

officer continued participation in all group insurance, life insurance, health and accident, disability and other employee benefit plans of the Company in which the officer would have been entitled to participate had the officer's employment not terminated, at no cost, for a period ending on the earlier to occur of (i) the first anniversary of the officer's last day of employment, or (ii) the officer's death, provided the continued participation in such plan is not prohibited by the terms of the plan or for legal reasons.

If any payment or benefit provided to the officer would be subject to the excise tax under Section 4999 of the Code, the amounts payable and the benefits provided will be reduced so that no amounts the officer would receive would be subject to the excise tax under Section 4999 of the Code if such reduction would result in the officer receiving an increased amount on an after-tax basis if no reduction had occurred

Restrictive Covenants

The agreements provide that during the term of this agreement, and for the one year period after the officer's termination of employment with the Company, the officer will be subject to certain covenants not to compete against the Company.

Ms. Leonetti's Severance Agreement is attached as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated by reference into this Item. Mr. Paltridge's Severance Agreement is attached as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference into this Item.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

Exhibit Number	Description of Exhibit
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10.1	Severance Agreement, dated as of March 1, 2006, by and between Integra LifeSciences Holdings Corporation and Deborah A. Leonetti.
10.2	Severance Agreement, dated as of March 1, 2006, by and between Integra LifeSciences Holdings Corporation and Robert D. Paltridge.

SIGNATURES

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

INTEGRA LIFESCIENCES HOLDINGS CORPORATION

Date: April 13, 2005

By: /s/ Stuart M. Essig

Stuart M. Essig
President and Chief Executive Officer

Exhibit Index

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10.2	Severance Agreement, dated as of March 1, 2006, by and between Integra LifeSciences Holdings Corporation and Robert D. Paltridge.

SEVERANCE AGREEMENT

This severance agreement (this "Agreement") is made as of the 1st day of March 2006 by and between Integra LifeSciences Holdings Corporation, a Delaware Corporation, and Deborah A. Leonetti ("Executive").

Background

WHEREAS, this Agreement is intended to specify the financial arrangements that the Company will provide to Executive upon Executive's separation from employment with the Company in connection with or after a Change in Control, as defined.

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 mean a minimum base salary of \$230,000 per year ("Base Salary"), payable in periodic installments in accordance with Company's regular payroll practices in effect from time to time. Executive's Base Salary shall be subject to annual reviews, and may increase pursuant to such reviews, in which case the increased Base Salary shall become the "Base Salary."
- (b) "Board" shall mean the Board of Directors of Company, or any successor thereto.
- (c) "Cause," as determined by the Board in good faith, shall mean Executive has --
 - (1) failed to perform her stated duties in all material respects, which failure continues for 15 days after her receipt of written notice of the failure;
 - (2) intentionally and materially breached any provision of this Agreement and not cured such breach (if curable) within 15 days of her receipt of written notice of the breach;
 - (3) demonstrated her personal dishonesty in connection with her employment by Company;
 - (4) engaged in a breach of fiduciary duty in connection with her employment with the Company;
 - (5) engaged in willful misconduct that is materially and demonstrably injurious to the Company or any of its subsidiaries; or
 - (6) has been convicted or has 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 Company shall be deemed to have occurred:
 - (1) 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 Company, any trustee or other fiduciary holding securities under any employee benefit plan of Company or an affiliate thereof, or any corporation owned, directly or indirectly, by the stockholders of Company in substantially

the same proportions as their ownership of stock of Company (for purposes of this Agreement, "Company Voting Securities" shall mean the then outstanding voting securities of Company entitled to vote generally in the election of directors); provided, however, that any acquisition from Company or any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of paragraph (3) of this definition shall not be a Change in Control under this paragraph (1); or

- (2) 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 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

- (3) upon consummation by Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Company or the acquisition of assets or stock of any entity (a "Business Combination"), in each case, unless immediately following such Business Combination: (i) 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 Company or all or substantially all of 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; (ii) no Person (excluding any employee benefit plan (or related trust) of 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 Company existed prior to the Business Combination; and (iii) 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
- (4) upon approval by the stockholders of Company of a complete liquidation or dissolution of Company.
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended.

