ION GEOPHYSICAL CORP
Form DEF 14A
April 14, 2016

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material under §240.14a-12

ION Geophysical Corporation

(Name of Registrant as Specified In Its Charter)

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

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ý No fee required.

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ION GEOPHYSICAL CORPORATION

2105 CityWest Boulevard, Suite 400
Houston, Texas 77042-2839
(281) 933-3339

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held May 18, 2016

To ION's Shareholders:

The 2016 Annual Meeting of Shareholders of ION Geophysical Corporation will be held in the offices of the company located at 2105 CityWest Boulevard, Houston, Texas, on Wednesday, May 18, 2016, at 10:30 a.m., local time, for the following purposes:

1. Elect the three directors named in the attached Proxy Statement to our Board, each to serve for a three-year term;

2. Advisory (non-binding) vote to approve the compensation of our named executive officers;

3. Ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm (independent auditors) for 2016; and

4. Consider any other business that may properly come before the annual meeting, or any postponement or adjournment of the meeting.

ION's Board of Directors has set March 31, 2016, as the record date for the meeting. This means that owners of ION Common Stock at the close of business on that date are entitled to receive this notice of meeting and vote at the meeting and any adjournments or postponements of the meeting.

Your vote is very important, and your prompt cooperation in voting your proxy is greatly appreciated. Whether or not you plan to attend the meeting, please sign, date and return your enclosed proxy card as soon as possible so that your shares can be voted at the meeting.

By Authorization of the Board of Directors,

Jamey S. Seely
Executive Vice President,
General Counsel and
Corporate Secretary

April 14, 2016
Houston, Texas

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Important Notice Regarding the Availability of Proxy Materials
For the Annual Shareholders' Meeting to be held on May 18, 2016

The Proxy Statement and our 2015 annual report to shareholders
are available at www.iongeo.com under "Investor Relations Investor Materials
Annual Report & Proxy Statement."

The Annual Meeting of Shareholders of ION Geophysical Corporation will be held on May 18, 2016, at the offices of the company located at 2105 CityWest Boulevard, Houston, Texas, beginning at 10:30 a.m., local time.

The matters intended to be acted upon are:

1. Elect the three directors named in the attached Proxy Statement to our Board, each to serve for a three-year term;

2. Advisory (non-binding) vote to approve the compensation of our named executive officers;

3. Ratify the appointment of Grant Thornton LLP as our independent registered public accounting firm (independent auditors) for 2016; and

4. Consider any other business that may properly come before the annual meeting, or any postponement or adjournment of the meeting.

The Board of Directors recommends voting in favor of the nominees listed in the Proxy Statement, the approval of the compensation of our named executive officers and the ratification of the appointment of Grant Thornton LLP.

The Proxy Statement for the 2016 Annual Meeting of Shareholders and the 2015 annual report to shareholders are being made available at the website location specified above.

Directions to the annual meeting are also provided in the accompanying Proxy Statement under "*About the Meeting Where will the Annual Meeting be held?*"

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ION GEOPHYSICAL CORPORATION

2105 CityWest Boulevard, Suite 400
Houston, Texas 77042-2839
(281) 933-3339

April 14, 2016

PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS

To Be Held May 18, 2016

Our Board of Directors (the "Board") is furnishing you this proxy statement (this "Proxy Statement") to solicit proxies on its behalf to be voted at the 2016 Annual Meeting of Shareholders ("Annual Meeting") of ION Geophysical Corporation ("ION"). The Annual Meeting will be held at 2105 CityWest Boulevard, Houston, Texas, on May 18, 2016, at 10:30 a.m., local time. The proxies also may be voted at any adjournments or postponements of the Annual Meeting.

The mailing address of our principal executive offices is 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839. We are mailing the proxy materials to our shareholders beginning on or about April 14, 2016. All properly completed and returned proxies for the annual meeting will be voted at the Annual Meeting in accordance with the directions given in the proxy, unless the proxy is revoked before the Annual Meeting.

Only owners of record of our outstanding shares of our Common Stock, par value $0.01 ("Common Stock") on March 31, 2016 are entitled to vote at the Annual Meeting, or at adjournments or postponements of the Annual Meeting. Each owner of Common Stock on the record date is entitled to one vote for each share of Common Stock held. On March 31, 2016, there were 11,335,545 shares of Common Stock issued and outstanding.

When used in this Proxy Statement, "ION Geophysical," "ION," "Company," "we," "our," "ours" and "us" refer to ION Geophysical Corporation and its consolidated subsidiaries, except where the context otherwise requires or as otherwise indicated. On February 4, 2016, we completed a one-for-15 reverse stock split, and our Common Stock began trading on a reverse-split adjusted basis on February 5, 2016. Unless otherwise specified in this Proxy Statement, all information presented in this Proxy Statement is presented on a post-reverse stock split basis.

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2016 PROXY STATEMENT HIGHLIGHTS

This summary highlights information contained elsewhere in our Proxy Statement. This summary does not contain all of the information that you should consider. You should read the entire Proxy Statement carefully before voting.

Board Nominees

Name	Age	Director Since	Occupation	Independent	Audit	Committee Memberships Comp	Gov	Fin
David H. Barr	66	2010	Former President and CEO, Logan International, Inc.	*		*	*	
Franklin Myers	63	2001	Sr. Advisor, Quantum Energy Partners	*		*	*	*
S. James Nelson, Jr.	74	2004	Former Vice Chairman, Cal Dive International, Inc. (now Helix Energy Solutions Group, Inc.)	*	*			*

Executive Compensation Highlights

ION is committed to paying for performance. We provide the majority of compensation through programs in which the amounts ultimately received vary to reflect our performance. Our executive compensation programs evolve and are adjusted over time to support our business goals and to promote both near- term and long-term profitable company growth.

The majority of cash compensation is paid through base salary and under our annual incentive cash plan based on company performance relative to financial goals and on individual performance. Under our incentive plan, cash compensation reflects near-term (annual) business performance.

Equity awards, consisting of stock options and restricted stock and restricted stock units, are used to align compensation with the long-term interests of our shareholders by focusing our executive officers on total shareholder return. Equity awards generally become fully vested in either three or four years after the grant date, so that compensation realized under the awards reflects the long-term performance of our Common Stock.

In setting executive officer compensation, the Compensation Committee evaluates individual performance reviews of the executive officers and compensation of a "peer" group consisting of companies participating in various relevant compensation surveys, including Frost's 2015 Oilfield Manufacturing and Services Industry Executive Compensation Survey.

Total compensation for each executive officer varies with ION's performance in achieving strategic and financial objectives and with individual performance. Each executive officer's compensation is designed to reward his or her contribution to ION's results. Our executive officers' 2016 compensation also reflects adjustments arising from our normal annual process of assessing pay competitiveness. Year-over-year changes in salaries and equity award levels also reflect promotions, individual performance and competitive market adjustments.

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The following table shows the total direct compensation granted by the Compensation Committee to our named executive officers in 2015, 2014 and 2013 (except for Mr. Bate and Ms. