such services as may be required for Buyer and its Affiliates to continue to operate the Integra Business under the Mirrored Shared Contract listed as item 1 on Schedule 5.1; *provided*, *however*, that if the Parties are not able to effect the separation of any Mirrored Shared Contract within eighteen (18) months after the Closing Date, then the Sellers and their Affiliates shall have no further obligation to Buyer or its Affiliates with respect thereto and may freely terminate such Mirrored Shared Contract. Buyer shall be solely responsible for replacing any Mirrored Shared Contracts not separated or transitioned hereunder.

(c) With respect to Liabilities pursuant to, under or relating to a given Mirrored Shared Contract ("Mirrored Shared Contractual Liabilities"), such Mirrored Shared Contractual Liabilities shall, unless otherwise allocated pursuant to this Agreement or an Ancillary Agreement, be allocated between the Sellers, on the one hand, and Buyer, on the other hand, as follows:

(i) first, to the extent a Mirrored Shared Contractual Liability is incurred exclusively in respect of a benefit received by the Excluded Business or the Business, such Liability shall constitute a Retained Liability or an Assumed Liability, respectively; and

(ii) second, to the extent a Mirrored Shared Contractual Liability cannot be so allocated under clause (i) above, such Liability shall be allocated to Integra (on behalf of the Sellers), on the one hand, and to Buyer, on the other hand, as the case may be, based on the relative proportion of total benefits received ((A) to the extent the Liabilities relate to a specific period, over such period and (B) otherwise over the term of the Mirrored Shared Contract, measured up to the date of the allocation) by the Excluded Business, on the one hand, or the Business, on the other hand, under the relevant Mirrored Shared Contract.

(d) If Sellers, on the one hand, or Buyer, on the other hand, receives any benefit or payment under any Mirrored Shared Contract which was intended for the other Party, the Parties will use their respective commercially reasonable efforts to deliver, transfer or otherwise afford such benefit or payment to the other Party.

Section 5.2 Post-Closing Access.

(a) After the Closing, (%4) Buyer shall afford to the Sellers and their Representatives reasonable access, during normal business hours and in such manner as to not unreasonably interfere with the normal operation of the Business, to the books, Contracts, other records and Transferred Employees of the Business and, to the extent any of the foregoing information is in the possession of Buyer, of any Excluded Business, Excluded Asset or Retained Liability as the Sellers or such Representatives reasonably request to the extent reasonably required by the Sellers in connection with their accounting, Tax, legal defense or other similar needs and (%4) each Seller shall afford to Buyer and its Representatives reasonable access, during normal business hours and in such manner as to not unreasonably interfere with normal operation of the Excluded Business, to the properties, books, Contracts, other records and appropriate officers and employees of the Business as Buyer or such Representatives reasonably request to the extent reasonably required by Buyer in connection with its accounting, Tax, legal defense or other similar needs.

(b) Buyer agrees to hold all of the books and records of the Business existing on the Closing Date and not to destroy or dispose of any thereof for a period of six (6) years from the Closing Date or such longer time as may be required by the FTC or applicable Law, and, thereafter, if it is proposed to destroy or dispose of any of such books and records, to offer first in writing at least ninety (90) days prior to such proposed destruction or disposition to surrender them to Integra.

Section 5.3 Excluded Marks.

(a) Notwithstanding any inference or prior course of conduct to the contrary and except as provided below, in no event shall Buyer, any subsidiary or other Affiliate of Buyer or any other Person, acquire or have any right to use or any other right, title or interest in or to the Excluded Marks, all rights to which, and the goodwill represented thereby, shall be retained by Sellers. Except as otherwise provided in Section 5.3(b) with respect to the Licensed Seller Marks, as soon as practicable following the Closing, but not later than one hundred and eighty (180) days after the

Closing Date, Buyer shall remove and change signage, change and substitute promotional or advertising material in whatever medium, change stationery and packaging and take all such other steps as may be required or appropriate to cease use of the Excluded Marks; *provided*, *however*, that Buyer shall not be deemed to have violated this Section 5.3 by reason of (i) its use (including, for the avoidance of doubt, the use of all existing labels, labeling and packing including the identification of the Sellers as the legal manufacturer of such Products) for twenty-four (24) months after Closing of any inventory existing as of the Closing Date and constituting Business Assets, (ii) the appearance of the Excluded Marks in or on any tools, dies, equipment, equipment/manufacturing drawings, manuals, work sheets, operating procedures, other written materials or other Business Assets that are used for internal purposes only in connection with the Business; *provided* that Buyer endeavors to remove such appearances of the Excluded Marks in the ordinary course of the operation of the Business, or (iii) the appearance of the Excluded Marks in or on any third party's publications, marketing materials, brochures, instruction sheets, equipment or products that Sellers distributed in the ordinary course of business or pursuant to a Contract prior to the Closing Date, and that generally are in the public domain, or any other similar uses by any such third party over which Buyer has no control.

(b) Sellers, on behalf of itself and its Affiliates, hereby grants to Buyer a royalty-free, non-transferable, non-exclusive license in the Territory to use the Excluded Marks owned by the Sellers and used in the Integra Business (the "Licensed Seller Marks") as follows in connection with the operation of the Business:

(i) with respect to the Products manufactured by or on behalf of Buyer at the San Diego Manufacturing Facility and placed into finished-goods inventory during the six (6) months following the Closing Date (the "San Diego Products"): (A) Buyer may affix the Licensed Seller Marks on packaging, labeling, instructions for use and the body of the San Diego Products in the same manner as Sellers did in the conduct of the Business prior to the Closing; (B) Buyer may, for a period of twenty-four (24) months following the Closing Date, sell or otherwise distribute such San Diego Products bearing the Licensed Seller Marks; *provided* that, for the avoidance of doubt, to the extent that any San Diego Products bearing the Licensed Seller Marks remain in inventory following the end of such two-year period, such San Diego Products shall be re-branded, and all appearances of the Licensed Seller Marks shall be removed from such San Diego Products and the packaging, labeling, and instructions for use; and (C) during the period in which Seller continues to be the party who maintains the applicable Permits required to be the legal manufacturer of record for the San Diego Products (which is not to exceed twenty-four (24) months following the Closing Date), Buyer may identify Seller as the legal manufacturer of the San Diego Products on labels, labeling, or otherwise, as identified by Seller in connection with such San Diego Products; *provided* that, to the extent that any San Diego Products identifying the Seller as the legal manufacturer remain in inventory following the end of such period, Buyer may continue to sell such San Diego Products identifying the Seller as the legal manufacturer for six (6) months after which time such designation shall be removed.

(ii) with respect to all Products manufactured by Seller or any of its Affiliates for Buyer pursuant to the Integra ICP Transitional Manufacturing Agreement (the "TMA

Products"): (A) Buyer may affix the Licensed Seller Marks on packaging, labeling, instructions for use and the body of the TMA Products in the same manner as Seller did in the conduct of the Business prior to the Closing; (B) Buyer may, for a period beginning on the Closing Date and ending six months following termination or expiration of the Integra ICP Transitional Manufacturing Agreement, sell or otherwise distribute such TMA Products bearing the Licensed Seller Marks; *provided* that, for the avoidance of doubt, to the extent that any TMA Products bearing the Licensed Seller Marks remain in inventory six months following the termination or expiration of the Integra ICP Transitional Manufacturing Agreement, such TMA Products shall be re-branded, and subject to Section 5.3(b)(ii)(C) below, all appearances of the Licensed Seller Marks shall be removed from such TMA Products and their packaging, labeling, and instructions for use; and (C) during the period in which Seller continues to be the party who maintains the applicable Permits required to be the legal manufacturer of record for the TMA Products (which is not to exceed the expiration or termination of the Integra ICP Transition Manufacturing Agreement), Buyer may identify Seller as the legal manufacturer of the TMA Products on labels, labeling, or otherwise, as identified by Seller in connection with such TMA Products; *provided* that, to the extent that any TMA Products identifying the Seller as the legal manufacturer remain in inventory following the end of such period, Buyer may continue to sell such TMA Products identifying the Seller as the legal manufacturer for six (6) months after which time such designation shall be removed.

(iii) with respect to all Integra Shunts manufactured by Seller or any of its Affiliates for Buyer for sale in the United States pursuant to the Integra Shunts Transitional Manufacturing Agreement (the "Shunts TMA Products"): (A) for a period of twenty-four (24) months from the date hereof, Buyer may affix the Licensed Seller Marks on packaging, labeling, instructions for use and the body of the Shunts TMA Products in the same manner as Seller did in the conduct of the Business prior to the Closing; (B) Buyer may, for a period of twenty-four (24) months from the date hereof, sell or otherwise distribute such Shunts TMA Products bearing the Licensed Seller Marks; provided that, for the avoidance of doubt, to the extent that any Shunts TMA Products bearing the Licensed Seller Marks remain in inventory twelve (12) months following such twenty-four (24) month term, such Shunts TMA Products shall be re-branded and all appearances of the Licensed Seller Marks shall be removed from such Shunts TMA Products and their packaging, labeling, and instructions for use.

For purposes of Section 5.3(b)(i) and (ii), "Territory" means worldwide, and for purposes of Section 5.3(b)(iii), "Territory" means the United States of America.

(c) Buyer's use of the Licensed Seller Marks pursuant to Section 5.3(b) shall be solely in connection with the San Diego Products and the TMA Products as set forth in Section 5.3(b). Buyer shall ensure that the San Diego Products and TMA Products bearing the Licensed Seller Marks or otherwise distributed or sold under the Licensed Seller Marks are of the same level of quality as applicable Products manufactured and sold by Seller prior to the Closing Date (subject to Seller complying with its applicable obligations under the Integra ICP Transitional Manufacturing Agreement with respect to the quality of the TMA Products it manufactures in accordance therewith).

Buyer's use of the Licensed Seller Marks shall be subject to all generally applicable style and other usage guidelines in effect for the Licensed Seller Marks immediately prior to the Closing Date. All goodwill associated with the use by Buyer of the Licensed Seller Marks shall inure to the benefit of Seller or its applicable Affiliate(s). Buyer may sublicense the non-exclusive rights granted to Buyer pursuant to Section 5.3(b) to its authorized distributors, vendors, subcontractors, and resellers acting on behalf of Buyer solely as necessary for the continued operation of the Business, but in no other circumstances. Buyer shall be liable for its sublicensees' compliance with all applicable obligations under this Section 5.3, and any breach by a sublicensee shall be deemed a breach by Buyer. Buyer shall not, and shall not permit or otherwise assist or encourage its sublicensees to, contest the validity or ownership of the Licensed Seller Marks.

(d) Promptly following termination or expiration of each license granted pursuant to Section 5.3(b), Buyer shall cease all use of the Licensed Seller Marks as had been permitted under such license; provided, however, (i) Buyer shall be permitted to retain materials containing the Licensed Seller Marks to the extent that such materials are required by applicable Law or order of a Governmental Authority to be retained or maintained (ii) Buyer shall not be deemed to have violated this Section 5.3(d) by reason of (A) the continued appearance of the Licensed Seller Marks in or on any tools, dies, equipment, equipment/manufacturing drawings, manuals, work sheets, operating procedures, other written materials or other Business Assets that are used for internal purposes only in connection with the Business; *provided* that Buyer endeavors to remove such appearances of the Licensed Seller Marks in the ordinary course of the operation of the Business, or (B) the appearance of the Licensed Seller Marks in or on any third party's publications, marketing materials, brochures, instruction sheets, equipment or products that Sellers distributed in the ordinary course of business or pursuant to a Contract prior to the Closing Date, and that generally are in the public domain, or any other similar uses by any such third party over which Buyer has no control.

(e) Buyer hereby agrees to indemnify Seller and the other Seller Indemnified Parties from and against any and all Losses with respect to any Third Party Claim related to or arising out of (i) the use of the Excluded Marks (including the Licensed Seller Marks) in breach of this Section 5.3 and (ii) Buyer's manufacture, sale, packaging, distribution, promotion, advertising, marketing, importing or exporting of goods or services under the Licensed Seller Marks in accordance with this Section 5.3 or making use of the Integra Business Intellectual Property; provided, however, that such indemnification obligations shall not apply to the extent: (A) Seller is obligated to indemnify Buyer in relation to the relevant Losses under another provision of this Agreement, or (B) such Losses arise from a breach of Seller's obligations under the Integra ICP Transitional Manufacturing Agreement, Integra Shunts Transitional Manufacturing Agreement or Integra Transition Services Agreement. All claims for indemnification under this Section 5.3(e) shall be subject to the provisions of Section 8.3 through Section 8.7.

(f) The Parties agree that damages would be an inadequate remedy and that a Person seeking to enforce this Section 5.3 shall be entitled to seek specific performance and injunctive relief as remedies for any breach hereof.

Section 5.4 Credit Support; Release of Guaranty.

(a) Buyer shall use best efforts to obtain from the respective beneficiary, in form and substance reasonably satisfactory to the Sellers, on or before the Closing, valid and binding written complete and unconditional releases of the Sellers and their Affiliates, as applicable, from any Liability, whether arising before, on or after the Closing Date, under any Credit Support in effect as of the date hereof, including by providing substitute guarantees with terms that are at least as favorable to the counterparty as the terms of the applicable Credit Support and by furnishing letters of credit, instituting escrow arrangements, posting surety or performance bonds or making other arrangements as the counterparty may reasonably request. If any item of Credit Support has not been released as of the Closing Date, then Buyer shall use its best efforts after the Closing to cause each such unreleased item of Credit Support to be released promptly.

(b) Notwithstanding anything to the contrary herein, the Parties acknowledge and agree that at no time after the Closing Date shall Buyer or any of its Affiliates renew or extend the term of, increase any of the Sellers' or any of their Affiliates' obligations under, or transfer to another third party, any item of, subject to or under, any Credit Support.

(c) Buyer shall indemnify, defend and hold harmless the Seller Indemnified Parties from and after the Closing for any Losses arising out of or relating to any Credit Support.

Section 5.5 Waiver of Bulk Transfer Laws. Notwithstanding anything to the contrary in this Agreement, Buyer waives any rights against the Sellers with respect to any Seller's non-compliance with the provisions of any bulk sales or bulk transfer Laws of any jurisdiction in connection with the transactions contemplated by this Agreement.

Section 5.6 Taxes.

(a) All transfer, documentary, sales, real property, use, excise, stamp, documentary, filing, recording, registration, value added, gross receipts, permit, license and other such Taxes (including any penalties and interest) incurred in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, including any filing fees payable in connection with recording the name change and/or assignment of the Registered Intellectual Property to Buyer (collectively, "Transfer Taxes") shall be borne 100% by Buyer. Buyer shall properly file on a timely basis all necessary Tax Returns and other documentation with respect to any Transfer Tax and provide to Seller evidence of payment of all Transfer Taxes; *provided*, *however*, that if a Seller determines that it is required by applicable Law to pay any Transfer Taxes, then such Seller shall pay such Transfer Taxes, and Buyer shall, subject to receipt of reasonably satisfactory evidence of such Seller's payment thereof, promptly reimburse Integra (on behalf of such Seller) for such Transfer Taxes, whether or not such Transfer Taxes were correctly or legally imposed by the applicable Tax Authority.

(b) In the case of any Straddle Period, real, personal and intangible property Taxes and any other ad valorem Taxes (collectively, "Property Taxes") attributable to a Pre-Closing Tax Period shall be equal to the amount of such Property Taxes for the entire Straddle Period multiplied by a fraction, the numerator of which is the number of days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the total number of days in the Straddle Period. The Sellers shall be liable for the proportionate amount of such Property Taxes that is

attributable to the Pre-Closing Tax Period, and Buyer shall be liable for the proportionate amount of such Property Taxes that is attributable to the Post-Closing Tax Period. In the event that Buyer or any Seller makes or has made any payment for which the other Party is liable under this Section 5.6(b) the applicable Party shall make a reimbursement payment to the other Party promptly but in no event later than ten (10) days after the presentation of a statement setting forth the amount of reimbursement to which the presenting Party is entitled, along with such supporting evidence as is reasonably necessary to calculate the amount of reimbursement.

(c) Buyer and the Sellers shall cooperate fully, and shall cause their respective Affiliates to cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of Tax Returns and any action regarding Taxes with respect to the Business and the Business Assets or with respect to the Allocation. Such cooperation shall include the retention of and the provision of records and information reasonably relevant to any such action and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder, in each case as provided in Section 5.2. Notwithstanding anything herein to the contrary, neither Buyer nor any of its Representatives shall have access to the income Tax Returns or related workpapers of the Sellers or their Affiliates.

(d) Buyer shall promptly inform the Sellers of any Tax refund, credit or similar benefit received by Buyer that constitutes an Excluded Asset and shall promptly pay to the Sellers the amount of such Tax refund, credit or similar benefit (the "Tax Refund"). Buyer shall pay to the Sellers such Tax Refund within ten (10) days of receipt of such Tax Refund (or, if the Tax Refund is a Tax credit or similar benefit, the filing of any Tax Return utilizing such Tax Refund (in the form of a credit or offset to Taxes otherwise payable)) and provide a reasonably detailed description of the Tax Refund. The Parties agree that Tax Refunds for the portion of a Straddle Period ending on the Closing Date shall be determined using the methodologies set forth in Section 5.6(b). Buyer shall, and shall cause its Affiliates to, promptly take all reasonable actions (including those actions reasonably requested by the Sellers) to file for and obtain any Tax refund, credit or similar benefit that would give rise to a Tax Refund. Buyer shall, upon request, permit the Sellers to participate in the prosecution of any such Tax Refund claim and shall not settle or otherwise resolve any such Tax Refund claim without the prior written consent of the Sellers, not to be unreasonably withheld, delayed or conditioned.

(e) Buyer shall not, and shall not cause or permit any Affiliate to, take any action on or after the Closing Date other than in the ordinary course of business if such action would reasonably be expected to have an adverse effect on the Sellers with respect to Taxes, except as required by this Agreement or applicable Law or with the Sellers' consent (which consent shall not be unreasonably withheld, conditioned or delayed).

Section 5.7 Production of Witnesses and Individuals; Privilege Matters.

(a) From and after the Closing, the Sellers, on the one hand, and Buyer, on the other hand, shall use commercially reasonable efforts to make available to each other, upon reasonable written request, their (and their Affiliates') respective officers, directors, employees and agents for fact finding, consultation and interviews and as witnesses to the extent that any such Person may reasonably be required in connection with any Proceedings in which the requesting Party may from

time to time be involved relating to the conduct of the Business prior to or after the Closing. Access to such Persons shall be granted during normal business hours at a location and in a manner reasonably calculated to minimize disruption to such Persons, the Business and the Excluded Business. The Sellers and Buyer agree to reimburse each other for reasonable out-of-pocket expenses, including reasonable attorneys' fees, but excluding officers' or other employees' salaries, incurred by the other in connection with providing individuals and witnesses pursuant to this Section 5.7(a).

(b) From and after the Closing, Buyer shall not intentionally disclose, and shall not permit any of its Affiliates to intentionally disclose, any documents or other information that, if disclosed, would cause a waiver of any privilege that could be asserted under Law (%4) if such waiver could reasonably be expected to have an adverse effect on any of the Sellers, the Codman Sellers or their respective Affiliates, (%4) with respect to (A) the Excluded Business, the Excluded Assets or the Retained Liabilities or (B) the process relating to the sale of the Business or (%4) related to a Third Party Claim the defense of which has been assumed by any of the Sellers pursuant to Section 8.3.

Section 5.8 Mail and Other Communications; Wrong Pockets.

(a) Each of the Sellers, on the one hand, and Buyer, on the other hand, on behalf of itself and its Affiliates, authorizes the Sellers and their Affiliates (and their respective officers, directors, employees and agents), on the one hand, and Buyer and its Affiliates (and their respective officers, directors, employees and agents), on the other hand, as the case may be, if any such Person receives any mail, package or other communication intended for another Party or such Party's Affiliates or another Person and it is not readily apparent that such is the case, to open such communications and to retain the same to the extent that they relate to the business of the receiving Party. To the extent that any such communications relate to the business of the non-receiving Party or the Codman Sellers, the receiving Party shall promptly deliver such mail, packages or other communications (or, in case the same relate to both businesses, copies thereof) to the other Party. No Party shall open mail unambiguously intended for another Party (or, in the case of Buyer and its Affiliates, intended for the Codman Sellers) and marked confidential or proprietary. The provisions of this Section 5.8 are not intended to, and shall not be deemed to, constitute an authorization by a Party to permit another Party to accept service of process on its behalf, and no Party is or shall be deemed to be the agent of another Party for service of process purposes.

(b) If, at any time following Closing, either Party becomes aware that any Business Asset which should have been transferred to, or any Assumed Liability (whether arising prior to, at or following the Closing) which should have been assumed by, Buyer pursuant to the terms of this Agreement was not transferred to or assumed by Buyer as contemplated by this Agreement, then (i) the Sellers shall promptly transfer or cause their Affiliates to transfer such Business Asset to Buyer, and (ii) Buyer shall promptly assume or cause its Affiliates to assume such Assumed Liability, in each case for no consideration and at the Sellers' expense.

(c) If, at any time following Closing, either Party becomes aware that any Excluded Asset which should have been retained by, or any Retained Liability (whether arising prior to, at or following the Closing) which should have been retained by, any Seller pursuant to the terms of

this Agreement was transferred to or assumed by Buyer, then (i) the Buyer shall promptly transfer or cause its Affiliates to transfer such Excluded Asset to Sellers, and (ii) Sellers shall promptly assume or cause its Affiliates to assume such Retained Liability, in each case for no consideration and at the Sellers' expense.