- (f) "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.
- (g) "Disability" shall mean Executive's inability to perform her 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:
- (1) a material breach of this Agreement by Company which is not cured by Company within 15 days of its receipt of written notice of the breach;
 - (2) during the one-year period following a Change in Control, the relocation by the Company of the Executive's office to a location more than forty (40) miles from Princeton, New Jersey, or, where Executive's office is located other than at the Company's headquarters in Plainsboro, New Jersey, to a location more than forty (40) miles from the location of Executive's office on the date hereof;
 - (3) Company fails to obtain the assumption of this Agreement by any successor to Company; or
 - (4) during the one-year period following a Change in Control, the Company, without Executive's express written consent: (i) reduces Executive's base salary, bonus opportunity (if applicable) or the aggregate fringe benefits provided to Executive; or (ii) substantially alters the Executive's authority and/or title or otherwise diminishes the nature or status of Executive's responsibilities in a manner reasonably construed to constitute a demotion.
- (i) "Retirement" shall mean the termination of Executive's employment with Company in accordance with the retirement policies, including early retirement policies, generally applicable to Company's salaried employees.
- (j) "Termination Date" shall mean the date specified in the Termination Notice.
- (k) "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; (iii) specifies a Termination Date; and (iv) is given in the manner specified in Section 16(i).

2. Term of Agreement. The term of this Agreement shall commence on the date hereof as first written above and shall terminate on May 31, 2007, provided, that, notwithstanding any decision of the Company not to extend this Agreement, this Agreement shall continue in effect for a period of 12 months beyond the date on which a Change in Control occurs if a Change in Control shall have occurred during the term of this Agreement and while Executive is employed by the Company.

3. Termination of Employment.

(a) Prior to a Change in Control. Executive's rights upon termination of employment prior to a Change in Control shall be governed by the Company's standard employment termination policies and practices applicable to Executive in effect at the time of termination or, if applicable, any written employment agreement between the Company and Executive other than this Agreement in effect at the time of termination.

(b) After a Change in Control.

(i) From and after the date of a Change in Control during the term of this Agreement, the Company shall not terminate Executive from employment with the Company except as provided in this Section 3(b) or as a result of Executive's Disability, Retirement or death.

(ii) From and after the date of a Change in Control during the term of this Agreement, the Company shall have the right to terminate Executive from employment with the Company at any time during the term of this Agreement for Cause, by written notice to Executive, specifying the particulars of the conduct of Executive forming the basis for such termination.

(iii) From and after the date of a Change in Control during the term of this Agreement: (x) the Company shall have the right to terminate Executive's employment without Cause, at any time; and (y) Executive shall, upon the occurrence of such a termination by the Company without Cause, or upon the voluntary termination of Executive's employment by Executive for Good Reason, be entitled to receive the benefits provided in Section 4 hereof. Executive shall evidence a voluntary termination for Good Reason by written notice to the Company given within 60 days after the date of the occurrence of any event that Executive knows or should reasonably have known constitutes Good Reason for voluntary termination. Such notice need only identify Executive and set forth in reasonable detail the facts and circumstances claimed by Executive to constitute Good Reason. Any notice given by Executive pursuant to this Section 3 shall be effective five business days after the date it is given by Executive.

4. Payments Upon Termination of Employment.

(a) Termination with Salary Continuation . As consideration for the restrictive covenants contained in Section 5, in the event that within twelve months of a Change in Control (i) Executive terminates her employment for Good Reason, or (ii) Executive's employment is terminated by Company for a reason other than Retirement, Disability, death or Cause, then Company shall:

(i) pay Executive a severance amount equal to Executive's Base Salary (determined without regard to any reduction that would give rise to Good Reason) as of her last day of active employment; the severance amount shall be paid in a single sum on the first business day of the month following the Termination Date; and

(ii) maintain and provide to Executive, at no cost to Executive, for a period ending at the earliest of (i) the end of the twelfth month after the Termination Date and (ii) Executive's death, continued participation in all group insurance, life insurance, health and accident, disability, and other employee benefit plans in which Executive would have been entitled to participate had her employment with Company continued throughout such period, provided that such participation is not prohibited by the terms of the plan or by Company for legal reasons.