Section 5.9 Employee and Benefit Matters

(a) Buyer and Sellers intend that the transactions contemplated by this Agreement shall not result in a severance of employment of any Transferred Employee (as defined below) for purposes of providing severance benefits under any Benefit Plan and that the Transferred Employees will have continuous and uninterrupted employment for such purposes immediately before and immediately after the date hereof, and Buyer and each Seller shall make commercially reasonable efforts to ensure the same. Buyer shall provide, no later than ten days prior to the Closing Date, Buyer will make an offer of employment to all Business Employees to commence on the Closing Date. In each case such continued employment or such offer of employment, as applicable, will comply with any applicable Laws and in any event will be on terms and conditions, including basic salary, variable pay, equity compensation, employee benefits, other benefits in kind, severance, position and responsibility that are, in the aggregate, substantially equivalent to the terms and conditions provided to such Business Employee by Integra immediately prior to the Closing Date.

(b) Each Business Employee who (i) receives such an offer of employment from Buyer and (ii) reports for work on the Closing Date (or such later time as the Business Employee is required to report to work in accordance with the Business Employee's normal work schedule, taking into account any applicable vacation or other leave of absence) is referred to herein as a "Transferred Employee." With respect to a Business Employee who is on vacation or other leave of absence as of the Closing Date, references to "Closing Date" or "Closing" in this Section 5.9 and in the definition of Accrued PTO shall refer to the date on which such Business Employee is required to report to work.

(c) Prior to Closing, Sellers (or their Affiliates) shall solicit in writing the consent of each Business Employee to rollover to Buyer or an applicable Affiliate each such Business Employee's Accrued PTO upon Closing (the "Accrued PTO Rollover Consents"). For each Business Employee who (i) provides such Accrued PTO Rollover Consent on or prior to Closing, and (ii) becomes a Transferred Employee, Buyer or an applicable Affiliate shall assume and honor such Transferred Employee's Accrued PTO (the Accrued PTO so assumed, the "Assumed PTO"). Transferred Employees shall be permitted to use their Assumed PTO in a manner consistent with policies applicable to similarly-situated employees of Buyer or an applicable Affiliate, and to accrue additional vacation and other paid-time-off in accordance with Buyer's or its Affiliate's policies and procedures, as in effect from time to time. To the extent that any Transferred Employees do not provide an Accrued PTO Rollover Consent upon Closing, the applicable Seller or Seller Affiliate employing such employee shall pay out to such Transferred Employee his or her Accrued PTO at Closing.

(d) Effective as of the Closing and thereafter, Buyer shall recognize, or shall cause to be recognized, each Transferred Employee's employment or service with Sellers and their Affiliates (including any current or former Affiliate of Sellers or any predecessor of Seller or an applicable

Affiliate) prior to the Closing for all purposes, including for purposes of determining, as applicable, eligibility for participation, vesting and entitlement of the Transferred Employee under all employee benefit plans maintained by Buyer and its Affiliates, including vacation plans or arrangements, 401(k) or other retirement plans and any severance or welfare plans, except to the extent such recognition would result in a duplication of benefits. In addition, and without limiting the generality of the foregoing, effective as of the Closing and thereafter, Buyer and its Affiliates shall cause any pre-existing conditions or limitations, eligibility waiting periods, actively at work requirements, evidence of insurability requirements or required physical examinations under any health or similar plan of the Buyer or an Affiliate of Buyer to be waived with respect to Transferred Employees and their eligible dependents, except to the extent that any waiting period, exclusions or requirements still applied to such Transferred Employee under the comparable Benefit Plan in which such Transferred Employee participated immediately before the Closing.

(e) Buyer or its Affiliates shall be responsible for satisfying obligations under Section 601 et seq. of ERISA and Section 4980B of the Code to provide continuation coverage to or with respect to any Transferred Employee or Business Employee who does not receive and offer of employment from Buyer that complies with Section 5.9(a) hereof (and, in any case, the employee's eligible dependents) with respect to any "qualifying event" which occurs after the Closing, and for any Person (or such spouse or dependent of any Business Employee) who is an "M&A qualified beneficiary," as determined pursuant to Treasury Regulation 54.4980B-9, Q&A 4 et seq. or such other applicable laws, and Buyer hereby agrees to maintain or to cause an affiliate to maintain a "group health plan" under which such Persons are eligible to receive the foregoing benefits for so long as such Persons remain eligible for such benefits.

(f) Buyer or its Affiliates shall take the necessary action, including any necessary plan amendments, to cause the tax-qualified deferred contribution retirement plan maintained by Buyer or its Affiliates in which the Transferred Employees are eligible to participate (the "Buyer 401(k) Plan") to permit each Transferred Employee to make rollover contributions of "eligible rollover distributions" (within the meaning of Section 401(a)(3) of the Code, inclusive of loans), in the form of cash or notes (in the case of loans), in an amount equal to the full account balance distributable to such Transferred Employee from the 401(k) plan maintained by Sellers to the Buyer 401(k) Plan.

(g) Immediately prior to the Closing, (i) Sellers shall transfer all of the obligations and liabilities of any Code Section 125 flexible spending plan maintained by Sellers (the "Sellers 125 Plan") attributable to the Transferred Employees and their dependents and beneficiaries to a Code Section 125 flexible spending plan maintained or to be established by Buyer or one of its Affiliates (the "Buyer 125 Plan") and (ii) the Buyer 125 Plan shall credit each such Transferred Employee's flexible spending account with the balance so transferred. Each Transferred Employee eligible to participate in the Buyer 125 Plan shall be permitted to continue his or her election in effect under the Sellers 125 Plan for the remainder of the calendar year in which the Closing Date occurs, subject to the limitation on contributions contained in the Sellers 125 Plan, and Buyer shall, or cause its Affiliates to, honor any such election, and the Buyer 125 Plan shall honor any claims incurred by a Transferred Employee during such calendar year that would otherwise be an eligible expense under the Sellers 125 Plan, whether or not such expense was incurred before, on or after the Closing Date.

(h) The provisions of this Section 5.9 are solely for the benefit of the respective parties to this Agreement and nothing in this Section 5.9, express or implied, shall confer upon any employee, consultant, manager or other service provider (or any dependent, successor, legal representative or beneficiary thereof), any rights or remedies, including any right to continuance of employment or any other service relationship with Buyer or any of its Affiliates, or any right to compensation or benefits of any nature or kind whatsoever under this Agreement. Nothing in this Section 5.9, express or implied, shall be: (i) an amendment or deemed amendment of any plan providing benefits to any employee, or (ii) construed to interfere with the right of Buyer or its Affiliates to terminate the employment or other service relationship of any of the Transferred Employees at any time, with or without cause, or restrict any such entity in the exercise of their independent business judgment in modifying any of the terms and conditions of the employment or other service arrangement of the Transferred Employees, or (iii) deemed to obligate any Buyer or its Affiliates to adopt, enter into or maintain any employee benefit plan or other compensatory plan, program or arrangement at any time.

Section 5.10 Non-Assignment.

(a) Notwithstanding anything else in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign, license, sublicense, lease, sublease, convey or transfer any Proceeding, asset, Contract, Transferred Governmental Permit or any claim or right or any benefit arising thereunder or resulting therefrom as to which consent or approval to assignment, license, sublicense, lease, sublease, conveyance or transfer thereof (including consents and approvals of Governmental Authorities) is required but has not been obtained within eighteen (18) months following the Closing Date and shall constitute an Excluded Asset hereunder unless and until such consent or approval is no longer required or has been obtained. Each of the Parties shall use its commercially reasonable efforts to obtain any such consent or approval that has not been obtained prior to the Closing for a period of up to eighteen (18) months after the Closing Date; *provided* that no Seller shall be required to make any payment or grant any concession to any Person to obtain any such consent or approval from such Person or incur any material out-of-pocket expenses in connection therewith.

(b) In the event and to the extent that any Seller is unable to obtain any such consent or approval required to assign, license, sublicense, lease, sublease, convey or transfer any Business Asset to Buyer, such Seller shall, for a period no longer than eighteen (18) months following the Closing Date, continue to hold, and to the extent required by the terms applicable to such Business Asset, operate such Business Asset, in the case of personal property, and to be bound thereby in the case of Contracts, and unless not permitted by Law, Buyer shall pay, perform and discharge fully, promptly when due, all the obligations of such Seller thereunder from and after the Closing Date, and Buyer shall indemnify the Seller Indemnified Parties for all Losses arising out of such performance or failure to perform by Buyer. In furtherance of the foregoing, the applicable Seller shall use commercially reasonable efforts to cooperate, for a period no longer than eighteen (18) months following the Closing Date, in any reasonable and lawful arrangement as to such Seller and Buyer designed to provide the benefits arising under such Business Asset, including accepting such reasonable direction as Buyer shall request of such Seller. Such Seller shall, without further consideration therefor, pay and remit to Buyer promptly all monies, rights and other considerations

received in respect of such performance. Buyer shall indemnify the Seller Indemnified Parties for all Losses arising out of any actions (or omissions to act) of such Seller (%4) taken at the direction of Buyer or any of its Affiliates or (%4) absent willful misconduct, taken at the initiative of such Seller with respect to any Contracts, leases, subleases, licenses, sublicenses or other rights or commitments which constitute Business Assets. The applicable Seller shall indemnify the Buyer Indemnified Parties for all Losses arising out of any actions by it which constitute willful misconduct, unless such activities were taken at the direction of Buyer or any of its Affiliates.

(c) Notwithstanding anything else set forth in this Section 5.10, no Seller nor any of its Affiliates shall be required to take any action that may, in the reasonable judgment of Integra, (%4) result in a breach of any obligation which any Seller or any of its Affiliates has to any third party or (%4) violate applicable Law.

(d) Buyer agrees that, so long as the Sellers have complied with their obligations under the last sentence of Section 5.10(a), none of the Sellers shall have any liability whatsoever to Buyer arising out of or relating to the failure to obtain any such consent or approval and no representation or warranty of the Sellers contained herein shall be breached or deemed breached as a result, directly or indirectly, of the failure to obtain any such consent or approval.

Section 5.11 Confidentiality.

(a) For a period of two (2) years from the Closing Date, the Sellers and Buyer shall hold, and shall cause their respective Affiliates and Representatives to hold, in confidence and not to disclose or release without the prior written consent of the other Party, any and all Confidential Information (as defined herein) of the other Party; *provided* that the Parties may disclose, or may permit disclosure of, Confidential Information (%4) to their respective Representatives who have a need to know such information and are informed of their obligation to hold such information confidential to the same extent as is applicable to the Parties and in respect of whose failure to comply with such obligations, the Sellers or Buyer, as the case may be, shall be responsible or (%4) if the Parties, their Affiliates or their Representatives are compelled to disclose any such Confidential Information by judicial or administrative process or, upon the advice of legal counsel, by other requirements of Law. Notwithstanding the foregoing, in the event that any demand or request for disclosure of Confidential Information is made pursuant to clause (ii) above, the Sellers or Buyer, as the case may be, shall promptly notify the other of the existence of such request or demand and shall provide the other a reasonable opportunity to seek an appropriate protective order or other remedy, which the Parties shall reasonably cooperate in obtaining. In the event that such appropriate protective order or other remedy is not obtained, the Party who is required to disclose Confidential Information shall furnish, or cause to be furnished, only that portion of the Confidential Information that is required by Law to be disclosed. "Confidential Information" shall mean all proprietary technical, operational, financial or other business information of one Party or its Affiliates (including such information as becomes property of the Sellers pursuant to the Codman Purchase Agreement), which prior to, on or following the Closing Date has been disclosed by any of the Sellers, the Codman Sellers or their respective Affiliates or Representatives, on the one hand, or Buyer or its Affiliates, on the other hand, in written, oral (including by recording), electronic, or visual form to, or otherwise has come into the possession of, the other (except to the extent that

such information can be shown to have been (1) in the public domain through no fault of such Party or its Affiliates or (2) lawfully acquired from other sources by such Party or its Affiliates; *provided*, *however*, in the case of this subclause (2) that such sources did not provide such information in breach of any confidentiality or other legal obligations). Notwithstanding anything to the contrary in this Agreement, (%4) the performance by the Sellers or any of their Affiliates of Integra's obligations under the Integra Transitional Services Agreement, Integra Shunts Transitional Manufacturing Agreement and Integra ICP Transitional Manufacturing Agreement shall be deemed not to be a violation by any Seller or its Affiliates of this Section 5.11, (%4) the performance by the Buyer or any of its Affiliates of Buyer's obligations under the Reverse Transitional Services Agreement shall be deemed not to be a violation by any Buyer or its Affiliates of this Section 5.11 and (iii) the provisions of this Section 5.11 shall not limit the obligations of the Parties or any of their Affiliates under any Ancillary Agreements.

(b) Notwithstanding anything to the contrary set forth herein and except to the extent set forth in an Ancillary Agreement, (%4) the Sellers and their Affiliates, on the one hand, and Buyer and its Affiliates, on the other hand, shall be deemed to have satisfied their obligations hereunder with respect to Confidential Information if they exercise the same degree of care (but no less than a reasonable degree of care) as they take to preserve confidentiality for their own similar information and (%4) confidentiality obligations provided for in any agreement between any Party or any of its Affiliates, on the one hand, and any employee of the Business, such Party or any of its Affiliates, on the other hand, shall remain in full force and effect.

Section 5.12 Insurance. Buyer shall not have any access, right, title or interest to or in any insurance policies of the Sellers, the Codman Sellers or any of their respective Affiliates (including to any claims and rights to make claims and any rights to proceeds) that cover any Business Assets or any Liability arising from the operation of the Business. Buyer shall be responsible for securing all insurance it considers appropriate for its operation of the Business. Buyer further covenants and agrees not to seek to assert or to exercise any rights or claims of the Business under or in respect of any past or current insurance policies under which the Business is a named insured.

Section 5.13 Accounts Receivable. Buyer shall not take, and shall not permit any of its Representatives to take, any action that could impair, delay or otherwise adversely affect the Sellers' ability to collect the full amount of all accounts receivable and other such claims for money due to any Seller from any third party to the extent arising from the rendering of services or the sale of goods by the Business prior to the Closing Date.

Section 5.14 Conduct of Business. From the date of this Agreement through the earlier of the Closing or the termination of this Agreement, except as set forth on Schedule 5.14, as contemplated by the Codman Purchase Agreement, as contemplated by this Agreement, or as consented to by Buyer in writing (which consent shall not be unreasonably withheld, conditioned or delayed), the Sellers shall (x) operate the Integra Business in the ordinary course and consistent with prior practice and (y) not do any of the following with respect to the Integra Business or, except as contemplated by the Codman Purchase Agreement, provide its consent to the Codman Sellers doing any of the following with respect to the Codman Business:

(a) materially increase sales of the Integra Products outside of the ordinary course of business;

(b) permit or allow any of the Sellers' or Codman Sellers' material Business Assets to be subjected to any Liens, other than Permitted Liens;

(c) sell, assign, transfer, convey, lease or otherwise dispose of any material Business Assets, except in the ordinary course of business or pursuant to the terms of a Business Contract; or

(d) enter into any Contract to do any of the foregoing.

Section 5.15 Inspection. From the date hereof through the earlier of the Closing or the termination of this Agreement, the Sellers (with respect to the Integra Business) shall afford to Buyer and its Representatives reasonable access, during normal business hours, upon reasonable advance notice, and in such manner as to not unreasonably interfere with normal operation of the Integra Business, to the properties, books, records and appropriate employees of the Sellers (with respect to the Integra Business), and shall furnish such Representatives with all financial and operating data and other information concerning the affairs of the Integra Business as Buyer or such Representatives reasonably request; *provided* that the Sellers shall have no obligation to disclose any information (a) that is subject to privilege or similar restrictions, (b) the disclosure of which would result in a violation of Law or any agreement with a third party or (c) relating to personnel records of the Sellers relating to individual performance or evaluation records, medical histories or other information which in Integra's good faith opinion is sensitive or the disclosure of which could subject any Seller to risk of liability.

Section 5.16 Support of Transaction.

(a) Buyer and each Seller shall (and shall each cause its subsidiaries to) (%4) use commercially reasonable efforts to obtain all material consents and approvals of third parties that any of Buyer, the Sellers or their respective Affiliates are required to obtain in connection with the consummation of the transactions contemplated hereby, and (%4) take such other action as may reasonably be necessary or as another Party may reasonably request to satisfy the conditions of Article VI; provided, however, that no Party shall be obligated to pay any fee (other than the payment of nominal administrative, processing or similar fees or charges) or grant any concession in connection with obtaining any such consents or approvals.

(b) Buyer and each Seller shall use best efforts to obtain the FTC Consent, and if the FTC notifies, in writing or otherwise, Buyer or the Sellers (or the Affiliates of either of them) that this Agreement or the Ancillary Agreements or the transactions contemplated hereby and thereby are not acceptable as proposed, then each party hereto shall be obligated to take such actions as are necessary to obtain the FTC Consent.

(c) Buyer and each Seller will promptly (and in any event within five (5) Business Days after the date hereof) provide any notices to and make any filings with any Governmental Authority that are necessary to consummate the transactions contemplated hereby. Buyer shall, and shall cause

its subsidiaries and Affiliates to, promptly take any and all steps necessary to avoid, eliminate or resolve each and every impediment and obtain all clearances, consents, approvals and waivers under the federal or state or foreign Laws designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade that may be required by any Governmental Authority, so as to enable the Parties to cause the Closing to occur as soon as practicable after the date hereof. Each of the Parties shall keep the other Parties fully informed of all communications with any Governmental Authority and shall not submit or otherwise provide any information to such Governmental Authority without first having provided an opportunity to the other Parties' antitrust counsel to review and comment upon such information.

(d) The Parties shall not independently participate in any formal meeting or substantive discussion with any Governmental Authority in respect of any such filings or other inquiry without giving the other Party prior notice of the meeting and, to the extent permitted by such Governmental Authority, the opportunity to attend and/or participate.

(e) The Sellers shall use their commercially reasonable efforts to cause the release of the Liens set forth on Schedule 1.1(l) prior to the Closing and, if such Liens are not released prior to the Closing, Sellers shall continue to use their commercially reasonable efforts to obtain such releases of the Liens set forth on Schedule 1.1(l)..

Section 5.17 Competition. The Parties agree and acknowledge that the provisions of this Agreement and any Ancillary Agreement will not be construed to limit or restrict in any manner the right of the Sellers or any of their Affiliates to develop, manufacture, use, sell, distribute or commercialize in any manner any catheter, monitor, adapter cable or any other product, including any product competitive with the Products, either in the United States or outside of the United States. Nothing contained in this Agreement will be construed as prohibiting the Sellers or any of their Affiliates from: (a) acquiring (whether by merger, asset or stock acquisition or otherwise) another company, business or line of products (including by license thereof or through investment therein), which makes, has made, sells, has sold, markets, has marketed, distributes or has distributed or otherwise represents a product which is substantially similar to or equivalent to a Product and continuing to operate such company, business or line of products following such acquisition; or (b) entering into a joint venture, alliance or other similar collaborative arrangement between any Seller or any of their Affiliates and any third party which joint venture makes, has made, sells, has sold, markets, has marketed, distributes or has distributed a product which is substantially similar to or equivalent to a Product and continuing to participate in such collaboration.

Section 5.18 Shared Components. To the extent that Sellers own, as of the Closing Date, any Intellectual Property in, or required for the manufacture of, the Shared Components (the "Shared Components IP"), Sellers hereby grant to Buyer a non-exclusive, worldwide, irrevocable, fully-paid up right and license under such Intellectual Property to make, have made, use, sell, offer for sale, and import the Shared Components in connection with the Business (the "Shared Components License"). The Shared Components IP is licensed to Buyer as it exists as of the Closing Date, and Buyer shall have no right or license to any improvements, derivative works, or modifications to the Shared Components IP developed or created by or on behalf of the

Sellers following the Closing. Subject to Section 3.7, the Shared Components IP is licensed "as is," without representation or warranty of any kind, including without limitation any implied warranties of title, merchantability, fitness for a particular purpose, or non-infringement of third-party rights. For the avoidance of doubt, no right or license is granted hereunder in any Third Party IP. To the extent that the Shared Components IP includes any trade secrets, such Shared Components IP shall be treated by Buyer as Confidential Information of Sellers, and Buyer shall maintain the confidentiality of such Shared Components IP in accordance with Section 5.11; *provided*, *however*, that the obligations of confidentiality under Section 5.11 with respect to such Shared Components IP shall last for so long as such Shared Components IP remain trade secrets (even after the two (2) year term otherwise applicable to obligations of confidentiality under Section 5.11). The Shared Components License is personal to Buyer and shall not be assignable or transferable to any other Person; provided, however, Buyer may (i) transfer all or a part of its respective rights and obligations under this Section 5.18, or sublicense the Shared Components License to its Affiliates for so long as they remain Affiliates of Buyer; (ii) transfer all of its rights and obligations under this Section 5.18 to any third party in connection with an acquisition of Buyer (whether by merger, consolidation, sale of assets, sale or exchange of stock, or otherwise); and (iii) transfer all or part of its respective rights and obligations under this Section 5.18 or sublicense the Shared Components License to any third party in connection with an acquisition of the Business or any other discrete unit or division of the Business (whether by merger, consolidation, sale of assets, sale or exchange of stock, or otherwise), provided that such transfer or sublicense is limited to the rights licensed to Buyer hereunder in connection with the operation of such business unit or division, provided that business unit or division is capable of being operated on a stand-alone basis, provided that the transfer or sublicense is limited solely to the business unit or division being sold; and provided that, in each of the above cases, such transferee, assignee or successor agrees to be bound by this Section 5.18.

Section 5.19 Returned Goods. For a period of one hundred and eighty (180) days after the Closing Date, Buyer agrees to use commercially reasonable efforts to adhere to the returned goods policy set forth on Schedule 5.19 with respect to all Codman Products received from customers, whether sold by the Codman Sellers or Buyer, to the extent any such returned Codman Product has the name or trademark of any Codman Seller or any of their Affiliates on it.

Section 5.20 Product 510(k). Notwithstanding the foregoing, Integra or any of its Affiliates may reference any or all of the 510(k)s for any Codman Product or Integra Shunts, or submit applications for and hold one or more duplicates of any or all of such 510(k)s, in each case to the extent Integra determines necessary or useful solely in connection with its commercialization of the Codman Products outside of the United States or the Integra Shunts outside of the United States. For the avoidance of doubt, Integra and its Affiliates will not (a) use such 510(k)s for the purpose of commercializing the Codman Products or the Integra Shunts, or any product based, in whole or in part, on such 510(k)s, in the United States or (b) file any new 510(k)s for the purpose of commercializing the Codman Products or the Integra Shunts in the United States.

Section 5.21 Fiber Optic Cable.

(a) Integra shall, prior to the Closing, continue validation of the Fiber Optic Cables, and following the Closing, Buyer, shall use its best efforts to validate such Fiber Optic Cables as promptly as practicable after the Closing.

(b) Integra shall, on or prior to Closing, pay (or cause to be paid) the aggregate Purchase Orders' Cost described in Section 3.16 or, if not so paid prior to Closing, shall retain such payment obligations as Retained Liabilities for all purposes hereunder.

Section 5.22 Intellectual Property License.

(a) To the extent that Sellers own any Intellectual Property (other than Trademarks, domain names, and the Shared Components IP) that is used in the Business as of the Closing Date and that is not included in the Business Assets ("Excluded Business IP"), Sellers hereby grant to Buyer a perpetual, royalty-free, fully paid up, non-exclusive, non-transferable and non-sub-licensable (except as provided in sub-paragraph (e) below) license to use and otherwise exploit the Excluded Business IP solely in connection with the operation of the Business.

(b) Buyer hereby acknowledges and agrees that the license granted hereunder is limited to the Excluded Business IP as it exists on the Closing Date and that Seller shall have no obligation whatsoever to provide support, maintenance, revisions, updates, upgrades, bug fixes or any other assistance of any kind to Buyer in connection with the Excluded Business IP. Buyer hereby acknowledges and agrees that it shall not at any time file any application to register, or otherwise claim ownership of, the Excluded Business IP anywhere in the world.

(c) Buyer agrees not to disclose to any third party any trade secrets or other confidential information included in the Excluded Business IP, treating such Excluded Business IP in the same manner (but in no event using less than a commercially reasonable degree of care) as Buyer treats other similarly sensitive Intellectual Property owned by the Buyer.

(d) Subject to the representations and warranties in Section 3.7, the Excluded Business IP is licensed "as is" without warranty of any kind. Except as expressly provided in Section 3.7, Sellers make no warranties, whether express, implied, statutory, or otherwise, with respect to the Excluded Business IP or the license granted pursuant to this Section 5.22, including, without limitation, any warranties of merchantability, fitness for a particular purpose, or non-infringement of third-party rights.

(e) The license granted to Buyer pursuant to this Section 5.22 may not be sublicensed, assigned or otherwise transferred by Buyer without the prior written consent of the other party, which consent shall not be unreasonably withheld, conditioned or delayed; provided that, without such consent, either party may assign its rights and obligations hereunder to an Affiliate or to a third party in connection with a sale or transfer (by means of a merger, stock sale or otherwise) or substantially all of the assets related to the Products, in the case of Buyer; provided further that any such assignment shall not limit the obligations of either party under this Agreement to the extent not performed by such Affiliates or third parties. This License shall be binding upon and inure to the benefit of the parties hereto and their respective permitted successors and permitted assigns. Any attempted assignment or transfer in violation of this Section 5.22 shall be void.

ARTICLE VI.
CONDITIONS TO OBLIGATIONS

Section 6.1 Conditions to Each Party's Obligations. The obligation of Buyer to purchase the Business Assets from Sellers and assume the Assumed Liabilities and the obligations of Seller to sell, assign, convey and deliver the Business Assets to Buyer will be subject to the satisfaction prior to the Closing of the following conditions:

(a) the FTC shall have preliminarily approved the Buyer as the purchaser of the Business Assets hereunder;

(b) the transactions contemplated under the Codman Purchase Agreement shall be closed; and

(c) there shall not be any Law enacted, promulgated or issued by any Governmental Authority restraining, enjoining or prohibiting the consummation of the transactions contemplated by this Agreement.

Section 6.2 Conditions to Obligations of Buyer. The obligations of Buyer to consummate, or cause to be consummated, the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, any one or more of which may be waived in writing by Buyer:

(a) (i) each of the Fundamental Representations shall be true and correct in all material respects as of the Closing, as if made anew at and as of that time (other than such representations and warranties that expressly address matters only as of a certain date, which need only be true and correct as of such certain date) and (ii) all other representations and warranties of the Sellers contained in Article III (without regard to any "material," "Material Adverse Effect" or similar qualification) shall be true and correct as of the Closing, as if made anew at and as of that time (other than such representations and warranties that expressly address matters only as of a certain date, which need only be true and correct as of such certain date) except where the failure to be so true and correct would not reasonably be expected to have a Material Adverse Effect;

(b) the Sellers shall have performed or complied, in all material respects, with all of the covenants and agreements required by this Agreement to be performed or complied with by the Sellers at or before the Closing; and

(c) Integra shall have delivered to Buyer a certificate signed by an officer of Integra, dated as of the Closing Date, certifying that the conditions specified in Section 6.2(a) and Section 6.2(b) have been fulfilled.

Section 6.3 Conditions to Obligations of the Sellers. The obligations of the Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction of the following conditions, any one or more of which may be waived in writing by the Sellers:

(a) all representations and warranties of Buyer contained in Article IV (without giving effect to any limitations as to materiality set forth herein) shall be true and correct as of the Closing, as if made anew at and as of that time (other than such representations and warranties that expressly address matters only as of a certain date, which need only be true and correct as of such certain date) except where the failure to be so true and correct would not reasonably be expected to adversely affect any Seller in any material respect or have a material adverse effect on the ability of Buyer to consummate the Closing or otherwise perform its obligations under this Agreement and the Ancillary Agreements;

(b) Buyer shall have performed or complied, in all material respects, with all of the covenants and agreements required by this Agreement to be performed or complied with by Buyer on or before the Closing; and

(c) Buyer shall have delivered to the Sellers a certificate signed by an officer of Buyer, dated as of the Closing Date, certifying that, to the knowledge and belief of such officer, the conditions specified in Section 6.3(a) and Section 6.3(b) have been fulfilled.

ARTICLE VII.
TERMINATION

Section 7.1 Termination. At any time prior to the Closing, this Agreement may be terminated and the transactions contemplated hereby abandoned:

(a) by the mutual consent of Buyer and the Sellers as evidenced in writing signed by each of Buyer and the Sellers;

(b) by Buyer, if there has been a material breach by any Seller of any covenant, representation or warranty contained in this Agreement that has prevented the satisfaction of any material condition to the obligations of Buyer at the Closing and such breach has not been cured by such Seller within thirty (30) days after written notice thereof from Buyer;

(c) by Integra, if there has been a material breach by Buyer of any covenant, representation or warranty contained in this Agreement that has prevented the satisfaction of any material condition to the obligations of any Seller at the Closing and such breach has not been cured by Buyer within thirty (30) days after written notice thereof from any Seller;

(d) by Integra (A) on and after the termination of the Codman Purchase Agreement, (B) if Buyer is not preliminarily approved by the FTC or other necessary Governmental Authority as a purchaser of the Business Assets hereunder, or (C) if the FTC staff informs Integra in writing that the FTC staff will not recommend approval of Buyer as the purchaser of the Business Assets hereunder or that this Agreement, any Ancillary Agreement or the transactions contemplated hereby and thereby are not acceptable, and despite the Parties' compliance with their respective obligations as set forth herein, including but not limited to Section 5.16(b), negotiations with the FTC have terminated without a mutually acceptable resolution; and, if permitted by Law, a copy of such notice is provided to Buyer by Integra.

(e) by either Buyer or Integra if any Governmental Authority having competent jurisdiction has issued a final, non-appealable order, decree, ruling or injunction (other than a temporary restraining order) or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement; or

(f) by either Buyer or Integra, if the Closing has not occurred on or before December 31, 2017 (provided that, in the event that, the Codman Purchase Agreement is amended to extend the Outside Date (as defined in the Codman Purchase Agreement) past December 31, 2017, such amendment shall apply to this Section 7.1(f) and extend the date of December 31, 2017 in this Section 7.1(f) to match the Outside Date under the Codman Purchase Agreement) or such later date as the Parties may agree upon.

Section 7.2 Effect of Termination. In the event of termination and abandonment of this Agreement pursuant to Section 7.1, this Agreement shall forthwith become void and have no effect, without any Liability on the part of any Party hereto; *provided*, *however*, that if this Agreement is validly terminated by a Party as a result of an intentional, material breach of this Agreement by a non-terminating Party, then the terminating Party shall be entitled to all rights and remedies available under Law or equity against such non-terminating Party. The provisions of this Section 7.2 and Article IX shall survive any termination of this Agreement. Further, the Confidentiality Agreement shall not be affected by a termination of this Agreement.

ARTICLE VIII.
INDEMNIFICATION

Section 8.1 Survival. Any representations and warranties of the Parties contained in this Agreement and all claims for breaches of Pre-Closing Covenants shall survive the Closing until twelve (12) months after the Closing Date, except that the Sellers' representations and warranties in Section 3.1 (Organization and Qualification), Section 3.2 (Due Authorization) and Section 3.13 (Brokers' Fees) and Buyer's representations and warranties in Section 4.1 (Organization of Buyer), Section 4.2 (Due Authorization), and Section 4.6 (Brokers' Fee) shall survive until the third (3rd) anniversary of the Closing Date. No claim for a breach of a representation, warranty or covenant may be made or brought by any Party hereto after the expiration of the survival period unless such claim has been asserted by proper written notice under this Article VIII, specifying the details of the claim on or prior to the expiration of any applicable survival period. If such written notice of a claim has been given in accordance with this Article VIII prior to the expiration of the survival period for such claim, then such claim shall survive until it has been finally resolved.

Section 8.2 Indemnification.

(a) Subject to the provisions of this Article VIII, from and after the Closing, the Sellers shall indemnify and hold harmless Buyer and its Affiliates, successors and permitted assigns and their respective Representatives (the "Buyer Indemnified Parties") from and against all Losses that the Buyer Indemnified Parties incur arising from (%4) any breach of any representation or warranty of the Sellers in this Agreement, (%4) any breach of any covenant of the Sellers in this Agreement (%4) the Retained Liabilities and (iv) solely if Buyer has continuously used its best efforts to

complete a successful validation of the Fiber Optic Cables and such Fiber Optic Cables have not been successfully validated prior to the twelve-month anniversary of the Closing, 50% of any out of pocket third-party expenses reasonably incurred by Buyer (in an amount not to exceed $1,000,000.00) related to the identification and validation of alternate material.

(b) Subject to the provisions of this Article VIII, from and after the Closing, Buyer shall indemnify and hold harmless the Sellers and their Affiliates, successors and permitted assigns and their respective Representatives (the "Seller Indemnified Parties") from and against all Losses that the Seller Indemnified Parties incur arising from (%4) any breach of any representation or warranty of Buyer in this Agreement, (%4) any breach of any covenant of Buyer in this Agreement and (%4) the Assumed Liabilities.

Section 8.3 Indemnification Procedures. Claims for indemnification under this Agreement shall be asserted and resolved as follows:

(a) Any Buyer Indemnified Party or Seller Indemnified Party claiming indemnification under this Agreement (an "Indemnified Party") with respect to any claim asserted against the Indemnified Party by a third party ("Third Party Claim") in respect of any matter that is subject to indemnification under Section 8.2 (without regard to the limitation in Section 8.4(a) or Section 8.4(b)) shall promptly (%4) notify Integra, in the case of a Buyer Indemnified Party, or Buyer, in the case of a Seller Indemnified Party (as the case may be, the "Indemnifying Party") of the Third Party Claim and (%4) transmit to the Indemnifying Party a written notice ("Claim Notice") describing in reasonable detail the nature of the Third Party Claim, a copy of all papers served with respect to such claim (if any), the Indemnified Party's best estimate of the amount of Losses that are or may be attributable to the Third Party Claim and the basis of the Indemnified Party's request for indemnification under this Agreement. Failure to timely provide such Claim Notice shall not affect the right of the Indemnified Party's indemnification hereunder, except to the extent the Indemnifying Party is prejudiced by such delay or omission.

(b) The Indemnifying Party shall have the right to defend the Indemnified Party against such Third Party Claim. If the Indemnifying Party notifies the Indemnified Party that the Indemnifying Party elects to assume the defense of the Third Party Claim, such election to be without prejudice to the right of the Indemnifying Party to dispute whether such claim is an indemnifiable Loss under this Article VIII, then the Indemnifying Party shall have the right to defend such Third Party Claim with counsel selected by the Indemnifying Party by all appropriate proceedings, to a final conclusion or settled at the discretion of the Indemnifying Party in accordance with this Section 8.3(b). The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof and including, if applicable, any permitted assumption thereof by the Codman Sellers under the Codman Purchase Agreement; *provided* that the Indemnifying Party shall not enter into any settlement agreement without the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned or delayed); *provided*, *further*, that such consent shall not be required if (i) the settlement agreement contains a complete and unconditional release by the third party asserting the claim to all Indemnified Parties directly affected by the claim and (ii) the settlement agreement does not contain any sanction or restriction upon the conduct of any business by the Indemnified Party or its Affiliates. If requested by the Indemnifying

Party, the Indemnified Party agrees, at the sole cost and expense of the Indemnifying Party, to cooperate with the Indemnifying Party and its counsel in contesting any Third Party Claim which the Indemnifying Party elects to contest, including the making of any related counterclaim against the Person asserting the Third Party Claim or any cross complaint against any Person. The Indemnified Party may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this Section 8.3(b), and the Indemnified Party shall bear its own costs and expenses with respect to such participation.

(c) If the Indemnifying Party fails to notify the Indemnified Party (i) within thirty (30) days after receipt of any Claim Notice exclusively related to the Integra Business Assets or (ii) within sixty (60) days after receipt of any Claim Notice related to the Codman Business Assets that the Indemnifying Party elects to defend the Indemnified Party pursuant to Section 8.3(b), then the Indemnified Party shall have the right to defend, and be reimbursed for its reasonable costs and expenses (but only if the Indemnified Party is actually entitled to indemnification hereunder), the Third Party Claim by all appropriate proceedings, which proceedings shall be prosecuted diligently by the Indemnified Party to a final conclusion or settled. The Indemnified Party shall have full control of such defense and proceedings; *provided*, *however*, that the Indemnified Party may not enter into any compromise or settlement of such Third Party Claim if indemnification is to be sought hereunder, without the Indemnifying Party's consent (which consent shall not be unreasonably withheld, conditioned or delayed). The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to this Section 8.3(c), and the Indemnifying Party shall bear its own costs and expenses with respect to such participation; *provided* that if at any time the Indemnifying Party acknowledges in writing such Third Party Claim is a Loss subject to this Article VIII, the Indemnifying Party shall be entitled to assume the defense of such Third Party Claim in accordance with Section 8.3.

(d) A claim for indemnification for any matter not involving a Third Party Claim must be asserted by prompt written notice to the Party from whom indemnification is sought, such notice to describe in reasonable detail the nature of the claim and the Indemnified Party's best estimate of the amount of Losses attributable to the claim and the basis of the Indemnified Party's request for indemnification under this Agreement. Failure to timely provide such notice shall not affect the right of the Indemnified Party's indemnification hereunder, except to the extent the Indemnifying Party is prejudiced by such delay or omission.

(e) In the event an Indemnified Party shall recover Losses in respect of a claim of indemnification under this Article VIII, no other Indemnified Party shall be entitled to recover the same Losses in respect of a claim for indemnification.

(f) From and after the delivery of a Claim Notice under this Agreement, at the reasonable request of the Indemnifying Party, each Indemnified Party shall grant the Indemnifying Party and its Representatives all reasonable access to the books, records, employees and properties of such Indemnified Party to the extent reasonably related to the matters to which the Claim Notice relates. All such access shall be granted during normal business hours and shall be granted under the conditions which shall not unreasonably interfere with the business and operations of such Indemnified Party.

Section 8.4 Limitations on Liability. Notwithstanding anything to the contrary herein:

(a) no amount shall be payable by any Seller pursuant to Section 8.2(a)(i) unless and until the aggregate amount of Losses indemnifiable under Section 8.2(a)(i) exceeds $712,500 (and then only to the extent of such excess); *provided*, *however*, that Losses indemnifiable with respect to breaches of the representations and warranties set forth in Section 3.1 (Organization and Qualification), Section 3.2 (Due Authorization) and Section 3.13 (Brokers' Fees) shall not be subject to the foregoing limitation;

(b) no amount shall be payable by any Seller pursuant to Section 8.2(a)(i) for any Losses in the amount of $75,000 or less with respect to any matter or series of substantially related matters and such Losses shall not be included in calculating the threshold established in Section 8.4(a);

(c) notwithstanding anything to the contrary contained in this Agreement, the maximum amount of aggregate indemnifiable Losses which may be recovered from the Sellers under Section 8.2(a)(i) shall be $4,750,000; *provided*, *however*, that Losses indemnifiable with respect to breaches of the representations and warranties set forth in Section 3.1 (Organization and Qualification), Section 3.2 (Due Authorization) and Section 3.13 (Brokers' Fees) shall not be subject to the foregoing limitation but instead shall not exceed the Purchase Price; *provided*, *further*, that, for the avoidance of doubt, the maximum amount of aggregate indemnifiable Losses which may be recovered from the Sellers under Section 8.2(a)(iv) shall be $1,000,000;

(d) a Party must give written notice to the other Party within a reasonable period of time after becoming aware of any breach by such other Party of any representation, warranty, covenant, agreement or obligation in this Agreement; and

(e) no Seller shall have any Liability for any breach of representation or warranty in this Agreement of which Buyer had Knowledge on or prior to the date of this Agreement.

Section 8.5 Computation of Indemnifiable Losses.

(a) Any amount payable pursuant to this Article VIII (%4) shall be decreased to the extent of any insurance proceeds received by the recipient of such amount in respect of an indemnifiable Loss and (%4) shall be reduced by any recoveries from third parties pursuant to indemnification or otherwise in respect thereto.

(b) The amount of indemnification to which an Indemnified Party shall be entitled under this Article VIII shall be determined: (%4) by the written agreement between the Indemnified Party and the Indemnifying Party; (%4) by a final judgment or decree of any court of competent jurisdiction; or (%4) by any other means to which the Indemnified Party and the Indemnifying Party shall agree. The judgment or decree of a court shall be deemed final when the time for appeal, if any, shall have expired and no appeal shall have been taken or when all appeals taken shall have been finally determined. The Indemnified Party shall have the burden of proof in establishing the amount of Losses suffered by it.

(c) Any Party receiving indemnity shall assign to the Indemnifying Party all of its claims for recovery against third parties as to such Losses, whether by insurance coverage, contribution claims, subrogation or otherwise. In any case where an Indemnified Party recovers from third parties any amount (other than any amounts deducted pursuant to Section 8.5(a)) in respect of a matter with respect to which an Indemnifying Party has indemnified it pursuant to this Article VIII, such Indemnified Party shall promptly pay over to the Indemnifying Party the amount so recovered (after deducting therefrom the full amount of the expenses incurred by it in procuring such recovery), but not in excess of the sum of (%4) any amount previously so paid by the Indemnifying Party to or on behalf of the Indemnified Party in respect of such matter and (%4) any amount expended by the Indemnifying Party in pursuing or defending any claim arising out of such matter.

(d) In the event that any Seller is conducting any defense against a Third Party Claim for which a Buyer Indemnified Party has sought indemnification, reasonable expenses incurred by any Seller Indemnified Party in connection therewith, including reasonable legal costs and expenses, shall constitute Losses for purposes of determining the maximum aggregate amount to be paid by the Sellers pursuant to Section 8.4(c).

Section 8.6 Mitigation of Damages.

(a) An Indemnified Party shall, to the extent practicable and reasonably within its control and at the expense of the Indemnifying Party, make commercially reasonable efforts to mitigate any damages of which it has adequate notice; *provided* that the Indemnified Party shall not be obligated to act in contravention of applicable Law or in contravention of reasonable and customary practices of a prudent person in similar circumstances. The Indemnifying Party shall have the right, but not the obligation, and shall be afforded the opportunity by the Indemnified Party to the extent reasonably possible to make commercially reasonable efforts to minimize damages before such damages actually are incurred by the Indemnified Party.

(b) Each Indemnified Party shall be obligated in connection with any claim for indemnification under this Article VIII to use commercially reasonable efforts to obtain any insurance proceeds and indemnification payments payable to such Indemnified Party by any third party available with regard to the applicable claims. The amount which the Indemnifying Party is or may be required to pay to any Indemnified Party pursuant to this Article VIII shall be reduced (retroactively, if necessary) by any insurance proceeds, indemnification payments or other amounts actually recovered by or on behalf of the Indemnified Party in reduction of the related damages in accordance with Section 8.5(a). If the Indemnified Party shall have received the payment required by this Agreement from the Indemnifying Party in respect of damages and shall subsequently receive insurance proceeds, indemnification payments or other amounts in respect of such damages, then such Indemnified Party shall promptly repay to the Indemnifying Party a sum equal to the amount of such insurance proceeds, indemnification payments or other amounts actually received in accordance with Section 8.5(c).

Section 8.7 Exclusive Remedy. From and after the Closing, notwithstanding anything to the contrary herein, the Parties hereby agree that, except (a) for the obligations provided in Section 8.2 (Indemnification) and (b) for the right of any Party to seek specific performance, no Party shall have any Liability, and no Party shall make any claim for any Loss or other matter,

under, arising out of or relating to this Agreement, any other document, agreement, certificate or other instrument delivered pursuant hereto or the transactions contemplated hereby whether based on contract, tort, strict liability, other Laws or otherwise; *provided* that the foregoing shall not limit any rights or remedies pursuant to the Integra Transitional Service Agreement, Integra ICP Transitional Manufacturing Agreement or Reverse Transitional Services Agreement. Each Party hereby irrevocably waives to the fullest extent permitted under applicable Law the remedy of rescission.

Section 8.8 Waiver of Other Representations.