(iii) If any payment or benefit to Executive under this Agreement would be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code and, if, after reduction for any applicable federal excise tax imposed by Section 4999 of the Code (the "Excise Tax") and federal income tax imposed by the Code, Executive's net proceeds of the amounts payable and the benefits provided under this Agreement would be less than the amount of Executive's net proceeds resulting from the payment of the Reduced Amount described below, after reduction for federal income taxes, then the amount payable and the benefits provided under this Agreement shall be limited to the Reduced Amount. The "Reduced Amount" shall be the largest amount that could be received by Executive under this Agreement such that no amount paid to Executive under this Agreement and any other agreement, contract or understanding heretofore or hereafter entered into between Executive and the Company (the "Other Agreements") and any formal or informal plan or other arrangement heretofore or hereafter adopted by the Company for the direct or indirect provision of compensation to Executive (including groups or classes of participants or beneficiaries of which Executive is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Executive (a "Benefit Plan") would be subject to the Excise Tax. In the event the amount payable to Executive shall be limited to the Reduced Amount, then Executive shall have the right, in Executive's sole discretion, to designate those payments or benefits under this Agreement, any Other Agreements, and/or any Benefit Plans, that should be reduced or eliminated so as to avoid having the payment to Executive under this Agreement be subject to the Excise Tax.

(iv) Notwithstanding any other provision in this Agreement to the contrary, any payments that would constitute deferred compensation for

purposes of (and subject to) Section 409A of the Code shall be deferred for a period of six months following Executive's separation from service with the Company.

(b) Other Termination. In the event Executive's employment terminates other than as set forth in Section 4(a), Executive's rights upon termination shall be governed by the Company's standard employment termination policies and practices applicable to Executive in effect at the time of termination or, if applicable, any written employment agreement between the Company and Executive other than this Agreement in effect at the time of termination.

(c) Termination Notice. Except in the event of Executive's death, a termination of employment under this Agreement shall be effected by means of a Termination Notice.

5. Restrictive Covenants.

- (a) Covenant Not to Compete. During the term of this Agreement and for a period of one year following the Termination Date of Executive's employment, Executive shall not, without the express written consent of the Company, directly or indirectly: (I) engage, anywhere within the geographical areas in which the Company is conducting business operations or providing services as of the date of Executive's termination of employment, in the tissue engineering business (the use of implantable absorbable materials, with or without a bioactive component, to attempt to elicit a specific cellular response in order to regenerate tissue or to impede the growth of tissue or migration of cells) (the "Tissue Engineering Business"), neurosurgery business (the use of surgical instruments, implants, monitoring products or disposable products to treat the brain or central nervous system) ("Neurosurgery Business"), instrument business (general surgical handheld instruments used for general purposes in surgical procedures) ("Instrument Business"), reconstruction business (bone fixation devices for foot and ankle reconstruction procedures) ("Reconstruction Business") or in any other line of business the revenues of which constituted at least 50% of the Company's revenues during the six (6) month period prior to the Termination Date (together with the Tissue Engineering Business, Neurosurgery Business, Instrument Business and Reconstruction Business, 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 to procure orders from or do business with any customer of 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 Company; (V) seek to contract

with or engage (in such a way as to adversely affect or interfere with the business of Company) any person or entity who has been contracted with or engaged to manufacture, assemble, supply or deliver products, goods, materials or services to Company; or (VI) engage in or participate in any effort or act to induce any of the customers, associates, consultants, or employees of Company to take any action which might be disadvantageous to Company; provided, however, that nothing herein shall prohibit Executive and her 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, however, that nothing set forth in this Section 5(a) shall prohibit Executive from becoming an employee or agent of, or consultant to, any entity that is engaged in the Business so long as Executive does not engage in any activities in the Business in any capacity for said entity.