(a) NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, IT IS THE EXPLICIT INTENT OF EACH PARTY HERETO, AND THE PARTIES HEREBY AGREE, THAT NONE OF THE SELLERS OR ANY OF THEIR RESPECTIVE AFFILIATES OR REPRESENTATIVES HAS MADE OR IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, USAGE, NON-INFRINGEMENT, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE BUSINESS, THE BUSINESS ASSETS OR ANY PART THEREOF, EXCEPT THOSE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT IN PARTICULAR, AND WITHOUT IN ANY WAY LIMITING THE FOREGOING, THE SELLERS MAKE NO REPRESENTATION OR WARRANTY TO BUYER WITH RESPECT TO ANY FINANCIAL PROJECTIONS OR FORECASTS RELATING TO THE BUSINESS OR THE BUSINESS ASSETS.

(b) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, THE SELLERS' INTERESTS IN THE BUSINESS ARE BEING TRANSFERRED THROUGH THE SALE OF THE BUSINESS ASSETS "AS IS, WHERE IS, WITH ALL FAULTS," AND THE SELLERS EXPRESSLY DISCLAIM ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE BUSINESS ASSETS AND THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS AND OTHER INCIDENTS OF THE BUSINESS AND THE BUSINESS ASSETS.

Section 8.9 Purchase Price Adjustment. The Parties agree to treat all payments made pursuant to this Article VIII as adjustments to the Purchase Price for Tax purposes.

ARTICLE IX.
MISCELLANEOUS

Section 9.1 Notices. Any notice, request, instruction or other communication to be given hereunder by either Party to the other Party shall be in writing and delivered personally, or sent by postpaid registered or certified mail, or by email (provided confirmation of email receipt is obtained and such notice, request, instruction or other communication is also subsequently sent within one (1) Business Day thereafter by postpaid registered or certified mail):

If to Buyer, to:

Natus Medical Incorporated
ATTN: Legal Department
1501 Industrial Road
San Carlos, CA 94121
Email: whill@natus.com

With a copy (which will not constitute notice) to:

Natus Medical Incorporated
ATTN: Jim Hawkins, CEO
6701 Koll Center Parkway, Suite 120
Pleasanton, CA 94566
Email: jhawkins@natus.com

If to any Seller, to:

Integra LifeSciences Holdings Corporation
311 Enterprise Drive
Plainsboro, NJ 08536
Attn: General Counsel
Email: richard.gorelick@integralife.com
Attn: SVP Corporate Development
Fax: (609) 936-2385

with a copy to:

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022-4834
Attn: Edward Sonnenschein
Jason Morelli
Email: ted.sonnenschein@lw.com
jason.morelli@lw.com

or to such other address or addresses as the Parties may from time to time designate in writing.

Section 9.2 Assignment. No Party shall assign this Agreement or any part hereof without the prior written consent of the other Party; *provided*, *however*, that with respect to the Codman Business and Codman Business Assets, to the extent necessary or useful under the Codman Purchase Agreement or the agreements contemplated thereby, any of the Sellers may assign this Agreement or any part hereof or thereof in full or in part to the Codman Sellers; *provided*, *further*, that no such assignment shall relieve the Sellers of their obligations to Buyer hereunder. Notwithstanding the foregoing, Buyer may assign this Agreement or any part hereof to an Affiliate of Buyer without the prior written consent of the Sellers, *provided*, *however*, that no such assignment shall relieve Buyer of its obligations to the Sellers hereunder. This

Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 9.3 Rights of Third Parties; Non-Recourse. Except for Section 5.4(c), Section 5.10(b) and Article VIII, which are intended to be enforceable by the Buyer Indemnified Parties and the Seller Indemnified Parties as provided therein, nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give any Person, other than the Parties, any right or remedies under or by reason of this Agreement. No former, current or future direct or indirect equity holders, controlling Persons, stockholders, directors, officers, employees, agents, members, managers, general or limited partners or assignees of any Party or any of the Affiliates of any of the foregoing (except for those Persons expressly named as parties hereto) shall have any liability or obligation for any of the representations, warranties, covenants or agreements of any Party hereunder.

Section 9.4 Expenses. Except as provided in Section 5.6(a), each Party shall bear its own expenses incurred in connection with this Agreement and the transactions herein contemplated, including all fees of its legal counsel, financial advisers and accountants.

Section 9.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any facsimile copies hereof or signature hereon shall, for all purposes, be deemed originals.

Section 9.6 Entire Agreement. This Agreement (together with the schedules and exhibits to this Agreement) and the Ancillary Agreements constitute the entire agreement among the Parties and supersede any other agreements, whether written or oral, that may have been made or entered into by or among any of the Parties or any of their respective Affiliates relating to the transactions contemplated hereby. The Confidentiality Agreement is hereby terminated without any further force or effect.

Section 9.7 Acknowledgement by Buyer. BUYER HAS CONDUCTED TO ITS SATISFACTION AN INDEPENDENT INVESTIGATION AND VERIFICATION OF THE FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS, LIABILITIES, PROPERTIES AND PROJECTED OPERATIONS OF THE BUSINESS, THE BUSINESS ASSETS AND THE SELLERS. IN MAKING ITS DETERMINATION TO PROCEED WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, BUYER HAS RELIED SOLELY ON THE RESULTS OF ITS OWN INDEPENDENT INVESTIGATION AND VERIFICATION AND THE REPRESENTATIONS AND WARRANTIES OF THE SELLERS EXPRESSLY AND SPECIFICALLY SET FORTH IN THIS AGREEMENT, INCLUDING THE DISCLOSURE SCHEDULE.

Section 9.8 Disclosure Schedule. Unless the context otherwise requires, all capitalized terms used in the Disclosure Schedule shall have the respective meanings assigned in this Agreement. No reference to or disclosure of any item or other matter in the Disclosure Schedule shall be construed as an admission or indication that such item or other matter is material or outside the ordinary course of business or that such item or other matter is required to be referred

to or disclosed in the Disclosure Schedule. No disclosure in the Disclosure Schedule relating to any possible breach or violation of any agreement, Law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred. Each disclosure in the Disclosure Schedule shall be deemed to qualify all representations and warranties of the Sellers notwithstanding the lack of a specific cross-reference.

Section 9.9 Amendments; Rescission; and Modification.

(a) This Agreement may be amended or modified in whole or in part, and terms and conditions may be waived, only by a duly authorized agreement in writing which makes reference to this Agreement executed by each Party. All remedies, either under this Agreement or by Law or otherwise afforded, shall be cumulative and not alternative.

(b) If at the time the FTC determines to make final its FTC Order concerning the acquisition contemplated by the Codman Purchase Agreement, the FTC notifies Sellers that Buyer is not an acceptable purchaser of the Business Assets, then each of Seller and Buyer shall have the right immediately to rescind this Agreement, and the provisions of Section 7.2 shall be applicable as if a termination of this Agreement had occurred.

(c) If at the time the FTC determines to make final its FTC Order concerning the acquisition contemplated by the Codman Purchase Agreement, the FTC notifies Seller that this Agreement is not an acceptable manner of divestiture, Integra and Buyer shall reasonably seek to modify this Agreement as may be necessary to satisfy the FTC in accordance with Section 5.16(b).

Section 9.10 Publicity. All press releases or other public communications of any nature whatsoever relating to the transactions contemplated by this Agreement, and the method of the release for publication thereof, shall be subject to the prior consent of the Parties, which consent shall not be unreasonably withheld, conditioned or delayed by any Party; *provided*, *however*, that nothing herein shall prevent a Party from publishing such press releases or other public communications as such Party may consider necessary in order to satisfy such Party's obligations at Law or under the rules of any stock exchange after such consultation with the other Parties as is reasonable under the circumstances.

Section 9.11 Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Agreement, they shall take any actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by Law and, to the extent necessary, shall amend or otherwise modify this Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties to the greatest extent legally permissible.

Section 9.12 Governing Law; Jurisdiction.

(a) This Agreement shall be governed and construed in accordance with the Laws of the State of Delaware, without regard to the Laws that might be applicable under conflicts of laws principles.

(b) The Parties agree that the appropriate, exclusive and convenient forum for any disputes between any of the Parties hereto arising out of this Agreement or the transactions contemplated hereby shall be in any state or federal court in Wilmington, Delaware and each of the Parties hereto irrevocably submits to the jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts; *provided*, *however*, that the foregoing shall not limit the rights of the Parties to obtain execution of judgment in any other jurisdiction. The Parties further agree, to the extent permitted by Law, that a final and non-appealable judgment against a Party in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified or exemplified copy of which shall be conclusive evidence of the fact and amount of such judgment. Except to the extent that a different determination or finding is mandated due to the Law being that of a different jurisdiction, the Parties agree that all judicial determinations or findings by a state or federal court in Wilmington, Delaware with respect to any matter under this Agreement shall be binding.

(c) To the extent that any Party hereto has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, each such Party hereby irrevocably (i) waives such immunity in respect of its obligations with respect to this Agreement and (ii) submits to the personal jurisdiction of any court described in Section 9.12(b).

(d) THE PARTIES HERETO AGREE THAT THEY HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION TO ENFORCE OR INTERPRET THE PROVISIONS OF THIS AGREEMENT.

Section 9.13 Specific Performance. The Parties hereto agree that irreparable damage would occur in the event that any of the terms or provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that, notwithstanding anything to the contrary contained in this Agreement, the Parties shall be entitled, in addition to any other remedy to which any Party may be entitled at law or in equity, to an injunction or injunctions or other relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, in each case without the requirement of posting a bond or proving actual damages (which requirements the other parties hereby waive).

Signature Page Follows.

IN WITNESS WHEREOF this Agreement has been duly executed and delivered by each Party as of the date first above written.

SELLERS:

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By: /s/ Peter J. Arduini
Name: Peter J. Arduini
Title: President and Chief Executive Officer

INTEGRA LIFESCIENCES CORPORATION

By: /s/ Peter J. Arduini
Name: Peter J. Arduini
Title: President and Chief Executive Officer

INTEGRA LIFESCIENCES SALES LLC

By: Integra LifeSciences Corporation, as Sole Member

By: /s/ Peter J. Arduini
Name: Peter J. Arduini
Title: President and Chief Executive Officer

INTEGRA LIFESCIENCES (IRELAND) LIMITED

By: /s/ Neal Glueck

Name: Neal Glueck

Title: Director

INTEGRA NEUROSCIENCES IMPLANTS (FRANCE) SAS

By: /s/ Neal Glueck

Name: Neal Glueck

Title: Chairman

INTEGRA LIFESCIENCES SERVICES (FRANCE) SAS

By: /s/ Neal Glueck

Name: Neal Glueck

Title: President

INTEGRA NEUROSCIENCES LIMITED

By: /s/ Neal Glueck

Name: Neal Glueck

Title: Director

INTEGRA LIFESCIENCES ITALY S.R.L

By: /s/ Stéphane Corp

Name: Stéphane Corp

Title: Chairman of the Board

INTEGRA GMBH

By: /s/ Neal Glueck

Name: Neal Glueck

Title: Managing Director

INTEGRA LS (BENELUX) NV

By: /s/ Neal Glueck

Name: Neal Glueck

Title: Director

INTEGRA CANADA ULC

By: /s/ Peter J. Arduini

Name: Peter J. Arduini

Title: Sole Director, President and CEO

INTEGRA CI INC.

By: /s/ Peter J. Arduini

Name: Peter J. Arduini

Title: President and Chief Executive Officer

BUYER:

NATUS MEDICAL INCORPORATED

By: /s/ James B. Hawkins

Name: James B. Hawkins

Title: President and CEO

Exhibit 10.1

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Third Amended and Restated Employment Agreement (this "**Agreement**"), by and between Integra LifeSciences Holdings Corporation, a Delaware Corporation (the "**Company**"), and Peter J. Arduini ("**Executive**") is entered into as of October 24, 2017 and shall be effective as of January 1, 2018 (the "**Effective Date**"). Effective as of the Effective Date, this Agreement amends and restates in its entirety that certain Second Amended and Restated Employment Agreement, dated June 16, 2014, by and between the Company and Executive (collectively, the "**Prior Agreement**").

Background

The Company and Executive previously entered into the Prior Agreement, pursuant to which Executive is employed as the President and Chief Executive Officer of the Company. The Prior Agreement is scheduled to expire pursuant to its terms on December 31, 2017.

The Company and Executive wish to amend and restate the Prior Agreement to provide for the continued employment of Executive as the President and Chief Executive Officer of the Company on the terms and conditions set forth herein, effective as of the Effective Date. In connection with Executive's continued employment by the Company, on the terms and conditions contained in this Agreement, Executive will be substantially involved with the Company's operations and management and will learn trade secrets and other confidential information relating to the Company and its customers; accordingly, the noncompetition covenant and other restrictive covenants contained in Section 19 of this Agreement constitute essential elements hereof.

NOW, THEREFORE, in consideration of the premises and the mutual agreements contained herein and intended to be legally bound hereby, the parties hereto agree as follows:

Terms

1. Definitions. The following words and phrases shall have the meanings set forth below for the purposes of this Agreement (unless the context clearly indicates otherwise):

(a) "**Base Salary**" shall have the meaning set forth in Section 5.

(b) "**Board**" shall mean the Board of Directors of the Company, or any successor thereto.

(c) "**Cause**," as determined by the Board in good faith, shall mean Executive has –

(i) failed to perform his stated duties in all material respects, which failure continues for 15 days after his receipt of written notice of the failure;

(ii) intentionally and materially breached any provision of this Agreement and not cured such breach (if curable) within 15 days of his receipt of written notice of the breach, provided such breach is materially and demonstrably injurious to the Company;

(iii) demonstrated his personal dishonesty in connection with his employment by the Company;

(iv) engaged in a breach of fiduciary duty in connection with his employment with the Company;

(v) engaged in willful misconduct that is materially and demonstrably injurious to the Company or any of its subsidiaries; or

(vi) been convicted or entered a plea of guilty or nolo contendere to a felony or to any other crime involving moral turpitude which conviction or plea is materially and demonstrably injurious to the Company or any of its subsidiaries.

(d) A "**Change in Control**" of the Company shall be deemed to have occurred:

(i) if the "beneficial ownership" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of securities representing more than fifty percent (50%) of the combined voting power of Company Voting Securities (as herein defined) is acquired by any individual, entity or group (a "**Person**"), other than the Company, any trustee or other fiduciary holding securities under any employee benefit plan of the Company or an affiliate thereof, or any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company (for purposes of this Agreement, "**Company Voting Securities**" shall mean the then outstanding voting securities of the Company entitled to vote generally in the election of directors); provided, however, that any acquisition from the Company or any acquisition pursuant to a transaction which complies with clauses (A), (B) and (C) of paragraph (iii) of this definition shall not be a Change in Control under this paragraph (i); or

(ii) if individuals who, as of the date hereof, constitute the Board (the "**Incumbent Board**") cease for any reason during any period of at least 24 months to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iii) upon consummation by the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company or the acquisition of assets or stock of any entity (a "**Business Combination**"), in each case, unless immediately following such Business Combination: (A) Company Voting Securities outstanding immediately prior to such Business Combination (or if such Company Voting Securities were converted pursuant to such Business Combination, the shares into which such Company Voting Securities were converted) (x) represent, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation resulting from such Business Combination (the "**Surviving Corporation**"), or, if applicable, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries (the "**Parent Corporation**") and (y) are held in substantially the same proportions after such Business Combination as they were immediately prior to such Business Combination; (B) no Person (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 50% or more of the combined voting power of the then outstanding voting securities eligible to elect directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) except to the extent that such ownership of the Company existed prior to the Business Combination; and (C) at least a majority of the members of the board of directors of the Parent Corporation (or, if there is no Parent Corporation, the Surviving Corporation) were members of the Incumbent Board at the time of the execution of the initial agreement, or the action of the Board, providing for such Business Combination; or

(iv) upon approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(e) "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(f) "**Company**" shall mean Integra LifeSciences Holdings Corporation, a Delaware corporation.

(g) "**Disability**" shall mean Executive's inability to perform his duties hereunder by reason of any medically determinable physical or mental impairment which is expected to result in death or which has lasted or is expected to last for a continuous period of not fewer than six months.

(h) "**Good Reason**" shall mean:

(i) a material breach of this Agreement by the Company which is not cured by the Company within 15 days of its receipt of written notice of the breach;

(ii) the relocation by the Company of Executive's office location to a location more than forty (40) miles from Princeton, New Jersey;

(iii) without Executive's express written consent, the Company reduces Executive's Base Salary or bonus opportunity, or materially reduces the aggregate fringe benefits provided to Executive or substantially alters Executive's authority and/or title as set forth in Section 2 hereof in a manner reasonably construed to constitute a demotion, provided, Executive resigns within 90 days after the change objected to;

(iv) without Executive's express written consent, (A) Executive fails at any point during the two-year period following a Change in Control to hold the title and authority (as set forth in Sections 2 and 4(a) hereof) with the Parent Corporation (or if there is no Parent Corporation, the Surviving Corporation) that Executive held with the Company immediately prior to the Change in Control, provided Executive resigns within two years of the Change in Control or (B) at any point following a Change in Control, the Company (or the Parent Corporation or the Surviving Corporation, as applicable) materially reduces Executive's annual long-term incentive award opportunity; or

(v) the Company fails to obtain the assumption of this Agreement by any successor to the Company.

(i) "**Principal Executive Office**" shall mean the Company's principal office for executives, presently located at 311 Enterprise Drive, Plainsboro, New Jersey 08536.

(j) "**Restricted Period**" shall mean (i) in the event of a termination of Executive's employment with the Company upon the expiration of the Employment Period, a period of 12 months following the Termination Date, or (ii) in the event of any other termination of Executive's employment with the Company, a period of 18 months following the Termination Date.

(k) "**Termination Date**" shall mean the date of Executive's "separation from service" from the Company (within the meaning of Section 409A(a)(2)(A)(i) of the Code and Treasury Regulation Section 1.409A-1(h)), as specified in the Termination Notice.

(l) "**Termination Notice**" shall mean a dated notice which: (i) indicates the specific termination provision in this Agreement relied upon (if any); (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for the termination of Executive's employment under such provision (with a period of at least 7 days to cure in the event of a termination by Executive for Good Reason or by the Company for Cause to the extent that the act or omission is capable of cure); (iii) specifies a Termination Date; and (iv) is given in the manner specified in Section 20(k).

2. Employment. Effective as of the Effective Date, the Company hereby employs Executive as its President and Chief Executive Officer, and Executive hereby agrees to accept such employment and agrees to render services to the Company in such capacity (or in such other capacity in the future as the Board may reasonably deem equivalent to such position) on the terms and conditions set forth in this

Agreement. Executive's primary place of employment shall be at the Principal Executive Office and Executive shall report to the Board.

3. Term of Agreement. Unless earlier terminated by Executive or the Company as provided in Section 15 hereof, the term of Executive's employment as the President and Chief Executive Officer of the Company under this Agreement (the "**Employment Period**") shall commence on the Effective Date and terminate on December 31, 2020. Notwithstanding the foregoing, in the event that a Change in Control occurs prior to December 31, 2020, then the Employment Period shall instead continue through the later of (a) December 31, 2020, or (b) the second anniversary of the consummation of the Change in Control, unless earlier terminated by Executive or the Company as provided in Section 15 hereof.

4. Duties. Executive shall:

(a) have duties, authority and responsibilities reasonably consistent with his employment hereunder and shall faithfully and diligently do and perform all such acts and duties, and furnish such services as are assigned to Executive as of the Effective Date, and (subject to Section 2) such additional acts, duties and services as the Board may assign in the future; and

(b) devote his full professional time, energy, skill and best efforts to the performance of his duties hereunder, in a manner that will faithfully and diligently further the business and interests of the Company, and shall not be employed by or participate or engage in or in any manner be a part of the management or operations of any business enterprise other than the Company without the prior consent of the Board, which consent may be granted or withheld in its sole discretion; provided, however, that notwithstanding the foregoing, Executive may serve on civic or charitable boards or committees so long as such service does not materially interfere with Executive's obligations pursuant to this Agreement.

5. Annual Compensation. Executive's base salary rate shall be equal to $911,622.27 per annum. Executive's base salary, as determined in accordance with this Section 5 and as may be increased from time to time, is hereinafter referred to as his "**Base Salary**." Executive's Base Salary shall be payable in periodic installments in accordance with the Company's regular payroll practices in effect from time to time. The Base Salary shall be subject to annual review, but may not be decreased without Executive's express written consent. Any increase in the Base Salary shall be in the sole discretion of the Company.

6. [This Section intentionally left blank.]

7. Annual Bonus Opportunity.

(a) **Annual Bonus.** Commencing with calendar year 2018, Executive shall have the opportunity to receive an annual performance bonus in an amount targeted at 120% of Executive's Base Salary (the "**Target Bonus**"), and ranging from 50% of Executive's Target Bonus (if threshold performance objectives are achieved) to a maximum of 200% of Executive's Target Bonus. The actual amount of any such annual bonus that the Company determines to pay to Executive (the "**Annual Bonus**") shall be based upon the satisfaction of performance

objectives established and evaluated by the Compensation Committee of the Board (the "**Compensation Committee**") in its sole discretion.

(b) **Time and Form of Payment.** The Compensation Committee shall, in its sole discretion, determine the extent to which the Annual Bonus shall be paid in cash and the extent to which such Annual Bonus shall be paid in the form of one or more equity-based awards (including equity-based awards settled on a deferred basis), provided that any portion of such Annual Bonus that is paid in the form of an equity-based award shall be fully vested as of the date on which such award is granted. The Annual Bonus, if any, will be paid in cash and/or by grant of an equity-based award by March 15 of the year after the applicable performance year.

8. Benefit Plans. Executive shall be entitled to participate in and receive benefits under any employee benefit plan or stock-based plan of the Company in accordance with their terms, and shall be eligible for any other plans and benefits covering executives of the Company, to the extent commensurate with his then duties and responsibilities fixed by the Board. The Company shall not make any change in such plans or benefits that would adversely affect Executive's rights thereunder, unless such change affects all, or substantially all, executive officers of the Company.

9. Equity Compensation.

(a) The parties hereby acknowledge and agree that the Company may in its discretion grant Executive equity-based compensation awards from time to time. Executive shall be eligible to receive a discretionary annual equity-based award ("**Annual Equity Award**") as determined by the Compensation Committee in its discretion. Any Annual Equity Award that the Company determines to grant Executive may be in such amount, form(s) and mix as the Compensation Committee shall determine in its sole discretion after giving consideration to annual equity-based awards granted to Chief Executive Officers in the Company's peer group. The terms and conditions of the Annual Equity Awards, if any, shall be set forth in separate award agreements to be entered into by Executive and the Company that are substantially similar to the applicable form of award agreement attached hereto as Exhibits C-1, C-2 and C-3.

(b) Each Company equity compensation award granted to Executive, including but not limited to those held by Executive that are outstanding as of the Effective Date, (i) shall, to the extent that such award does not provide for 100% vesting of the shares subject to such award upon a Change in Control, provide for 100% vesting of the shares subject to such awards upon a Qualifying Termination (as defined in the applicable award agreement which, to the extent such phrase includes a termination by the Company without Cause, by Executive for Good Reason and/or as a result of Executive's Disability, shall refer to such terms as defined herein) on or within 24 months following a Change in Control (as defined herein), and (ii) if such award is a Company stock option and Executive's employment is terminated by the Company without Cause, by Executive for Good Reason or as a result of Executive's death or Disability, shall, to the extent vested as of the Termination Date (after giving effect to any accelerated vesting that occurs in connection with such termination), remain exercisable until the earlier to occur of (A) the second anniversary of the Termination Date or, if later, such longer period of time as set forth

in the applicable stock option agreement, or (B) the stated expiration date set forth in the applicable stock option agreement. The parties acknowledge and agree that this Section 9(b) shall constitute an amendment to each Company equity compensation award agreement outstanding as of the Effective Date to the extent necessary to implement the requirements of this Section 9(b).

(c) The Company agrees that for so long as it is required to file reports under Sections 13 or 15(d) of the Securities Exchange Act of 1934, it will maintain in effect a Form S-8 registration statement covering the issuance to Executive of the shares underlying Executive's then outstanding equity-based compensation awards.

10. **Vacation.** Executive shall be entitled to four weeks of paid annual vacation in accordance with the policies established from time to time by the Board.

11. **[This Section intentionally left blank.]**

12. **Business Expenses.** The Company shall reimburse Executive or otherwise pay for all reasonable expenses incurred by Executive in furtherance of or in connection with the business of the Company, including, but not limited to, automobile and traveling expenses and all reasonable entertainment expenses, subject to such reasonable documentation and other limitations as may be established by the Company.

13. **Legal Fees.** The Company shall reimburse Executive for up to $15,000 in legal fees and expenses actually incurred by Executive in connection with the drafting, review and negotiation of this Agreement and any related agreements on or prior to the Effective Date. Subject to Section 20(b) below, the Company shall reimburse such legal fees and expenses in 2017 within thirty (30) days following Executive's delivery to the Company of documentation evidencing such expenses.

14. **Disability.** In the event Executive incurs a Disability, Executive's obligation to perform services under this Agreement will terminate, and the Board may terminate this Agreement upon written notice to Executive.

15. **Termination.**

(a) **Termination without Salary Continuation.** In the event that (i) Executive terminates his employment hereunder other than for Good Reason, or (ii) Executive's employment is terminated by the Company for Cause, Executive shall have no right to compensation or other benefits pursuant to this Agreement for any period after his last day of active employment**.**

(b) **Termination without Cause or for Good Reason (No Change in Control).** Except as provided in Section 15(c) in the event of a Change in Control, and subject to Executive and the Company each executing a general release attached as Exhibit A and B hereto, respectively, (provided, however, that Executive shall not be required to execute a general release as a condition to the receipt of the payments and benefits described below unless the Company also

executes a general release) within 30 days following the Termination Date, in the event that Executive's employment is terminated by the Company for a reason other than death, Disability or Cause, or Executive terminates his employment for Good Reason, then, subject to Section 15(e) below, the Company shall:

(i) pay Executive a severance amount equal to 2.99 times Executive's Base Salary (determined without regard to any reduction in violation of Section 5) as of his last day of active employment; the severance amount shall be paid in a single lump sum on the first business day of the month following the Termination Date;

(ii) pay to Executive, for the period ending on the earliest of (A) 18 months following the Termination Date, (B) the date of Executive's full-time employment by another employer, (C) Executive's death, or (D) the first month in which Executive does not pay to the Company the applicable monthly premium for COBRA insurance coverage under the Company's group health plan, a monthly cash payment, payable on the first business day of each month that follows the Termination Date, in an amount equal to Executive's monthly premium cost for "COBRA" family health coverage under the Company's group health plan; and

(iii) pay to Executive, for the period ending on the earliest of (A) 18 months following the Termination Date, (B) the date of Executive's full-time employment by another employer, or (C) Executive's death, a monthly cash payment, payable on the first business day of each month that follows the Termination Date, in an amount equal to the monthly premium cost that the Company would have paid on behalf of Executive to cover Executive under the Company's life and disability insurance plans if Executive's employment with the Company had not terminated.

(c) Termination without Cause or for Good Reason (Change in Control). Notwithstanding anything to the contrary set forth in Section 15(b), and subject to Executive and the Company each executing a general release attached as Exhibit A and B hereto, respectively, (provided, however, that Executive shall not be required to execute a general release as a condition to the receipt of the payments and benefits described below unless the Company also executes a general release) within 30 days following the Termination Date, in the event that within 24 months following a Change in Control Executive terminates his employment for Good Reason, or Executive's employment is terminated by the Company for a reason other than death, Disability or Cause, then, subject to Section 15(e) below, the Company shall:

(i) pay Executive a severance amount equal to 2.99 times the sum of (a) Executive's Base Salary (determined without regard to any reduction in violation of Section 5), and (b) Executive's Target Bonus, each as of his last day of active employment; the severance amount shall be paid in a single lump sum on the first business day of the month following the Termination Date;

(ii) pay to Executive, for the period ending on the earliest of (A) 18 months following the Termination Date, (B) the date of Executive's full-time employment by another employer, (C) Executive's death, or (D) the first month in which Executive does not pay to the Company the applicable monthly premium for COBRA insurance coverage under the Company's group health plan, a monthly cash payment, payable on the first business day of each month that follows the Termination Date, in an amount equal to Executive's monthly premium cost for "COBRA" family health coverage under the Company's group health plan;

(iii) pay to Executive, for the period ending on the earliest of (A) 18 months following the Termination Date, (B) the date of Executive's full-time employment by another employer, or (C) Executive's death, a monthly cash payment, payable on the first business day of each month that follows the Termination Date, in an amount equal to the monthly premium cost that the Company would have paid on behalf of Executive to cover Executive under the Company's life and disability insurance plans if Executive's employment with the Company had not terminated; and

(iv) pay to Executive a pro-rata portion of Executive's Annual Bonus for the fiscal year in which the Termination Date occurs, based on actual results for such year (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of days during the fiscal year of termination that Executive is employed by the Company and the denominator of which is the total number of days in such fiscal year), payable in a single lump sum no later than March 15 of the year following the year in which the Termination Date occurs.

(d) Termination Notice. Except in the event of Executive's death, a termination under this Agreement shall be effected by means of a Termination Notice.

(e) Payment Delay. Notwithstanding any provision to the contrary herein, no compensation or benefits, including without limitation any severance payments or benefits payable under this Section 15, shall be paid to Executive during the six (6)-month period following Executive's "separation from service" (within the meaning of Section 409A(a)(2)(A)(i) of the Code) to the extent that the Company reasonably determines that paying such amounts at the time or times indicated in this Agreement would be a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code. Any amounts delayed as a result of the previous sentence shall be paid to Executive in a lump sum within thirty (30) days after the end of such six (6) month period, and any amounts payable to Executive after the expiration of such six (6) month period under this Agreement shall continue to be paid to Executive in accordance with the terms of this Agreement. If Executive dies during such six-month period and prior to the payment of the delayed amounts hereunder, such unpaid delayed payments shall be paid to the personal representative of Executive's estate within thirty (30) days after the date of Executive's death. If any of the payments payable pursuant to this Section 15 are delayed due to such requirements, there shall be added to such payments interest during the delayed period at a rate, per annum, equal to the applicable federal

short-term deferral rate (compounded monthly) in effect under Section 1274(d) of the Code on Executive's Termination Date. If a portion of the severance pay or benefits is deferred compensation subject to Section 409A of the Code, and the payment thereof is contingent upon execution and nonrevocation of a general release of claims, and the period for considering or revoking the release spans two calendar years, then the portion of the severance pay or benefits that is deferred compensation will be paid or begin to be paid on the first business day of the second calendar year.

(f) Expiration of Employment Term. Notwithstanding anything contained herein, in no event shall the expiration of the employment term set forth in Section 3 above or the Company's election not to renew the employment term constitute a termination of Executive's employment by the Company without Cause.

16. Limitation on Payments.

(a) Notwithstanding any other provision of this Agreement, in the event that any payment or benefit received or to be received by Executive (including any payment or benefit received in connection with a termination of Executive's employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement) (all such payments and benefits, including the payments and benefits under Section 15 hereof, being hereinafter referred to as the "**Total Payments**") would be subject (in whole or part) to the excise tax imposed under Section 4999 of the Code (the "**Excise Tax**"), then, after taking into account any reduction in the Total Payments provided by reason of Section 280G of the Code in such other plan, arrangement or agreement, the Total Payments shall be reduced to the extent necessary so that no portion of the Total Payments is subject to the Excise Tax, but such reduction shall be made only if (i) the net amount of such Total Payments as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments). The Total Payments shall be reduced in the following order: (A) reduction of any cash severance payments otherwise payable to Executive that are exempt from Section 409A of the Code; (B) reduction of any other cash payments or benefits otherwise payable to Executive that are exempt from Section 409A of the Code, but excluding any payments attributable to any acceleration of vesting or payments with respect to any equity award that are exempt from Section 409A of the Code; (C) reduction of any other payments or benefits otherwise payable to Executive on a pro-rated basis or such other manner that complies with Section 409A of the Code, but excluding any payments attributable to any acceleration of vesting and payments with respect to any equity award that are exempt from Section 409A of the Code; and (D) reduction of any payments attributable to any acceleration of

vesting or payments with respect to any equity award that are exempt from Section 409A of the Code, in each case beginning with payments that would otherwise be made last in time.

(b) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account; (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of independent auditors of nationally recognized standing ("**Independent Advisors**") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which, in the opinion of the Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the Base Amount (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation; and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

17. Assignability. The Company may assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any entity to which the Company may transfer all or substantially all of its assets, if in any such case said entity shall expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto. The Company may not otherwise assign this Agreement or its rights and obligations hereunder. This Agreement is personal to Executive and his rights and duties hereunder shall not be assigned except as expressly agreed to in writing by the Company.

18. Death of Executive. If Executive dies during the term of this Agreement, the Company shall pay Executive's spouse a death benefit equal to one (1) times Executive's Base Salary at the time of his death, which shall be paid to Executive's spouse in a lump sum cash payment within thirty (30) days following the date of Executive's death. In addition, the Company shall pay to Executive's spouse and eligible dependents for the period ending on the earlier of (i) the first anniversary of Executive's death, or (ii) the first month in which Executive's spouse and/or eligible dependents do not pay to the Company the applicable monthly premium for COBRA insurance coverage under the Company's group health plan, a monthly cash payment that is equal to Executive's monthly premium cost for "COBRA" family health coverage under the Company's group health plan. The first monthly cash payment provided for in the immediately preceding sentence shall be paid within thirty (30) days following the date of Executive's death and each monthly payment thereafter shall be paid on the first business day of each month, commencing with the second month that follows the date of Executive's death. Any amounts due Executive under this Agreement (not including any Base Salary not yet earned by Executive) unpaid as of the date of Executive's death shall be paid in a single sum on the first business day of the second month following Executive's death to Executive's surviving spouse, or if none, to the duly appointed personal representative of his estate.

19. Restrictive Covenants.

(a) **Confidentiality.** Executive acknowledges a duty of confidentiality owed to the Company and shall not, at any time during or after his employment by the Company, retain in writing, use, divulge, furnish, or make accessible to anyone, without the express authorization of the Board, any trade secret, private or confidential information or knowledge of the Company obtained or acquired by him while so employed, except as required by law. All computer software, business cards, telephone lists, customer lists, price lists, contract forms, catalogs, Company books, records, files and know-how acquired while an employee of the Company are acknowledged to be the property of the Company and shall not be duplicated, removed from the Company's possession or premises or made use of other than in pursuit of the Company's business or as may otherwise be required by law or any legal process, or as is necessary in connection with any adversarial proceeding against the Company and, upon termination of employment for any reason, Executive shall deliver to the Company, without further demand, all copies thereof which are then in his possession or under his control. No information shall be treated as "confidential information" if it is generally available public knowledge at the time of disclosure or use by Executive. Nothing contained in this Section 19(a) or otherwise herein shall prohibit Executive from communicating directly with, cooperating with or providing information to any federal, state or local government regulator.

(b) **Inventions and Improvements.** Executive shall promptly communicate to the Company all ideas, discoveries and inventions which are or may be useful to the Company or its business. Executive acknowledges that all such ideas, discoveries, inventions, and improvements which heretofore have been or are hereafter made, conceived, or reduced to practice by him at any time during his employment with the Company heretofore or hereafter gained by him at any time during his employment with the Company are the property of the Company, and Executive hereby irrevocably assigns all such ideas, discoveries, inventions, and improvements to the Company for its sole use and benefit, without additional compensation. The provisions of this Section 19(b) shall apply whether such ideas, discoveries, inventions, or improvements were or are conceived, made or gained by him alone or with others, whether during or after usual working hours, whether on or off the job, whether applicable to matters directly or indirectly related to the Company's business interests (including potential business interests), and whether or not within the specific realm of his duties. Executive shall, upon request of the Company, but at no expense to Executive, at any time during or after his employment with the Company, sign all instruments and documents reasonably requested by the Company and otherwise cooperate with the Company to protect its right to such ideas, discoveries, inventions, or improvements including applying for, obtaining, and enforcing patents and copyrights thereon in such countries as Company shall determine.

(c) **Noncompetition.** During the Employment Period and during the Restricted Period following any Termination Date that occurs during, or upon the expiration or termination of, the Employment Period, Executive shall not, without the express written consent of the Company, directly or indirectly: (i) engage in any business or other activity conducted or operated in the

United States, Canada and internationally which is competitive with the Company in the products or services being published, manufactured, marketed, distributed, or being actively developed by the Company as evidenced by the Company's books and records as of the Termination Date (the "**Business**"); (ii) be or become a stockholder, partner, owner, officer, director or employee or agent of, or a consultant to or give financial or other assistance to, any person or entity engaged in the Business; (iii) seek in competition with the business of the Company to procure orders from or do business with any customer of the Company; (iv) solicit, or contact with a view to the engagement or employment by any person or entity of, any person who is an employee of the Company; (v) seek to contract with or engage (in such a way as to adversely affect or interfere with the business of the Company) any person or entity who has been contracted with or engaged to manufacture, assemble, supply or deliver products, goods, materials or services to the Company; or (vi) engage in or participate in any effort or act to induce any of the customers, associates, consultants, or employees of the Company to take any action which might be disadvantageous to the Company; provided, however, that nothing herein shall prohibit Executive and his affiliates from owning, as passive investors, in the aggregate not more than 5% of the outstanding publicly traded stock of any corporation so engaged; and provided, further, following the Termination Date, that Executive shall not be prohibited from (1) making any investment in, being or becoming a partner, owner, officer, director or employee or agent of, or consultant to, or give financial or other assistance to, any business enterprise (including, without limitation, any investment or venture capital fund or investment bank) that makes or has made any investment in or that provides advisory, financing or underwriting services to any Person or entity engaged in the Business provided that Executive does not render services (whether as an employee, consultant, advisor or otherwise) to the division or portion of such person or entity engaged in the Business or (2) rendering services (including under (1) above) to an entity conducting its business operations or providing services in the Business, if such entity is diversified and Executive does not render services, directly or indirectly, to the division or portion of the entity which is conducting its business operations or providing services in the Business. In the event that this Agreement expires or is otherwise terminated and Executive's employment with the Company continues after the expiration or termination of this Agreement (such that this Agreement no longer governs the terms of Executive's employment with the Company), the restrictions set forth in this Section 19(c) shall cease to be of any force or effect with respect to any action or activity by Executive following such expiration or termination of this Agreement.

(d) Injunctive and Other Relief.

(i) Executive acknowledges and agrees that the covenants contained herein are fair and reasonable in light of the consideration paid hereunder, and that damages alone shall not be an adequate remedy for any breach by Executive of his covenants contained herein and accordingly expressly agrees that, in addition to any other remedies which Company may have, Company shall be entitled to injunctive relief in any court of competent jurisdiction for any breach or threatened breach of any such covenants by Executive. Nothing contained herein shall prevent or delay Company from seeking, in any court of

competent jurisdiction, specific performance or other equitable remedies in the event of any breach or intended breach by Executive of any of its obligations hereunder.

(ii) Notwithstanding the equitable relief available to the Company, Executive, in the event of a breach of his covenants contained in Section 19 hereof, understands and agrees that the uncertainties and delay inherent in the legal process would result in a continuing breach for some period of time, and therefore, continuing injury to the Company until and unless Company can obtain such equitable relief. Therefore, in addition to such equitable relief, Company shall be entitled to monetary damages for any such period of breach until the termination of such breach, in an amount up to the amount of all monies received by Executive as a result of said breach. If Executive should use or reveal to any other person or entity any confidential information, such use or revelation would be considered a continuing violation on a daily basis for as long as such confidential information is made use of by Executive.

(iii) If any provision of Section 19 is determined to be invalid or unenforceable by reason of its duration or scope, such duration or scope, or both, shall be deemed to be reduced to a duration or scope to the extent necessary to render such provision valid and enforceable. In such event, Executive shall negotiate in good faith to provide Company with lawful and enforceable protection that is most nearly equivalent to that found to be invalid or unenforceable.

(e) Continuing Operation. Except as specifically provided in this Section 19, the termination of Executive's employment or of this Agreement shall have no effect on the continuing operation of this Section 19.

(f) Company. For purposes of this Section 19, the term "**Company**" shall mean Integra LifeSciences Holdings Corporation and any corporation, partnership or other entity owned directly or indirectly, in whole or in part, by Integra LifeSciences Holdings Corporation.

20. Miscellaneous.

(a) **Amendment.** No provision of this Agreement may be amended unless such amendment is signed by Executive and such officer as may be specifically designated by the Board to sign on the Company's behalf.

(b) Section 409A.

(i) This Agreement shall be interpreted to avoid any penalty taxes or interest under Section 409A of the Code. If any payment or benefit cannot be provided or made at the time specified herein without incurring taxes or interest under Section 409A of the Code, then such benefit or payment shall be provided in full at the earliest time thereafter when such taxes or interest will not be imposed. All payments of nonqualified deferred compensation subject to Section 409A of the Code to be made upon a termination of

employment under this Agreement may only be made upon a "separation from service" as defined under Section 409A of the Code. For purposes of Section 409A of the Code, each payment made under this Agreement shall be treated as a separate payment. In no event may Executive, directly or indirectly, designate the calendar year of payment.

(ii) To the extent that any payments or reimbursements provided to Executive under this Agreement are deemed to constitute compensation to which Treasury Regulation Section 1.409A-3(i)(1)(iv) would apply, such payments or reimbursements shall be made or provided in accordance with the requirements of Section 409A of the Code, including, where applicable, the requirement that (A) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to liquidation or exchange for another benefit. If expenses are incurred in connection with litigation, any reimbursements under this Agreement shall be paid not later than the end of the calendar year following the year in which the litigation is resolved.

(c) Nature of Obligations. Nothing contained herein shall create or require the Company to create a trust of any kind to fund any benefits which may be payable hereunder, and to the extent that Executive acquires a right to receive benefits from the Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.

(d) Withholding. The Company shall have the right to withhold from all payments made pursuant to this Agreement any federal, state, or local taxes and such other amounts as may be required by law to be withheld from such payments.

(e) Prior Employment. Executive represents and warrants that his acceptance of employment with the Company has not breached, and the performance of his duties hereunder will not breach, any duty owed by him to any prior employer or other person. Executive further represents and warrants to the Company that (i) the performance of his obligations hereunder will not violate any agreement between him and any other person, firm, organization or other entity, (ii) he is not bound by the terms of any agreement with any previous employer or other party to refrain from competing, directly or indirectly, with the business of such previous employer or other party that would be violated by him entering into this Agreement and/or providing services to the Company pursuant to the terms of this Agreement, and (iii) Executive's performance of his duties under this Agreement will not require him to, and he shall not, rely on in the performance of his duties or disclose to the Company or any other person or entity or induce the Company in any way to use or rely on any trade secret or other confidential or proprietary information or material belonging to any previous employer of Executive.

(f) **Headings.** The Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation or this Agreement. In the event of a conflict between a heading and the content of a Section, the content of the Section shall control.

(g) **Recoupment.** To the extent required by applicable law or any applicable securities exchange listing standards, any amounts paid or payable under this Agreement (including, without limitation, amounts paid prior to the effectiveness of such law or listing standards) shall be subject to forfeiture, repayment or recapture to the extent required by such applicable law or listing standard.

(h) **Gender and Number.** Whenever used in this Agreement, a masculine pronoun is deemed to include the feminine and a neuter pronoun is deemed to include both the masculine and the feminine, unless the context clearly indicates otherwise. The singular form, whenever used herein, shall mean or include the plural form where applicable.

(i) **Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall be invalid or unenforceable under any applicable law, such event shall not affect or render invalid or unenforceable any other provision of this Agreement and shall not affect the application of any provision to other persons or circumstances.