- (b) Confidentiality. Executive acknowledges a duty of confidentiality owed to Company and shall not, at any time during or after her employment by 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 Company obtained or acquired by him while so employed. 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 Company are acknowledged to be the property of Company and shall not be duplicated, removed from Company's possession or premises or made use of other than in pursuit of 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 Company and, upon termination of employment for any reason, Executive shall deliver to Company all copies thereof which are then in her possession or under her 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.
- (c) Inventions and Improvements. Executive shall promptly communicate to Company all ideas, discoveries and inventions which are or may be useful to 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 her employment with Company heretofore or hereafter gained by him at any time during her employment with Company are the property of Company, and Executive hereby irrevocably assigns all such ideas, discoveries, inventions and improvements to Company for its sole use and benefit,

without additional compensation. The provisions of this Section 5(c) 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 Company's business interests (including potential business interests), and whether or not within the specific realm of her duties. Executive shall, upon request of Company, but at no expense to Executive, at any time during or after her employment with Company, sign all instruments and documents reasonably requested by Company and otherwise cooperate with 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.

- (d) Breach of Covenant. Executive expressly acknowledges that damages alone will be an inadequate remedy for any breach or violation of any of the provisions of this Section 5 and that Company, in addition to all other remedies, shall be entitled as a matter of right to equitable relief, including injunctions and specific performance, in any court of competent jurisdiction. If any of the provisions of this Section 5 are held to be in any respect unenforceable, then they shall be deemed to extend only over the maximum period of time, geographic area, or range of activities as to which they may be enforceable.
- (e) Survivability. Executive's obligations under this Section 5 shall survive termination of this Agreement and/or termination of Executive's employment regardless of the manner of termination and shall be binding upon Executive's heirs, executors, administrators and legal representatives.

6. Condition to Payment. Executive's receipt of the compensation benefits set forth herein are expressly conditioned upon the individual's execution of a general release satisfactory to the Company.

7. No Duty to Mitigate. Executive shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for herein be reduced by any compensation earned by other employment or otherwise.

8. No Set-off. Following a Change in Control, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or otherwise arising.

9. Limitation on Obligations of Company. Executive understands that this Agreement does not create an obligation on the Company or any other person or entity to continue her employment or to exploit any Inventions. Executive understands and acknowledges that her employment with the Company is for an unspecified duration and constitutes "at-will" employment and that this employment relationship may be terminated at any time, with or without cause, either at my or the Company's option, with or without notice.

10. Executive Duties. Executive shall not terminate employment with the Company without giving 30 days' prior notice to the Board, and during such 30-day period Executive will assist, as and to the extent reasonably requested by the Company, in training the successor to Executive's position with the Company. The provisions of this Section 10 shall not apply to any termination (voluntary or involuntary) of the employment of Executive pursuant to Section 4(a) hereof.

11. Withholding. 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.

12 Assignability. Company may assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any entity to which 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 Company hereunder as fully as if it had been originally made a party hereto. Company may not otherwise assign this Agreement or its rights and obligations hereunder. This Agreement is personal to Executive and her rights and duties hereunder shall not be assigned except as expressly agreed to in writing by Company.

13. Death of Executive. 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 as soon as practicable after Executive's death to Executive's surviving spouse, or if none, to the duly appointed personal representative of her estate.

14. Legal Expenses. In the event of a termination pursuant to Section 4(a) hereof, the Company shall also pay to Executive all reasonable legal fees and expenses incurred by Executive as a result of such termination of employment (including all fees and expenses, if any, incurred by Executive in contesting or disputing any such termination or in seeking to obtain to enforce any right or benefit provided to Executive by this Agreement whether by arbitration or otherwise).

15. 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 Company's behalf.

- (b) Nature of Obligations. Nothing contained herein shall create or require 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 Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.
- (c) ERISA. For purposes of the Executive Retirement Income Security Act of 1974, this Agreement is intended to be a severance pay Executive welfare benefit plan, and not an Executive pension plan, and shall be construed and administered with that intention.
- (d) Prior Employment. Executive represents and warrants that her acceptance of employment with Company has not breached, and the performance of her duties hereunder will not breach, any duty owed by him to any prior employer or other person.
- (e) Headings. The Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. In the event of a conflict between a heading and the content of a Section, the content of the Section shall control.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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: President and CEO

With a copy to:

The Company's General Counsel:

To the Executive:

Deborah A. Leonetti
143 Orthodox Drive
Richboro, PA 18954

- (j) Entire Agreement. 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.
- (k) 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.
- (l) IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

INTEGRA LIFESCIENCES
HOLDINGS CORPORATION

EXECUTIVE

By: /s/ Stuart M.Essig

/s/ Deborah A. Leonetti

Its: President and Chief Executive Officer

Date: April 7, 2006

Date: February 27, 2006

SEVERANCE AGREEMENT

This severance agreement (this "Agreement") is made as of the 1st day of March 2006 by and between Integra LifeSciences Holdings Corporation, a Delaware Corporation, and Robert D. Paltridge ("Executive").

Background

WHEREAS, this Agreement is intended to specify the financial arrangements that the Company will provide to Executive upon Executive's separation from employment with the Company in connection with or after a Change in Control, as defined.

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 mean a minimum base salary of \$250,000 per year ("Base Salary"), payable in periodic installments in accordance with Company's regular payroll practices in effect from time to time. Executive's Base Salary shall be subject to annual reviews, and may increase pursuant to such reviews, in which case the increased Base Salary shall become the "Base Salary."
- (b) "Board" shall mean the Board of Directors of Company, or any successor thereto.
- (c) "Cause," as determined by the Board in good faith, shall mean Executive has --
 - (1) 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;
 - (2) 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;
 - (3) demonstrated his personal dishonesty in connection with his employment by Company;
 - (4) engaged in a breach of fiduciary duty in connection with his employment with the Company;
 - (5) engaged in willful misconduct that is materially and demonstrably injurious to the Company or any of its subsidiaries; or
 - (6) has been convicted or has 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 Company shall be deemed to have occurred:
 - (1) 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 Company, any trustee or other fiduciary holding securities under any employee benefit plan of Company or an affiliate thereof, or any corporation owned, directly or indirectly, by the stockholders of Company in substantially

the same proportions as their ownership of stock of Company (for purposes of this Agreement, "Company Voting Securities" shall mean the then outstanding voting securities of Company entitled to vote generally in the election of directors); provided, however, that any acquisition from Company or any acquisition pursuant to a transaction which complies with clauses (i), (ii) and (iii) of paragraph (3) of this definition shall not be a Change in Control under this paragraph (1); or

- (2) 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 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

- (3) upon consummation by Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of Company or the acquisition of assets or stock of any entity (a "Business Combination"), in each case, unless immediately following such Business Combination: (i) 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 Company or all or substantially all of 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; (ii) no Person (excluding any employee benefit plan (or related trust) of 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 Company existed prior to the Business Combination; and (iii) 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
- (4) upon approval by the stockholders of Company of a complete liquidation or dissolution of Company.
- (e) "Code" shall mean the Internal Revenue Code of 1986, as amended.