(j) **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns, heirs, executors and administrators.

(k) **Notice.** For purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given if hand-delivered, sent by documented overnight delivery service or by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below:

To the Company:

Integra LifeSciences Holdings Corporation
311 Enterprise Drive
Plainsboro, New Jersey 08536
Attn: General Counsel

To Executive: at Executive's most recent address on the records of the Company

(l) **Effectiveness; Entire Agreement.** This Agreement shall become effective as of the Effective Date. As of the Effective Date, this Agreement sets forth the entire understanding of the parties and supersedes all prior agreements, arrangements and communications, whether oral or written, pertaining to the subject matter hereof, including the Prior Agreement. Prior to the Effective Date, the Prior Agreement shall remain in effect in accordance with its terms.

(m) **Governing Law.** The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the United States where applicable and otherwise by the laws of the State of New Jersey.

[*Signature page follows*]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION	**EXECUTIVE**
/s/ Stuart Essig	/s/ Peter J. Arduini
Stuart Essig,	Peter J. Arduini
Chairman of the Board of Directors	

Exhibit A

GENERAL RELEASE

In exchange for the consideration set forth in that certain Third Amended and Restated Employment Agreement (the "**Employment Agreement**"), dated as of October 24, 2017 between Integra LifeSciences Holdings Corporation (the "**Company**") and Peter J. Arduini ("**Executive**"), the receipt and adequacy of which is hereby acknowledged, the Company does hereby release and forever discharge the "**Releasees**" hereunder, consisting of Executive and his heirs and assigns, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys' fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "**Claims**"), which the Company or any it subsidiaries now has or may hereafter have against the Releasees, or any of them, by reason of any matter, cause, or thing whatsoever from the beginning of time to the date hereof. Notwithstanding the foregoing, this General Release shall not operate to release any Claims which the Company may have relating to or arising out of (i) Executive's intentional, willful or reckless misconduct, (ii) Executive's fraud or breach of fiduciary duty, or (iii) any acts or omissions by Executive that are not covered by the Company's director and officer insurance coverage or not properly the subject of defense or indemnity by the Company (the "**Unreleased Claims**").

The Company represents and warrants that there has been no assignment or other transfer of any interest in any Claim (other than Unreleased Claims) which it may have against Releasees, or any of them, and the Company agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against the Company under this indemnity.

The Company agrees that if it hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then the Company agrees to pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all reasonable attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim.

The Company further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them, who have consistently taken the position that they have no liability whatsoever to the Company.

[*Signature page follows*]

IN WITNESS WHEREOF, the Company has executed this Release as of this ___ day of _____, 20__.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By:_____
Its: Chairman of the Board of Directors

Exhibit B

GENERAL RELEASE

In exchange for the consideration set forth in that certain Third Amended and Restated Employment Agreement (the "**Employment Agreement**"), dated as of October 24, 2017 between Integra LifeSciences Holdings Corporation (the "**Company**") and Peter J. Arduini ("**Executive**"), the receipt and adequacy of which is hereby acknowledged, Executive does hereby release and forever discharge the "**Releasees**" hereunder, consisting of the Company and each of its parents, subsidiaries, affiliates, successors, partners, associates, heirs, assigns, agents, directors, officers, employees, representatives, lawyers, insurers, and all persons acting by, through, under or in concert with them, or any of them, of and from any and all manner of action or actions, cause or causes of action, in law or in equity, suits, debts, liens, contracts, agreements, promises, liability, claims, demands, damages, losses, costs, attorneys' fees or expenses, of any nature whatsoever, known or unknown, fixed or contingent (hereinafter called "**Claims**"), which Executive now has or may hereafter have against the Releasees, or any of them, by reasons of any matter, cause, or thing whatsoever from the beginning of time to the date hereof. The Claims released herein include, without limiting the generality of the foregoing, any Claims in any way arising out of, based upon, or related to the employment or termination of employment of Executive by the Releasees, or any of them; any alleged breach of any express or implied contract of employment; any alleged torts or other alleged legal restrictions on Releasee's right to terminate the employment of Executive; and any alleged violation of any federal, state or local statute or ordinance including, without limitation, Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the New Jersey Law Against Discrimination, the New Jersey Equal Pay Act and the New Jersey Conscientious Employee Protection Act. Notwithstanding the foregoing, this Release shall not operate to release any Claims which Executive may have (i) to payments or benefits under the Employment Agreement, (ii) to any vested and unpaid benefits under any employee benefit plan, including but not limited to any vested and undistributed deferred compensation, (iii) to vested equity compensation awards that remain unpaid or unsettled, (iv) under the Company's Amended and Restated Certificate of Incorporation, (v) under the Company's Amended and Restated By-Laws, (vi) under any director and officer insurance policy maintained by the Company, (vii) under that certain Indemnification Agreement, dated as of _____, between the Company and Executive, and (viii) with respect to the Executive's right to communicate directly with, cooperate with, or provide information to, any federal, state or local government regulator (the "**Unreleased Claims**").

IN ACCORDANCE WITH THE OLDER WORKERS BENEFIT PROTECTION ACT OF 1990, EXECUTIVE IS HEREBY ADVISED AS FOLLOWS:

(A) TO CONSULT WITH AN ATTORNEY BEFORE SIGNING THIS RELEASE;

(B) HE HAS TWENTY-ONE (21) DAYS TO CONSIDER THIS RELEASE BEFORE SIGNING IT, AND IF HE SIGNS THIS RELEASE BEFORE THE EXPIRATION OF THE TWENTY-ONE (21) DAY PERIOD, HE KNOWINGLY AND VOLUNTARILY WAIVES THE BALANCE OF THAT PERIOD; AND

(C) HE HAS SEVEN (7) DAYS AFTER SIGNING THIS RELEASE TO REVOKE THIS RELEASE, AND THIS RELEASE WILL BECOME EFFECTIVE UPON THE EXPIRATION OF THAT REVOCATION PERIOD.

Executive represents and warrants that there has been no assignment or other transfer of any interest in any Claim (other than Unreleased Claims) which he may have against Releasees, or any of them, and Executive agrees to indemnify and hold Releasees, and each of them, harmless from any liability, Claims, demands, damages, costs, expenses and attorneys' fees incurred by Releasees, or any of them, as the result of any such assignment or transfer or any rights or Claims under any such assignment or transfer. It is the intention of the parties that this indemnity does not require payment as a condition precedent to recovery by the Releasees against Executive under this indemnity.

Executive agrees that if he hereafter commences any suit arising out of, based upon, or relating to any of the Claims released hereunder or in any manner asserts against Releasees, or any of them, any of the Claims released hereunder, then Executive agrees to pay to Releasees, and each of them, in addition to any other damages caused to Releasees thereby, all reasonable attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim. Notwithstanding the foregoing, Executive shall not be obligated to pay to Releasees any attorneys' fees incurred by Releasees in defending or otherwise responding to said suit or Claim to the extent such claim challenges the release of claims under the Age Discrimination in Employment Act.

Notwithstanding anything herein or in the Employment Agreement, Executive acknowledges and agrees that, pursuant to 18 USC Section 1833(b), Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Executive further understands and agrees that neither the payment of any sum of money nor the execution of this Release shall constitute or be construed as an admission of any liability whatsoever by the Releasees, or any of them.

The provisions of this Release are severable, and if any part of this Release is found to be unenforceable, the other paragraphs (or portions thereof) shall remain fully valid and enforceable.

[*Signature page follows*]

IN WITNESS WHEREOF, Executive has executed this Release as of this ___ day of _____, 20__.

_____
Peter J. Arduini

Exhibit C

[see attached]

Notice of Grant of Award
and Award Agreement

Integra LifeSciences Holdings Corporation
ID: 51-0317849
311 Enterprise Drive
Plainsboro, New Jersey 08536

%%FIRST_NAME%-%

%%MIDDLE_NAME%-%

%%LAST_NAME%-%

%%ADDRESS_LINE_1%-%

%%ADDRESS_LINE_2%-%

%%ADDRESS_LINE3%-%

%%CITY%-%, %%STATE%-%

%%COUNTRY%-% %%ZIP%-%

Award Number: %%OPTION_NUMBER%-%
Plan: %%EQUITY_PLAN%-%
ID: %%EMPLOYEE_IDENTIFIER%-%

Effective %%OPTION_DATE,'Month DD, YYYY'%-%, you have been granted a Non-Qualified Stock Option to buy [_____] shares of Integra LifeSciences Holdings Corporation (the Company) stock at [_____] per share.

The total option piece of the shares granted is $[_____].

Shares in each period will become fully vested on the date shown.

Shares	Vest Type	Full Vest	Expiration
[_____]	[_____]	[_____]	[_____]
[_____]	[_____]	[_____]	[_____]

By your signature and the Company's signature below, you and the Company agree that these options are granted under and governed by the terms and conditions of the Company's Stock Option Plan as amended and the Option Agreement, all of which are attached and made a part of this document.

Integra LifeSciences Holdings Corporation

Date

Peter J. Arduini

Date

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

2003 EQUITY INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

NON-QUALIFIED STOCK OPTION AGREEMENT (together with the attached Notice of Grant of Stock Options and Option Agreement ("Notice of Grant"), the "Option Agreement") made as of the date (the "Grant Date") set forth in Notice of Grant, between Integra LifeSciences Holdings Corporation, a Delaware corporation (the "Company"), and the named Key Employee of the Company, a Related Corporation, or an affiliate (the "Employee").

WHEREAS, the Company desires to afford the Employee an opportunity to purchase shares of common stock of the Company, par value $.01 per share ("Common Stock"), as hereinafter provided, in accordance with the provisions of the Integra LifeSciences Holdings Corporation Fourth Amended and Restated 2003 Equity incentive Plan (the "Plan"). Requests for hardcopies of the "Plan" should be directed to [_____] at the New Jersey Corporate Office.

NOW, **THEREFORE**, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Capitalized terms not otherwise defined below shall have the meaning set forth in the Plan. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Grant of Option. Effective [_____], the Company hereby grants to the Employee a non-qualified stock option (the "Option") to purchase all or any part of an aggregate of the number of shares of Common Stock as set forth in the attached Notice of Grant, subject to adjustment in accordance with Section 8 of the Plan.

Purchase Price. The purchase price per share of the shares of Common Stock covered by the Option shall be that set forth in the attached Notice of Grant, subject to adjustment in accordance with Section 8 of the Plan. It is the determination of the Company's Compensation Committee (the "Committee") that on the Grant Date the per share Option exercise price was not less than the greater of one hundred percent (100%) of the fair market value of the Common Stock, or the par value thereof.

Term. Unless earlier terminated pursuant to any provision of this Option Agreement, this Option shall expire on [_____] (the "Expiration Date"). Notwithstanding anything herein to the contrary, this Option shall not be exercisable after the Expiration Date.

Exercise of Option. This Option shall vest and become exercisable with respect to [_____] of the shares subject hereto on [_____]. Thereafter, this Option shall vest and become exercisable with respect to [_____] of the remaining shares on the first business day of each following month.

Any portion of the Option that becomes exercisable in accordance with the foregoing shall remain exercisable, subject to the provisions contained in this Option Agreement, until the expiration of tile term of this Option as set forth above or until other termination of the Option as set forth in this Option Agreement.

Except as specifically provided herein, no portion of the Option which has not become vested and exercisable as of the Employee's termination of employment or in connection with Employee's termination of employment shall thereafter become vested or exercisable.

Method of Exercising Option. Subject to the terms and conditions of this Option Agreement, the Option may be exercised in whole or in part by written notice to the Company, at its principal office, which currently is located at 311 Enterprise Drive, Plainsboro, New Jersey 08536. Such notice shall state the election to exercise the Option, and the number of shares with respect to which it is being exercised; shall be signed by the person or persons so exercising the Option; shall, unless the Company otherwise notifies the Employee, be accompanied by the investment certificate referred to below; and shall be accompanied by payment of the full Option price of such shares.

The Option price shall be paid to the Company: (i) in cash; (ii) in cash equivalent; (iii) in Common Stock of the Company, in accordance with Section 7.1(f)(ii) of the Plan (as in effect on the date of this Option Agreement); (iv) by delivering a properly executed notice of exercise of the Option, in accordance with Section 7.1(f)(iii) of the Plan (as in effect on the date of this Option Agreement); (v) in Common Stock of the Company issuable pursuant to the exercise of the Option or otherwise withheld in net settlement of the Option, in accordance with Section 7.1(f)(iv) of the Plan (as in effect on the date of this Option Agreement); or (vi) by any combination of (i)-(v).

Upon receipt of such notice and payment, the Company, as promptly as practicable, shall deliver or cause to be delivered a certificate or certificates representing the shares with respect to which the Option is so exercised. Such certificate(s) shall be registered in the name of the person or persons so exercising the Option (or, if the Option is exercised by the Employee and if the Employee so requests in the notice exercising the Option, shall be registered in the name of the Employee and the Employee's spouse, jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person or persons exercising the Option. In the event the Option is exercised by any person or persons after the legal disability or death of the Employee, such notice shall be accompanied by appropriate proof of the right of such person or persons to exercise the Option. All shares that are purchased upon the exercise of the Option as provided herein shall be fully paid and not assessable by the Company.

Shares to be Purchased for Investment. Unless the Company has theretofore notified the Employee that a registration statement covering the shares to be acquired upon the exercise of the Option has become effective under the Securities Act of 1933 and the Company has not thereafter notified the Employee that such registration statement is no longer effective, it shall be a condition to any exercise of this Option that the shares acquired upon such exercise be acquired for investment and not with a view to distribution, and the person effecting such exercise shall submit to the Company a certificate of such investment intent, together with such other evidence supporting the same as the Company may request. The Company shall be entitled to delay the transferability of

the shares issued upon any such exercise to the extent necessary to avoid a risk of violation of the Securities Act of 1933 (or of any rules or regulations promulgated thereunder) or any state laws or regulations. Such restrictions may, at the option of the Company, be noted or set forth in full on the share certificates.

Non-Transferability of Option. This Option is not assignable or transferable, in whole or in part, by the Employee other than by will or by the laws of descent and distribution, and during the lifetime of the Employee the Option shall be exercisable only by the Employee or by his or her guardian or legal representative,

Termination of Employment. If the Employee's employment with the Company and all Related Corporations is terminated prior to the Expiration Date for any reason other than by (i) death or Disability, (ii) a Retirement or (iii) a Qualifying Termination upon a Change in Control as further described below, this Option may be exercised, to the extent of the number of shares with respect to which the Employee could have exercised it on the date of such termination of employment, or to any greater extent permitted by the Committee, by the Employee at any time prior to the earlier of (i) the Expiration Date or (ii) six (6) months after such termination of employment.

Death. Notwithstanding anything contained in this Option Agreement to the contrary, if the Employee dies during his employment with the Company and its Related Corporations and prior to the Expiration Date, the Option shall become fully vested and exercisable and such Option upon such death can be exercised by the Employee's estate, personal representative or beneficiary who acquired the right to exercise such Option by bequest or inheritance or by reason of the Employee's death, at any time prior to the earlier of (i) the Expiration Date or (ii) one year after the date of the Employee's death.

Disability. Notwithstanding anything contained in this Option Agreement to the contrary, if the Employee incurs a Disability, as defined in the Plan, during his employment with the Company and its Related Corporations and, prior to the Expiration Date, the Employee's employment is terminated as a consequence of such Disability, this Option shall become fully vested and exercisable and such Option upon such termination due to such Disability can be exercised by the Employee, or in the event of the Employee's legal disability, by the Employee's legal representative, at any time prior to the earlier of (i) the Expiration Date or (ii) one year after the date of such termination of employment due to such Disability.

Retirement. Notwithstanding anything contained in this Option Agreement to the contrary, if the Employee's employment with the Company and all Related Corporations is terminated due to the Employee's Retirement (as defined below) prior to the Expiration Date, this Option shall become fully vested as of the date of such Retirement and such Option can be exercised by the Employee at any time commencing on (A) with respect to the portion of such Option which had vested and become exercisable immediately prior to such Retirement, the date of such Retirement, and (B) with respect to the portion of such Option which became vested as of such Retirement, the earlier of (x) the date(s) on which such portion of the Option would have become vested and exercisable in accordance with this Option Agreement had the Employee continued to be employed with the Company until such date(s) or (y) immediately prior to a Change in Control, and ending

on the Expiration Date. For purposes of the forgoing sentence, "Retirement" shall mean a termination of the Employee's employment by the Employee following (i) the Employee's attainment of age 55 and (ii) the Employee's continuous employment to the Company or its Related Corporations as an employee or Associate for ten (10) years or more; *provided*, that the Employee provides no less than six (6) months' prior written notice of such termination of employment unless a shorter period of time is agreed to by the Committee.

Double Trigger Change in Control. Notwithstanding anything contained in this Option Agreement to the contrary, if during the Employee's employment with the Company and its Related Corporations and prior to the Expiration Date, a Change in Control occurs and the Employee incurs a Qualifying Termination on or within twenty-four (24) months following the date of such Change in Control, this Option shall become fully vested and exercisable and such Option upon such Qualifying Termination can be exercised by the Employee at any time prior to the Expiration Date.

Clawback Notwithstanding anything contained in the Plan or the Option Agreement to the contrary, the Option shall be subject to the provisions of any clawback, repayment or recapture policy implemented by the Company, including any such policy adopted to comply with applicable law (including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act) or securities exchange listing standards and any rules or regulations promulgated thereunder, to the extent set forth in such policy and/or in any notice or agreement to the Option under the Plan.

Withholding of Taxes. The obligation of the Company to deliver shares of Common Stock upon the exercise of the Option shall be subject to applicable federal, state and local tax withholding requirements. If the exercise of any Option is subject to the withholding requirements of applicable federal, state or local tax laws, the Committee, in its discretion, may permit the Employee, subject to the provisions of the Plan and such additional withholding rules (the "Withholding Rules") as shall be adopted by the Committee, to satisfy the withholding tax, in whole or in part, by electing to have the Company withhold (or by returning to the Company) shares of Common Stock, which shares shall be valued, for this purpose, at their fair market value on the date of exercise of the Option (or, if later, the date on which the Employee recognizes ordinary income with respect to such exercise). An election to use shares of Common Stock to satisfy tax withholding requirements must be made in compliance with and subject to the Withholding Rules.

Construction. Except as would be in conflict with any specific provision herein, this Option Agreement is made under and subject to the provisions of the Plan as in effect on the Grant Date and, except as would conflict with the provisions of this Option Agreement, all of the provisions of the Plan as in effect on the Grant Date are hereby incorporated herein as provisions of this Option Agreement. Notwithstanding the foregoing, provisions of this Option Agreement that conflict with the Plan will be given effect only to the extent they do not exceed the Committee's discretion under the Plan.

Governing Law. This Non-Qualified Stock Option Agreement shall be governed by applicable federal law and otherwise by the laws of the State of Delaware.

IN WITNESS WHEREOF, this Option Agreement has been executed and delivered by the parties thereto.

THE EMPLOYEE

INTEGRA LIFESCIENCES
HOLDINGS CORPORATION

By

Name: Peter J. Arduini

Name: Stuart M. Essig
Title: Chairman of the Board of Directors

Notice of Grant of Award
and Award Agreement

Integra LifeSciences Holdings Corporation
ID: 51-0317849
311 Enterprise Drive
Plainsboro, New Jersey 08536

%%FIRST_NAME%-%

%%MIDDLE_NAME%-%

%%LAST_NAME%-%

%%ADDRESS_LINE_1%-%

%%ADDRESS_LINE_2%-%

%%ADDRESS_LINE3%-%

%%CITY%-%, %%STATE%-%

%%COUNTRY%-% %%ZIP%-%

Award Number: %%OPTION_NUMBER%-%
Plan: %%EQUITY_PLAN%-%
ID: %%EMPLOYEE_IDENTIFIER%-%

Effective %%OPTION_DATE,'Month DD, YYYY'%-%, you have been granted [_____] Restricted Stock Units (RSUs) based on a closing price of US$[_____]. These units are restricted until the vest dates shown below, at which time you will receive shares of Integra LifeSciences Holdings Corporation (the Company) common stock.

The award will vest in increments in the dates shown:

Shares	Full Vest Date
[_____]	[_____]
[_____]	[_____]
[_____]	[_____]

By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms and conditions of the Company's Award Plan as amended and the Award Agreement, all of which are attached and made a part of this document.

Integra LifeSciences Holdings Corporation

Date

Peter J. Arduini

Date

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

CONTRACT STOCK / RESTRICTED UNITS AGREEMENT

Pursuant to

2003 EQUITY INCENTIVE PLAN

CONTRACT STOCK / RESTRICTED UNITS AGREEMENT, dated as of [_____], by and between Integra LifeSciences Holdings Corporation, a Delaware corporation (the "Company"), and Peter J. Arduini (the "Executive").

WHEREAS, the Company maintains the Integra LifeSciences Holdings Corporation Fourth Amended and Restated 2003 Equity Incentive Plan (the "Plan"), the terms of which are hereby incorporated by reference and made part of this Agreement;

WHEREAS, the Plan provides for the award of Contract Stock on the terms and conditions set forth therein; and

WHEREAS, the Committee has determined that, as an inducement to the Executive to enter into or remain in the service of the Company, it would be to the advantage and in the best interest of the Company and its stockholders to grant to Executive an aggregate of [_____] ([_____]) shares of Contract Stock under the Plan in the form of restricted units (the "Units"), representing the right to receive an equal number of shares of common stock of the Company, par value $.01 per share ("Common Stock"), on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration the legal sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Plan, unless otherwise indicated.

2. Grant of Units. Executive is hereby granted, as of [_____] (the "Grant Date"), deferred compensation in the form of [_____] ([_____]) Units pursuant to the terms of this Agreement and the Plan. The Executive's right to receive the shares of Common Stock underlying the Units shall be subject to forfeiture as provided in Section 4 of this Agreement.