- (f) "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.
- (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:
- (1) a material breach of this Agreement by Company which is not cured by Company within 15 days of its receipt of written notice of the breach;
 - (2) during the one-year period following a Change in Control, the relocation by the Company of the Executive's office to a location more than forty (40) miles from Princeton, New Jersey, or, where Executive's office is located other than at the Company's headquarters in Plainsboro, New Jersey, to a location more than forty (40) miles from the location of Executive's office on the date hereof;
 - (3) Company fails to obtain the assumption of this Agreement by any successor to Company; or
 - (4) during the one-year period following a Change in Control, the Company, without Executive's express written consent: (i) reduces Executive's base salary, bonus opportunity (if applicable) or the aggregate fringe benefits provided to Executive; or (ii) substantially alters the Executive's authority and/or title or otherwise diminishes the nature or status of Executive's responsibilities in a manner reasonably construed to constitute a demotion.
- (i) "Retirement" shall mean the termination of Executive's employment with Company in accordance with the retirement policies, including early retirement policies, generally applicable to Company's salaried employees.
- (j) "Termination Date" shall mean the date specified in the Termination Notice.
- (k) "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; (iii) specifies a Termination Date; and (iv) is given in the manner specified in Section 16(i).

2. Term of Agreement. The term of this Agreement shall commence on the date hereof as first written above and shall terminate on May 31, 2007, provided, that, notwithstanding any decision of the Company not to extend this Agreement, this Agreement shall continue in effect for a period of 12 months beyond the date on which a Change in Control occurs if a Change in Control shall have occurred during the term of this Agreement and while Executive is employed by the Company.

3. Termination of Employment.

(a) Prior to a Change in Control. Executive's rights upon termination of employment prior to a Change in Control shall be governed by the Company's standard employment termination policies and practices applicable to Executive in effect at the time of termination or, if applicable, any written employment agreement between the Company and Executive other than this Agreement in effect at the time of termination.

(b) After a Change in Control.

(i) From and after the date of a Change in Control during the term of this Agreement, the Company shall not terminate Executive from employment with the Company except as provided in this Section 3(b) or as a result of Executive's Disability, Retirement or death.

(ii) From and after the date of a Change in Control during the term of this Agreement, the Company shall have the right to terminate Executive from employment with the Company at any time during the term of this Agreement for Cause, by written notice to Executive, specifying the particulars of the conduct of Executive forming the basis for such termination.

(iii) From and after the date of a Change in Control during the term of this Agreement: (x) the Company shall have the right to terminate Executive's employment without Cause, at any time; and (y) Executive shall, upon the occurrence of such a termination by the Company without Cause, or upon the voluntary termination of Executive's employment by Executive for Good Reason, be entitled to receive the benefits provided in Section 4 hereof. Executive shall evidence a voluntary termination for Good Reason by written notice to the Company given within 60 days after the date of the occurrence of any event that Executive knows or should reasonably have known constitutes Good Reason for voluntary termination. Such notice need only identify Executive and set forth in reasonable detail the facts and circumstances claimed by Executive to constitute Good Reason. Any notice give by Executive pursuant to this Section 3 shall be effective five business days after the date it is given by Executive.

4. Payments Upon Termination of Employment.

(a) Termination with Salary Continuation . As consideration for the restrictive covenants contained in Section 5, in the event that within twelve months of a Change in Control (i) Executive terminates his employment for Good Reason, or (ii) Executive's employment is terminated by Company for a reason other than Retirement, Disability, death or Cause, then Company shall:

(i) pay Executive a severance amount equal to Executive's Base Salary (determined without regard to any reduction that would give rise to Good Reason) as of his last day of active employment; the severance amount shall be paid in a single sum on the first business day of the month following the Termination Date; and

(ii) maintain and provide to Executive, at no cost to Executive, for a period ending at the earliest of (i) the end of the twelfth month after the Termination Date and (ii) Executive's death, continued participation in all group insurance, life insurance, health and accident, disability, and other employee benefit plans in which Executive would have been entitled to participate had his employment with Company continued throughout such period, provided that such participation is not prohibited by the terms of the plan or by Company for legal reasons.