3. Vesting.

(a) Subject to paragraph (b) and Section 4 below, the Units shall vest in cumulative installments as follows:

(i) [_____] ([__]) of the Units shall vest on the [_____] anniversary of the Grant Date;

(ii) [_____] ([__]) of the Units shall vest on the [_____] anniversary of the Grant Date; and

(iii) [_____] ([__]) of the Units shall vest on the [_____] anniversary of the Grant Date;

(b) One hundred percent (100%) of the then outstanding Units shall vest in the event that:

(i) Executive incurs a Termination of Service (as defined below) (1) by reason of the Executive's "Disability" (as defined in the Plan), or (2) by reason of the Executive's death;

(ii) Executive incurs a termination of employment by reason of Executive's Retirement (as defined below); or

(iii) a Change in Control occurs and the Executive incurs a Qualifying Termination on or within twenty-four (24) months following the date of such Change in Control.

(c) For purposes of this Agreement, "Qualifying Termination" means a Termination of Service by the Company without Cause or by the Executive for Good Reason or a termination of employment by the Executive due to the Executive's Retirement.

(d) For purposes of this Agreement, "Retirement Eligible" means Executive has attained the age of 55 and has been in continuous service to the Company or its Related Corporations as an employee or Associate for ten (10) years or more.

(e) For purposes of this Agreement, "Retirement" shall mean a termination of Executive's employment by Executive following the date on which Executive becomes Retirement Eligible; *provided*, that Executive provides no less than six (6) months' prior written notice of such termination of employment unless a shorter period of time is agreed to by the Committee.

(f) For purposes of this Agreement, "Termination of Service" shall mean the time when the Executive ceases to provide services to the Company and its Related Corporations and Affiliates as an employee or Associate for any reason with or without Cause, including, but not by way of limitation, a termination by resignation, discharge, death, or disability. A Termination of Service shall not include a termination where the Executive is simultaneously reemployed by, or remains employed by, or continues to provide services to, the Company and/or one or more of its Related Corporations and Affiliates or a successor entity thereto.

4. Forfeiture of Units. Immediately upon (i) if prior to a Change in Control, a Termination of Service for any reason other than the Executive's death, Disability or Retirement or (ii) if on or following a Change in Control, a Termination of Service for any reason other than the Executive's death, Disability or Qualifying Termination, the Executive shall forfeit any and

all Units which have not vested or do not vest on or prior to such termination, and the Executive's rights in any such Units which are not so vested shall terminate, lapse and expire (including the Executive's right to receive the shares underlying such Units).

5. Dividend Equivalents. Executive shall be entitled to receive, with respect to all outstanding vested Units (as such Units may be adjusted under Section 9), dividend equivalent amounts equal to the regular quarterly cash dividend payable to holders of Common Stock (to the extent regular quarterly cash dividends are paid) as if Executive were an actual shareholder with respect to the number of shares of Common Stock equal to his outstanding vested Units. Such dividend equivalent amounts shall be aggregated on a quarterly basis while the Units are outstanding and paid to Executive within thirty (30) days following the first business day that occurs immediately following the 6-month period after the date of Executive's "separation from service" from the Company (within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986, as amended (the "Code") and its corresponding regulations) (a "Separation from Service"). For the avoidance of doubt, such dividend equivalent amounts shall only be paid with respect to Units that are vested as of the applicable dividend payment date, and Executive shall not be entitled to receive any dividend equivalent amounts with respect to Units that are not vested as of such dividend payment date. The dividend equivalents and any amounts that may become payable in respect thereof shall be treated separately from the Units and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Code Section 409A.

6. Payment of Units.

(a) The shares of Common Stock underlying Units which are then vested under Section 3 shall be paid out to Executive following Executive's Separation from Service, as follows: (i) if such Separation from Service occurs prior to the date on which Executive becomes Retirement Eligible, then within thirty (30) days following the first business day that occurs immediately following the 6-month period after the date of Executive's Separation from Service or (ii) if such Separation from Service occurs on or following the date on which Executive becomes Retirement Eligible, then within thirty (30) days following the first business day that occurs immediately following the later to occur of (i) the date on which the Units would have vested in accordance with this Agreement had Executive continued to be in service with the Company until such date and (ii) the 6-month period after the date of Executive's Separation from Service.

(b) All payments of shares of Common Stock underlying Units ("Unit Shares") shall be made by the Company in the form of whole shares of Common Stock, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value (as defined in the Plan) as of the date immediately prior to such distribution.

(c) Any Unit Shares delivered shall be deposited in an account designated by Executive and maintained at a brokerage house selected by Executive. Any such Unit Shares shall be duly authorized, fully paid and non-assessable shares, listed with NASDAQ or the principal United States securities exchange on which the Common Stock is admitted to trading

and, so long as the Company is required to file reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, registered on a Form S-8 registration statement maintained by the Company, if registration is requested by Executive.

(d) Except as otherwise provided in this Agreement, Executive shall not be deemed to be a holder of any Common Stock pursuant to a Unit until the date of the issuance of a certificate to him for such shares and, except as otherwise provided in this Agreement, Executive shall not have any rights to dividends or any other rights of a shareholder with respect to the shares of Common Stock covered by a Unit until such shares of Common Stock have been issued to him, which issuance shall not be unreasonably delayed.

(e) The Company shall be entitled to withhold in cash, shares or deduction from other compensation payable to the Executive any sums required by federal, state or local tax law to be withheld with respect to the grant, vesting, distribution or payment of the Units or the Unit Shares. In satisfaction of the foregoing requirement with respect to the grant, vesting, distribution or payment of the Units or Unit Shares, to the extent permitted by Section 409A of the Code, including Treas. Reg. Section 1.409A-3(j)(4)(vi), the Company shall withhold shares of Common Stock otherwise issuable upon payment of the Units having a Fair Market Value equal to the sums required to be withheld. In the event that the number of shares of Common Stock having a Fair Market Value equal to the sums required to be withheld is not a whole number of shares, the number of shares so withheld shall be rounded up to the nearest whole share.

(f) Executive's right to receive payment of any amounts under this Agreement shall be an unfunded entitlement and shall be an unsecured claim against the general assets of the Company.

(g) After payment in accordance with this Section 6, the Unit Shares may not be sold, transferred or otherwise disposed of by Executive for a period of five days after receipt of such shares by Executive, except that no such restrictions shall apply in the case of a Change in Control or in the event that Unit Shares are sold or withheld in order to satisfy any obligations Executive may have with respect to any applicable tax withholding requirements on vesting or receipt of Unit Shares (including, without limitation, pursuant to Section 6(e) above).

7. Clawback. Notwithstanding anything contained in the Plan or this Agreement to the contrary, the Units and shares of Common Stock represented by the Units shall be subject to the provisions of any clawback, repayment or recapture policy implemented by the Company, including any such policy adopted to comply with applicable law (including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act) or securities exchange listing standards and any rules or regulations promulgated thereunder, to the extent set forth in such policy and/or in any notice or agreement relating to the Units and shares of Common Stock under the Plan.

8. Representations. The Company represents and warrants that this Agreement has been authorized by all necessary action of the Company, has been approved by the Board and is a valid and binding agreement of the Company enforceable against it in accordance with its terms

and that the Unit Shares will be issued pursuant to and in accordance with the Plan, will be listed with NASDAQ or the principal United States securities exchange on which the Common Stock is admitted to trading, and will be validly issued, fully paid and non-assessable shares. The Company further represents and warrants that the grant of Units under this Agreement has been approved by the Company's Compensation Committee, that the Plan has and will have sufficient shares available to effect the distribution of the Unit Shares.

9. Changes in the Common Stock and Adjustment of Units.

(a) In the event the outstanding shares of the Common Stock shall be changed into an increased number of shares, through a share dividend or a split-up of shares, or into a decreased number of shares, through a combination of shares, then immediately after the record date for such change, the number of Units then subject to this Agreement shall be proportionately increased, in case of such share dividend or split-up of shares, or proportionately decreased, in case of such combination of shares. In the event the Company shall issue any of its shares of stock or other securities or property (other than Common Stock which is covered by the preceding sentence), in a reclassification of the Common Stock (including without limitation any such reclassification in connection with a consolidation or merger in which the Company is the continuing entity), the kind and number of Units subject to this Agreement immediately prior thereto shall be adjusted so that the Executive shall be entitled to receive the same kind and number of shares or other securities or property which the Executive would have owned or have been entitled to receive after the happening of any of the events described above, had he owned the shares of the Common Stock represented by the Units under this Agreement immediately prior to the happening of such event or any record date with respect thereto, which adjustment shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

(b) In the event the Company shall distribute to all holders of the Common Stock evidences of its indebtedness or assets (including leveraged recapitalizations with special cash distributions, but excluding regular quarterly cash dividends), then in each case the number of Units thereafter subject to this Agreement shall be determined by multiplying the number of Units theretofore subject to this Agreement by a fraction, (i) the numerator of which shall be the then current market price per share of Common Stock (as determined in paragraph (c) below) on the record date for such distribution, and (ii) the denominator of which shall be the then current market price per share of the Common Stock less the then fair value (as mutually determined in good faith by the Board and the Executive) of the portion of the assets or evidences of indebtedness so distributed applicable to a share of Common Stock. Such adjustment shall be made whenever any such distribution is made, and shall become effective on the date of distribution retroactive to the record date for the determination of shareholders entitled to receive such distribution.

(c) For the purpose of any computation under paragraph (b) of this Section 9, the current market price per share of the Common Stock at any date shall be deemed to be the average of the daily Stock Prices (as defined herein) for 15 consecutive Trading Days (as defined herein) commencing 20 Trading Days before the date of such computation. "Stock Price" for

each Trading Day shall be the "Fair Market Value" of the Common Stock (as defined in the Plan, as in effect on the date of this Agreement) for such Trading Day. "Trading Day" shall be each Monday, Tuesday, Wednesday, Thursday and Friday, other than any day on which the Common Stock is not traded on the exchange or in the market which is the principal United States market for the Common Stock.

(d) For the purpose of this Section 9, the term "Common Stock" shall mean (i) the class of Company securities designated as the Common Stock at the date of this Agreement, or (ii) any other class of equity interest resulting from successive changes or reclassifications of such shares consisting solely of changes in par value, or from par value to no par value, or from no par value to par value. In the event that at any time, as a result of an adjustment made pursuant to the second sentence of Section 9(a) above, the Executive shall become entitled to Units representing any shares other than the Common Stock, thereafter the number of such other shares represented by a Unit shall be subject to adjustment from time to time in a manner and on the terms as nearly equivalent as practicable to the provisions with respect to the shares contained in this Section 9, and the provisions of this Agreement with respect to the shares of Common Stock represented by the Units shall apply on like terms to any such other shares.

(e) In case of any Change in Control, consolidation of the Company, or merger of the Company with another corporation as a result of which Common Stock is converted or modified, or in case of any sale or conveyance to another corporation of the property, assets and business of the Company as an entirety or substantially as an entirety, the Company shall modify the Units so as to provide the Executive with Units reflecting the kind and amount of shares and other securities and property (or cash, as applicable) that he would have owned or have been entitled to receive immediately after the happening of such Change in Control, consolidation, merger, sale or conveyance had his Units immediately prior to such action actually been shares and, if applicable, other securities of the Company represented by those Units. The provisions of this Section 9(e) shall similarly apply to successive consolidations, mergers, sales or conveyances.

(f) If the Company distributes rights or warrants to all holders of its Common Stock entitling them to purchase shares of Common Stock at a price per share less than the current market price per share on the record date for the distribution, the Company shall distribute to Executive equivalent amounts of such rights or warrants as if Executive were an actual shareholder with respect to the number of shares of Common Stock equal to his outstanding Units. Such rights or warrants shall be exercisable at the same time, on the same terms and for the same price as the rights or warrants distributed to holders of the Common Stock; provided, however, that if such rights or warrants are deemed to be deferred compensation subject to the requirements of Section 409A of the Code, such rights or warrants shall be distributed to Executive in a manner that complies with such requirements.

(g) In case any event shall occur as to which the provisions of this Section 9 are not applicable but the failure to make any adjustment would not fairly protect the rights represented by the Units in accordance with the essential intent and principles of this Section 9 then, in each such case, the Company shall make an adjustment, if any, on a basis consistent with

the essential intent and principles established in this Section 9, necessary to preserve, without dilution, the rights represented by the Units. The Company will promptly notify the Executive of any such proposed adjustment.

(h) Notwithstanding anything to the contrary contained herein, the provisions of Section 9 shall not apply to, and no adjustment is required to be made in respect of, any of the following: (i) the issuance of shares of Common Stock upon the exercise of any other rights, options or warrants that entitle the holder to subscribe for or purchase such shares (it being understood that the sole adjustment pursuant to this Section 9 in respect of the issuance of shares of Common Stock upon exercise of rights, options or warrants shall be made at the time of the issuance by the Company of such rights, options or warrants, or a change in the terms thereof); (ii) the issuance of shares of Common Stock to the Company's employees, directors or consultants pursuant to bona fide benefit plans adopted by the Company's Board; (iii) the issuance of shares of Common Stock in a bona fide public offering pursuant to a firm commitment offering; (iv) the issuance of shares of Common Stock pursuant to any dividend reinvestment or similar plan adopted by the Company's Board to the extent that the applicable discount from the current market price for shares issued under such plan does not exceed 5%; and (v) the issuance of shares of Common Stock in any arm's length transaction, directly or indirectly, to any party.

(i) Notwithstanding anything in this Agreement to the contrary, in the event of a spin-off by the Company to its shareholders, Executive's participation in such spin-off with respect to the Units and the adjustment of the Units shall be determined in an appropriate and equitable manner, and it is the intention of the parties hereto that, to the extent practicable, such adjustment shall include an equity interest in the spin-off entity.

(j) In the event the parties hereto cannot agree upon an appropriate and equitable adjustment to the Units, the services of an independent investment banker mutually acceptable to Executive and the Company shall (at the sole expense of the Company) be retained to determine an appropriate and equitable adjustment, and such determination shall be binding upon the parties.

(k) Each additional Unit which results from adjustments made pursuant to this Section 9 or the Plan shall be subject to the same terms and conditions regarding vesting and forfeiture as the underlying Unit to which such additional Unit relates.

(l) Notwithstanding the foregoing, no adjustment shall be made and no action shall be taken under this Section 9 to the extent that such adjustment or action shall cause the Units to fail to comply with Section 409A of the Code or the Treasury Regulations thereunder (to the extent applicable to the Units).

10. No Right to Employment. Nothing in this Agreement shall confer upon Executive the right to remain in employ of the Company or any subsidiary of the Company.

11. Nontransferability. This Agreement shall not be assignable or transferable by the Company (other than to successors of the Company) and this Agreement and the Units shall not

be assignable or transferable by the Executive otherwise than by will or by the laws of descent and distribution, and the Units may be paid out during the lifetime of the Executive only to him. More particularly, but without limiting the generality of the foregoing, the Units may not be assigned, transferred (except as provided in the preceding sentence), pledged, or hypothecated in any way (whether by operation of law or otherwise), and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Units contrary to the provisions of this Agreement, and any levy of any attachment or similar process upon the Units, shall be null and void and without effect.

12. Entire Agreement. This Agreement contains all the understandings between the parties hereto pertaining to the matters referred to herein, and supersedes all undertakings and agreements, whether oral or in writing, previously entered into by them with respect thereto. The Executive represents that, in executing this Agreement, he does not rely and has not relied upon any representation or statement not set forth herein made by the Company with regard to the subject matter, basis or effect of this Agreement or otherwise.

13. Amendment or Modification; Waiver. No provision of this Agreement may be amended, modified or waived unless such amendment or modification is agreed to in writing, signed by the Executive and by a duly authorized officer of the Company, and such waiver is set forth in writing and signed by the party to be charged. No waiver by any party hereto of any breach by another party hereto of any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar condition or provision at the same time, any prior time or any subsequent time.

14. Notices. Any notice to be given hereunder shall be in writing and shall be deemed given when delivered personally, sent by courier or telecopy or registered or certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

To the Executive: at Executive's most recent address on the records of the Company

To the Company:

Integra LifeSciences Holdings Corporation
311 Enterprise Drive
Plainsboro, NJ 08536
Attention: Chairman
Facsimile: 609-275-9006
(with a copy to the Company's General Counsel)

Any notice delivered personally or by courier under this Section 14 shall be deemed given on the date delivered and any notice sent by telecopy or registered or certified mail, postage prepaid, return receipt requested, shall be deemed given on the date telecopied or mailed.

15. Severability. If any provision of this Agreement or the application of any such provision to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those to which it is so determined to be invalid and unenforceable, shall not be affected thereby, and each provision hereof shall be validated and shall be enforced to the fullest extent permitted by law.

16. Noncontravention. The Company represents that the Company is not prevented from entering into, or performing, this Agreement by the terms of any law, order, rule or regulation, its certificate of incorporation or by-laws, or any agreement to which it is a party.

17. Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement or Executive's employment to the extent necessary for the intended preservation of such rights and obligations.

18. Successors. This Agreement shall inure to the benefit of and be binding upon each successor of the Company, and upon the Executive's beneficiaries, legal representatives or estate, as the case may be.

19. Construction. Except as would be in conflict with any specific provision herein, this Agreement is made under and subject to the provisions of the Plan as in effect on the Grant Date and, except as would conflict with the provisions of this Agreement, all of the provisions of the Plan as in effect on the Grant Date are hereby incorporated herein as provisions of this Agreement. In the event of any such conflict, the terms of this Agreement shall govern.

20. Governing Law. This agreement will be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of laws principles.

21. Headings. All descriptive headings of sections and paragraphs in this Agreement are for convenience of reference only, and they form no part of this Agreement and shall not affect its interpretation.

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

23. Section 409A of the Code. This Agreement is intended to comply with the requirements of Section 409A of the Code, and shall in all respects be administered and interpreted in accordance with Section 409A. Notwithstanding anything in the Agreement to the contrary, payment may only be made under the Agreement upon an event and in a manner permitted by Section 409A of the Code. If a payment is not made by the designated payment date under the Agreement, the payment shall be made by December 31 of the calendar year in which the designated date occurs. Any payment to be made upon a termination of employment under this Agreement may only be made upon a Separation from Service. To the extent that any provision of the Agreement would cause a conflict with the requirements of Section 409A of the Code, or would cause the administration of the Agreement to fail to satisfy the requirements of

Section 409A, such provision shall be deemed null and void to the extent permitted by applicable law.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Contract Stock / Restricted Units Agreement as of the date first above written.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By: _____
Name: Stuart M. Essig
Title: Executive Chairman of the Board

EXECUTIVE

_____
Peter J. Arduini

Notice of Grant of Award and Award Agreement	Integra LifeSciences Holdings Corporation ID: 51-0317849 311 Enterprise Drive Plainsboro, New Jersey 08536

%%FIRST_NAME%-% %%MIDDLE_NAME%-% %%LAST_NAME%-% %%ADDRESS_LINE_1%-% %%ADDRESS_LINE_2%-% %%ADDRESS_LINE3%-% %%CITY%-%, %%STATE%-% %%COUNTRY%-% %%ZIP%-%	Award Number: %%OPTION_NUMBER%-% Plan: %%EQUITY_PLAN%-% ID: %%EMPLOYEE_IDENTIFIER%-%

Effective %%OPTION_DATE,'Month DD, YYYY'%-%, you have been granted a target number of %%TARGET_SHARES_GRANTED,'999,999,999'%-% shares of Performance Stock based on a closing price of Integra common stock of US%%MARKET_VALUE,'$999,999,999.99'%-%. Each share of Performance Stock represents the right to receive one share of Integra common stock upon the achievement of certain revenue growth goals covering the [2018-2020] performance period, as described in the Award Agreement. Following certification of the level of achievement of the revenue growth goal for each fiscal year of the performance period, and subject to your continued service through the applicable vesting date, the Company will issue to you the applicable number of shares of Integra common stock free of restrictions, less any shares withheld for taxes.

The goals associated with these shares of Performance Stock provide the following vesting opportunities (subject to, and as set forth in, the Award Agreement):

Vest Period	Target Date	Metrics
1	[____]	With respect to fiscal year [2018], thirty-three percent (33%) of the target number of shares of Performance Stock shall vest at the applicable Performance Vesting Percentage specified in Exhibit A attached hereto on the 1st anniversary of the Award Date.
2	[____]	With respect to fiscal year [2019], thirty-three percent (33%) of the target number of shares of Performance Stock shall vest at the applicable Performance Vesting Percentage specified in Exhibit A attached hereto on the 2nd anniversary of the Award Date.
3	[____]	With respect to fiscal year [2020], thirty-four percent (34%) of the target number of shares of Performance Stock shall vest at the applicable Performance Vesting Percentage specified in Exhibit A attached hereto on the 3rd anniversary of the Award Date.

Please read the documents carefully and indicate your acceptance of the grant below.

By your signature and the Company's signature below, you and the Company agree that this Award is granted under and governed by the terms and conditions of the Company's Plan, as amended, and the Award Agreement.

%%**OPTION_DATE,'Month DD, YYYY'**%-%

Integra LifeSciences Holdings Corporation Date

Electronic signature to be provided and recorded via online grant acceptance process on www.etrade.com

%%FIRST_NAME%-% %%MIDDLE_NAME%-%
%%LAST_NAME%-%

PERFORMANCE STOCK AGREEMENT

THIS PERFORMANCE STOCK AGREEMENT (the "Award Agreement"), dated as of %%OPTION_DATE,'Month DD, YYYY'%-% (the "Award Date"), is made by and between Integra LifeSciences Holdings Corporation, a Delaware corporation (the "Company"), and %%FIRST_NAME%-% %%MIDDLE_NAME%-% %%LAST_NAME%-%, an employee of the Company (or one or more of its Related Corporations or Affiliates), hereinafter referred to as the "Participant."

WHEREAS, the Company has determined to grant to the Participant an award of Performance Stock (as defined below), on the terms set forth herein, under the Integra LifeSciences Holdings Corporation Fourth Amended and Restated 2003 Equity Incentive Plan, as amended (the "Plan"), the terms of which are hereby incorporated by reference and made part of this Award Agreement.

NOW, **THEREFORE**, in consideration of the various covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS

Capitalized terms not otherwise defined below shall have the meaning set forth in the Plan. The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Section 1.1 **Annual Revenue**. "Annual Revenue" shall mean the Company's gross revenue with respect to an applicable fiscal year; provided that in the event the Company sells or otherwise disposes of any business unit or division in a fiscal year during the Performance Period, the Annual Revenue for such year and for any prior fiscal year(s) shall not include any revenue attributable to such business unit or division.

Section 1.2 **Catch-Up Performance Goal**. "Catch-Up Performance Goal" shall mean the specific goal determined by the Committee, as specified in Exhibit A.

Section 1.3 **Catch-Up Shares**. "Catch-Up Shares" shall have the meaning as specified in Exhibit A.

Section 1.4 **Cause**. "Cause" shall have the meaning set forth in the Employment Agreement.

Section 1.5 **Change in Control**. "Change in Control" shall have the meaning set forth in the Plan.

Section 1.6 **Chief Human Resources Officer**. "Chief Human Resources Officer" shall mean the Chief Human Resources Officer of the Company.

Section 1.7 **Employment Agreement**. "Employment Agreement" shall mean that Third Amended and Restated Employment Agreement, effective January 1, 2018, between the Company and the Participant (as may be amended from time to time).

Section 1.8 **Good Reason**. "Good Reason" shall have the meaning set forth in the Employment Agreement.

Section 1.9 **Performance Goals**. "Performance Goals" shall mean the specific goal or goals determined by the Committee, as specified in Exhibit A, including (if applicable) the Catch-Up Performance Goal.

Section 1.10 **Performance Period**. "Performance Period" shall mean the period or periods of time that the Performance Goals must be met, as specified in Exhibit A.

Section 1.11 **Performance-Vest**. "Performance-Vest" shall mean that, with respect to a share of Performance Stock, the applicable Performance Goal has been achieved.

Section 1.12 **Performance Vesting Percentage**. "Performance Vesting Percentage" shall mean the percentage determined in accordance with Exhibit A attached hereto, which is a function of whether and to what extent the Performance Goals are achieved during the Performance Period.

Section 1.13 **Qualifying Termination**. "Qualifying Termination" shall mean a Termination of Service by the Company without Cause or by the Participant for Good Reason or a termination of employment by the Participant due to the Participant's Retirement.

Section 1.14 **Retirement**. "Retirement" shall mean a termination of the Participant's employment by the Participant following the date on which the Participant becomes Retirement Eligible; *provided*, that the Participant provides no less than six (6) months' prior written notice of such termination of employment unless a shorter period of time is agreed to by the Committee.

Section 1.15 **Retirement Eligible**. "Retirement Eligible" shall mean the Participant has attained the age of 55 and has been in continuous service to the Company or its Related Corporations as an employee or Associate for ten (10) years or more.

Section 1.16 **Rule 16b-3**. "Rule 16b-3" shall mean that certain Rule 16b-3 under the Exchange Act, as such Rule may be amended from time to time.

Section 1.17 **Termination of Service**. "Termination of Service" shall mean the time when the Participant ceases to provide services to the Company and its Related Corporations and Affiliates as an employee or Associate for any reason with or without Cause, including, but not by way of

limitation, a termination by resignation, discharge, death, or Disability. A Termination of Service shall not include a termination where the Participant is simultaneously reemployed by, or remains employed by, or continues to provide services to, the Company and/or one or more of its Related Corporations and Affiliates or a successor entity thereto.

Section 1.18 **Vest or Vested**. "Vest" or "Vested" shall mean that, with respect to a share of Performance Stock, both (i) such share of Performance Stock has Performance-Vested and (ii) the continued service condition has been satisfied.

ARTICLE II.
AWARD OF PERFORMANCE STOCK

Section 2.1 **Award of Shares of Performance Stock**. Effective as of the Award Date, the Company grants to the Participant an award of %%**TOTAL_SHARES_GRANTED,'999,999,999'**%-% target shares of Performance Stock (the "Target Performance Shares"). Each share of Performance Stock represents the Participant's right to receive one Share under this Award Agreement if the Performance Goals are met during the Performance Period and the vesting conditions set forth herein are satisfied.

Section 2.2 **Forfeiture**. Shares of Performance Stock shall be subject to forfeiture as provided in Section 3.2 below.

Section 2.3 **Dividend Equivalents**. The Participant shall be entitled to receive, with respect to each outstanding Vested but unissued share of Performance Stock, dividend equivalent amounts equal to the regular quarterly cash dividend paid or made with respect to the Shares underlying such Vested but unissued shares of Performance Stock (to the extent regular quarterly cash dividends are paid). Such dividend equivalent amounts shall be aggregated and paid to the Participant within thirty (30) days following the date on which the Shares underlying the Vested shares of Performance Stock are issued to the Participant, but in no event later than December 31 of the year in which the Shares underlying the Vested shares of Performance Stock are issued to the Participant. Notwithstanding the foregoing, if a "Change in Control" occurs prior to the date on which such dividend equivalent amounts are paid, such dividend equivalent amounts shall be paid to the Participant on the date of the Change in Control; *provided, however,* that such payment shall only occur if the Change in Control meets the requirements of Section 409A(a)(2)(A)(v) of the Internal Revenue Code of 1986, as amended (the "Code") and its corresponding regulations. For the avoidance of doubt, such dividend equivalent amounts shall only be paid to the extent that the shares of Performance Stock are Vested as of the applicable dividend payment date, and the Participant shall not be entitled to receive any dividend equivalent amounts with respect to shares of Performance Stock that have not Vested as of such dividend payment date. The dividend equivalents and any amounts that may become payable in respect thereof shall be treated separately

from the shares of Performance Stock and the rights arising in connection therewith for purposes of the designation of time and form of payments required by Code Section 409A.

Section 2.4 Voting Rights. The Participant shall not have any voting rights in respect of the shares of Performance Stock and any Shares underlying the shares of Performance Stock unless and until such Shares shall have been issued by the Company and the Participant becomes the holder of record of such Shares (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company).

ARTICLE III.
RESTRICTIONS

Section 3.1 Vesting.

(a) Subject to paragraph (b) below and Sections 3.2 and 3.5 below, shares of Performance Stock shall Vest in cumulative installments as follows:

(i) With respect to fiscal year [2018], a number of shares of Performance Stock equal to the product of (x) thirty-three percent (33%) of the Target Performance Shares, multiplied by (y) the applicable Performance Vesting Percentage determined in accordance with Exhibit A attached hereto, shall Vest on the first anniversary of the Award Date;

(ii) With respect to fiscal year [2019], a number of shares of Performance Stock equal to the product of (x) thirty-three percent (33%) of the Target Performance Shares, multiplied by (y) the applicable Performance Vesting Percentage determined in accordance with Exhibit A attached hereto, shall Vest on the second anniversary of the Award Date; and

(iii) With respect to fiscal year [2020], a number of shares of Performance Stock equal to the product of (x) thirty-four percent (34%) of the Target Performance Shares, multiplied by (y) the applicable Performance Vesting Percentage determined in accordance with Exhibit A attached hereto, shall Vest on the third anniversary of the Award Date.

(b) Subject to Sections 3.2 and 3.5 below, in the event that the Company achieves the Catch-Up Performance Goal with respect to the Performance Period, then any Catch-Up Shares shall Vest on the third anniversary of the Award Date.

Section 3.2 Effect of Termination of Service; Forfeiture.

(a) In the event the Participant incurs, prior to or on the last day of the Performance Period, (i) a Qualifying Termination or (ii) a Termination of Service by reason of the Participant's Disability or death, and further subject to the Participant's ongoing compliance with the restrictive

covenants contained in Section 19(c) of the Employment Agreement, any shares of Performance Stock which have not Vested in accordance with Section 3.1 above on or prior to such termination shall remain outstanding and eligible to Vest in accordance with Section 3.1 above and Section 3.5 below based on the Company's achievement of the Performance Goals during the Performance Period.

(b) Immediately upon the Participant's Termination of Service that is not a Qualifying Termination or by reason of the Participant's Disability or death, the Participant shall automatically and without further action forfeit all shares of Performance Stock (and all dividend equivalent rights with respect to such shares of Performance Stock) which have not Vested in accordance with Section 3.1 above or Section 3.5 below on or prior to such termination, and the Participant shall have no further right to or interest in or with respect to such shares of Performance Stock (or such dividend equivalents).

(c) Any shares of Performance Stock that do not Performance-Vest in connection with a Change in Control pursuant to Sections 3.5(a) and 3.5(b) below (and all dividend equivalent rights with respect to such shares of Performance Stock) shall thereupon automatically be forfeited as of such Change in Control, and the Participant shall have no further right to or interest in or with respect to such shares of Performance Stock (or such dividend equivalents).

(d) Any shares of Performance Stock that fail to vest as of the third anniversary of the Award Date (and all dividend equivalent rights with respect to such Performance Stock) shall automatically and without further action be cancelled and forfeited, and the Participant shall have no further right to or interest in or with respect to such unvested shares of Performance Stock (or such dividend equivalents).

Section 3.3 Issuance of Shares.

(a) Subject to a determination of the Committee as to whether and to what extent the applicable Performance Goals have been met, Shares represented by shares of Performance Stock which Vest pursuant to Section 3.1 above or Section 3.5 below shall be issued to the Participant or his or her legal representative on or within five (5) business days following the date on which such shares of Performance Stock Vest pursuant to Section 3.1 above or Section 3.5 below (but in no event later than December 31 of the applicable year in which such shares of Performance Stock Vest).

(b) All Shares issued hereunder shall be issued in certificated form or shall be recorded with the Company's transfer agent. All such Shares shall be issued free from any restrictions; *provided*, *however*, that such Shares shall be subject to any restrictions and conditions as may be required pursuant to Section 4.6 below and those that the Company imposes on its employees in general with respect to selling its Shares. Notwithstanding the foregoing, the Company shall not be required to issue or record such Shares in the name of the Participant or his or her legal representative unless the Participant or his or her legal representative shall have satisfied the full amount of all federal, state and local withholding or other employment taxes applicable to the taxable income of the Participant resulting from the vesting of the shares of Performance Stock and issuance of the Shares as provided in this Award Agreement (including, without limitation, in the manner set forth in Section 4.3 below).

Section 3.4 **Clawback**. Notwithstanding anything contained in the Plan or the Award Agreement to the contrary, the shares of Performance Stock, and any related payments, shall be subject to the provisions of any clawback, repayment or recapture policy implemented by the Company, including any such policy adopted to comply with applicable law (including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act) or securities exchange listing standards and any rules or regulations promulgated thereunder, to the extent set forth in such policy and/or in any notice or agreement relating to the shares of Performance Stock under the Plan.

Section 3.5 **Change in Control**. In the event that a Change in Control occurs during the Performance Period:

(a) A number of shares of Performance Stock shall Performance-Vest equal to a number determined at the greater of (i) the achievement of the "Target Level" Performance Vesting Percentage with respect to the fiscal year in which the Change in Control occurs, as specified in Exhibit A attached hereto and (ii) the Company's actual achievement of the Performance Goal for such year through the Change in Control. Subject to Sections 3.5(d) and (e) below, such Performance-Vested shares of Performance Stock shall remain outstanding and eligible to Vest on the anniversary of the Award Date immediately following the Change in Control, subject to the Participant's continuous service.

(b) In addition, and subject to Sections 3.5(d) and (e) below, a number of shares of Performance Stock shall Performance-Vest equal to the number of shares of Performance Stock that could vest with respect to each fiscal year of the Performance Period following the fiscal year in which the Change in Control occurs (if any) based on the achievement of the "Target Level" Performance Vesting Percentage with respect to each such year, as specified in Exhibit A, and shall

remain outstanding and eligible to Vest on the date(s) outlined in Section 3.1(a)(ii) and/or (iii) (excluding any Catch-Up Shares which are forfeited in the event of a Change in Control), subject to the Participant's continued service.

(c) In addition, if the Change in Control occurs following the completion of a fiscal year in the Performance Period but prior to the date on which shares of Performance Stock with respect to such year become Vested pursuant to Section 3.1(a) above, then such shares of Performance Stock shall Vest as of immediately prior to the Change in Control in a number determined in accordance with Section 3.1(a) above.

(d) If the Participant incurred a (1) Qualifying Termination or (2) a Termination of Service by reason of the Participant's Disability or death, in either case, prior to the Change in Control date, then any shares of Performance Stock that Performance-Vest in accordance with Sections 3.5(a) and (b) above shall Vest as of immediately prior to the Change in Control.

(e) Notwithstanding Sections 3.5(a) and 3.5(b) above, if the Participant incurs (1) a Qualifying Termination or (2) a Termination of Service by reason of the Participant's Disability or death, in either case, on or following a Change in Control and prior to or on the last day of the Performance Period, then any Performance-Vested shares of Performance Stock that are then-outstanding and have not yet Vested shall Vest in full upon such termination.

ARTICLE IV.
MISCELLANEOUS

Section 4.1 **No Additional Rights**. Nothing in this Award Agreement or in the Plan shall confer upon any person any right to a position as an Associate or continued employment by the Company or any of its Related Corporations or Affiliates or affect in any way the right of any of the foregoing to terminate the services of an individual at any time.

Section 4.2 **Anti-Assignment**. The Participant shall have no right to sell, assign, transfer, pledge, or otherwise encumber or dispose of the Participant's award of shares of Performance Stock.

Section 4.3 **Tax Withholding**. In satisfaction of all applicable requirements with respect to amounts required by federal, state or local tax law to be withheld with respect to the vesting, distribution or payment of the shares of Performance Stock, the Company shall withhold Shares otherwise issuable upon such distribution or payment of the shares of Performance Stock having a Fair Market Value equal to the sums required to be withheld. Subject to the following sentence, the number of Shares which shall be so withheld in order to satisfy the Participant's federal, state and local withholding tax liabilities with respect to the vesting of the shares of Performance Stock or issuance of Shares in payment of the shares of Performance Stock shall be limited to the number of Shares which have a Fair Market Value on the date of issuance equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state and local tax

purposes that are applicable to, and required in connection with, all or a portion of such supplemental taxable income. In the event that the number of Shares having a Fair Market Value equal to the sums required to be withheld is not a whole number of Shares, the number of Shares so withheld shall be rounded up to the nearest whole share. In addition, to the extent that any Federal Insurance Contributions Act tax withholding obligations arise in connection with the Performance Stock prior to the applicable vesting date, the Administrator shall accelerate the payment of a portion of the award of Performance Stock sufficient to satisfy (but not in excess of) such tax withholding obligations and any tax withholding obligations associated with any such accelerated payment, and the Administrator shall withhold such amounts in satisfaction of such withholding obligations.

Section 4.4 **Notices**. Any notice to be given under the terms of this Award Agreement to the Company shall be addressed to the Company in care of its Chief Human Resources Officer, and any notice to be given to the Participant shall be addressed to the Participant at his or her address of record maintained by the Human Resources Department. By a notice given pursuant to this Section 4.4, either party may hereafter designate a different address for notices to be given to it or him. Any notice which is required to be given to the Participant shall, if the Participant is then deceased, be given to the Participant's personal representative if such representative has previously informed the Company of his or her status and address by written notice under this Section 4.4. Any notice shall have been deemed duly given when enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

Section 4.5 **Titles**. Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

Section 4.6 **Conformity to Securities Laws**. This Award Agreement is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, including, without limitation, Rule 16b-3. Notwithstanding anything herein to the contrary, this Award Agreement shall be administered, and the shares of Performance Stock shall be issued, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, this Award Agreement and the shares of Performance Stock issued hereunder shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

Section 4.7 **Amendment**. This Award Agreement may be amended only by a writing executed by the parties hereto which specifically states that it is amending this Award Agreement.

Section 4.8 **Governing Law**. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Award Agreement regardless of the law that might be applied under principles of conflicts of laws.

Section 4.9 **Section 409A**. This Award Agreement shall be interpreted in accordance with the requirements of Section 409A of the Code. Notwithstanding any provision in this Award Agreement to the contrary, if a payment is deemed to be deferred compensation subject to the requirements of Section 409A of the Code, such payment may only be made under this Award Agreement upon an event and in a manner permitted by Section 409A of the Code. If a payment is not made by the designated payment date under this Award Agreement, the payment shall be made by December 31 of the calendar year in which the designated date occurs. In no event may the Participant, directly or indirectly, designate the calendar year of payment. A termination of service shall not be deemed to have occurred for purposes of any provision of this Award Agreement providing for the payment of any amounts or benefits upon or following a termination of service that are considered "nonqualified deferred compensation" under Section 409A of the Code unless such termination is also a "separation from service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this award Agreement, references to a "termination," "termination of employment," "Termination of Service" or like terms shall mean "separation from service." Notwithstanding anything to the contrary in this Award Agreement, no amounts payable to the Participant under this Award Agreement shall be paid to the Participant prior to the expiration of the 6-month period following the Participant's "separation from service" if the Company determines that paying such amounts at the time or times indicated in this Award Agreement would be a prohibited distribution under Section 409A(a)(2)(b)(i) of the Code. If the payment of any such amounts is delayed as a result of the previous sentence, then on the first day following the end of such 6-month period, the Company shall pay the Participant a lump-sum amount equal to the cumulative amount that would have otherwise been payable to the Participant during such 6-month period.

Section 4.10 **Electronic Delivery and Acceptance**. The Participant hereby consents to receive the Notice of Grant of Award and Award Agreement and any other documents related to this award or future awards by electronic delivery and to accept this or future awards through an on-line or electronic system established and maintained by the Company or another third party designated by the Company. The Participant acknowledges that he has read, understand and agrees to the terms of the Notice of Grant of Award and Award Agreement. Clicking the "ACCEPT" button on E*TRADE's on-line grant agreement response page will act as the Participant's electronic signature to these documents and will result in a contract between the Company and the Participant with respect to the award.

[*Signature page follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Performance Stock Agreement as of the date first above written.

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

By: _____
Name:
Title:

PARTICIPANT
Electronic signature to be provided and recorded via online grant acceptance process on www.etrade.com

_____
Electronic signature to be provided and recorded via online grant acceptance process on www.etrade.com
Electronic signature to be provided and recorded via online grant acceptance process on www.etrade.com
%%FIRST_NAME%-% %%MIDDLE_NAME%-%
%%LAST_NAME%-%

EXHIBIT A

PERFORMANCE GOALS AND PERFORMANCE PERIOD

Capitalized terms shall have the meaning set forth in Performance Stock Agreement.

The "Performance Period" shall be the three-year period beginning January 1, [2018] and ending December 31, [2020].

The "Initial Revenue Target" shall mean the final revenue results as disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, [2017].

The "Catch-Up Performance Goal" shall mean that the Company achieves, as of the end of the Performance Period (but not due to a Change in Control), an increase in Annual Revenue of at least [21%] over the Initial Revenue Target.

With respect to each fiscal year in the Performance Period, the "Performance Goal" is that the Company achieves a Threshold Level or higher increase in Annual Revenue over the Initial Revenue Target, as set forth in the table below. A number of shares of Performance Stock will Performance-Vest in accordance with Section 3.1 of the Performance Stock Agreement based on the percentage increase in Annual Revenue over the Initial Revenue Target:

		Annual Revenue Target ($)	**Increase in Annual Revenue over the Initial Revenue Target (%)**	**Performance Vesting Percentage**
[2018] PERFORMANCE YEAR				
		< $[˜]	[< 3%]	[0%]
"Threshold Level"		$[˜]	[3%]	[50%]
"Target Level"		$[˜]	[7%]	[100%]
"Maximum Level"		≥ $[˜]	[≥ 11%]	[150%]
[2019] PERFORMANCE YEAR				
		< $[˜]	[< 6%]	[0%]
"Threshold Level"		$[˜]	[6%]	[50%]
"Target Level"		$[˜]	[14%]	[100%]
"Maximum Level"		≥ $[˜]	[≥ 22%]	[150%]
[2020] PERFORMANCE YEAR				
		< $[˜]	[< 9%]	[0%]
"Threshold Level"		$[˜]	[9%]	[50%]
"Target Level"		$[˜]	[21%]	[100%]
"Maximum Level"		≥ $[˜]	[≥ 33%]	[150%]

In the event that the increase in Annual Revenue over the prior fiscal 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 in the event that the increase in Annual Revenue over the prior fiscal 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.

Notwithstanding the forgoing, in the event that (i) a Change in Control does not occur during the Performance Period, (ii) the Performance Goal with respect to a given fiscal year in the Performance Period is not achieved at the applicable Target Level or higher, and (iii) the Catch-Up Performance Goal is achieved, then a number of shares of Performance Stock equal to the difference between (x) the number of shares of Performance Stock which would have Vested in the event that the Performance Goal had been achieved at the Target Level with respect to such fiscal year and (y) the number of shares of Performance Stock which actually became Vested based on the applicable Performance Vesting Percentage for such fiscal year, shall become Vested in accordance with Section 3.1(b) of the Performance Stock Agreement (such number of shares, the “Catch-Up Shares”).

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Peter J. Arduini, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integra LifeSciences Holdings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2017

/s/ Peter J. Arduini

Peter J. Arduini

President and Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Glenn G. Coleman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Integra LifeSciences Holdings Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2017

/s/ Glenn G. Coleman

Glenn G. Coleman

Corporate Vice President and Chief Financial Officer

Exhibit 32.1

Certification of Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Peter J. Arduini, President and Chief Executive Officer of Integra LifeSciences Holdings Corporation (the "Company"), hereby certify that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2017 (the "Report") fully complies with the requirement of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2017

/s/ Peter J. Arduini

Peter J. Arduini

President and Chief Executive Officer

Exhibit 32.2

Certification of Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Glenn G. Coleman, Corporate Vice President and Chief Financial Officer of Integra LifeSciences Holdings Corporation (the "Company"), hereby certify that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2017 (the "Report") fully complies with the requirement of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 26, 2017

/s/ Glenn G. Coleman

Glenn G. Coleman

Corporate Vice President and Chief Financial Officer