(iii) If any payment or benefit to Executive under this Agreement would be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code and, if, after reduction for any applicable federal excise tax imposed by Section 4999 of the Code (the "Excise Tax") and federal income tax imposed by the Code, Executive's net proceeds of the amounts payable and the benefits provided under this Agreement would be less than the amount of Executive's net proceeds resulting from the payment of the Reduced Amount described below, after reduction for federal income taxes, then the amount payable and the benefits provided under this Agreement shall be limited to the Reduced Amount. The "Reduced Amount" shall be the largest amount that could be received by Executive under this Agreement such that no amount paid to Executive under this Agreement and any other agreement, contract or understanding heretofore or hereafter entered into between Executive and the Company (the "Other Agreements") and any formal or informal plan or other arrangement heretofore or hereafter adopted by the Company for the direct or indirect provision of compensation to Executive (including groups or classes of participants or beneficiaries of which Executive is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for Executive (a "Benefit Plan") would be subject to the Excise Tax. In the event the amount payable to Executive shall be limited to the Reduced Amount, then Executive shall have the right, in Executive's sole discretion, to designate those payments or benefits under this Agreement, any Other Agreements, and/or any Benefit Plans, that should be reduced or eliminated so as to avoid having the payment to Executive under this Agreement be subject to the Excise Tax.

(iv) Notwithstanding any other provision in this Agreement to the contrary, any payments that would constitute deferred compensation for

purposes of (and subject to) Section 409A of the Code shall be deferred for a period of six months following Executive's separation from service with the Company.

- (b) Other Termination. In the event Executive's employment terminates other than as set forth in Section 4(a), Executive's rights upon termination shall be governed by the Company's standard employment termination policies and practices applicable to Executive in effect at the time of termination or, if applicable, any written employment agreement between the Company and Executive other than this Agreement in effect at the time of termination.
- (c) Termination Notice. Except in the event of Executive's death, a termination under this Agreement shall be effected by means of a Termination Notice.

5. Restrictive Covenants.

- (a) Covenant Not to Compete. During the term of this Agreement and for a period of one year following the Termination Date of Executive's employment, Executive shall not, without the express written consent of the Company, directly or indirectly: (I) engage, anywhere within the geographical areas in which the Company is conducting business operations or providing services as of the date of Executive's termination of employment, in the tissue engineering business (the use of implantable absorbable materials, with or without a bioactive component, to attempt to elicit a specific cellular response in order to regenerate tissue or to impede the growth of tissue or migration of cells) (the "Tissue Engineering Business"), neurosurgery business (the use of surgical instruments, implants, monitoring products or disposable products to treat the brain or central nervous system) ("Neurosurgery Business"), instrument business (general surgical handheld instruments used for general purposes in surgical procedures) ("Instrument Business"), reconstruction business (bone fixation devices for foot and ankle reconstruction procedures) ("Reconstruction Business") or in any other line of business the revenues of which constituted at least 50% of the Company's revenues during the six (6) month period prior to the Termination Date (together with the Tissue Engineering Business, Neurosurgery Business, Instrument Business and Reconstruction Business, 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 to procure orders from or do business with any customer of 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 Company; (V) seek to contract

with or engage (in such a way as to adversely affect or interfere with the business of Company) any person or entity who has been contracted with or engaged to manufacture, assemble, supply or deliver products, goods, materials or services to Company; or (VI) engage in or participate in any effort or act to induce any of the customers, associates, consultants, or employees of Company to take any action which might be disadvantageous to 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, however, that nothing set forth in this Section 5(a) shall prohibit Executive from becoming an employee or agent of, or consultant to, any entity that is engaged in the Business so long as Executive does not engage in any activities in the Business in any capacity for said entity.

- (b) Confidentiality. Executive acknowledges a duty of confidentiality owed to Company and shall not, at any time during or after his employment by 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 Company obtained or acquired by him while so employed. 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 Company are acknowledged to be the property of Company and shall not be duplicated, removed from Company's possession or premises or made use of other than in pursuit of 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 Company and, upon termination of employment for any reason, Executive shall deliver to Company 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.
- (c) Inventions and Improvements. Executive shall promptly communicate to Company all ideas, discoveries and inventions which are or may be useful to 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 Company heretofore or hereafter gained by him at any time during his employment with Company are the property of Company, and Executive hereby irrevocably assigns all such ideas, discoveries, inventions and improvements to Company for its sole use and benefit,

without additional compensation. The provisions of this Section 5(c) 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 Company's business interests (including potential business interests), and whether or not within the specific realm of his duties. Executive shall, upon request of Company, but at no expense to Executive, at any time during or after his employment with Company, sign all instruments and documents reasonably requested by Company and otherwise cooperate with 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.

- (d) Breach of Covenant. Executive expressly acknowledges that damages alone will be an inadequate remedy for any breach or violation of any of the provisions of this Section 5 and that Company, in addition to all other remedies, shall be entitled as a matter of right to equitable relief, including injunctions and specific performance, in any court of competent jurisdiction. If any of the provisions of this Section 5 are held to be in any respect unenforceable, then they shall be deemed to extend only over the maximum period of time, geographic area, or range of activities as to which they may be enforceable.
- (e) Survivability. Executive's obligations under this Section 5 shall survive termination of this Agreement and/or termination of Executive's employment regardless of the manner of termination and shall be binding upon Executive's heirs, executors, administrators and legal representatives.

6. Condition to Payment. Executive's receipt of the compensation benefits set forth herein are expressly conditioned upon the individual's execution of a general release satisfactory to the Company.

7. No Duty to Mitigate. Executive shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for herein be reduced by any compensation earned by other employment or otherwise.

8. No Set-off. Following a Change in Control, the Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or otherwise arising.

9. Limitation on Obligations of Company. Executive understands that this Agreement does not create an obligation on the Company or any other person or entity to continue his employment or to exploit any Inventions. Executive understands and acknowledges that his employment with the Company is for an unspecified duration and constitutes "at-will" employment and that this employment relationship may be terminated at any time, with or without cause, either at my or the Company's option, with or without notice.

10. Executive Duties. Executive shall not terminate employment with the Company without giving 30 days' prior notice to the Board, and during such 30-day period Executive will assist, as and to the extent reasonably requested by the Company, in training the successor to Executive's position with the Company. The provisions of this Section 10 shall not apply to any termination (voluntary or involuntary) of the employment of Executive pursuant to Section 4(a) hereof.

11. Withholding. 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.

12 Assignability. Company may assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any entity to which 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 Company hereunder as fully as if it had been originally made a party hereto. 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 Company.

13. Death of Executive. 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 as soon as practicable after Executive's death to Executive's surviving spouse, or if none, to the duly appointed personal representative of his estate.

14. Legal Expenses. In the event of a termination pursuant to Section 4(a) hereof, the Company shall also pay to Executive all reasonable legal fees and expenses incurred by Executive as a result of such termination of employment (including all fees and expenses, if any, incurred by Executive in contesting or disputing any such termination or in seeking to obtain to enforce any right or benefit provided to Executive by this Agreement whether by arbitration or otherwise).

15. 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 Company's behalf.

- (b) Nature of Obligations. Nothing contained herein shall create or require 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 Company hereunder, such right shall be no greater than the right of any unsecured general creditor of the Company.
- (c) ERISA. For purposes of the Executive Retirement Income Security Act of 1974, this Agreement is intended to be a severance pay Executive welfare benefit plan, and not an Executive pension plan, and shall be construed and administered with that intention.
- (d) Prior Employment. Executive represents and warrants that his acceptance of employment with 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.
- (e) Headings. The Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. In the event of a conflict between a heading and the content of a Section, the content of the Section shall control.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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: President and CEO

With a copy to:

The Company's General Counsel:

To the Executive:

Robert D. Paltridge
35 Crescent Place
Matawan, NJ 07747

- (j) Entire Agreement. 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.
- (k) 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.
- (l) IN WITNESS WHEREOF, this Agreement has been executed as of the date first above written.

INTEGRA LIFESCIENCES
HOLDINGS CORPORATION

EXECUTIVE

By: /s/ Stuart M.Essig

/s/ Robert D. Paltridge

Its: President and Chief Executive Officer

Date: April 7, 2006

Date: February 27, 2006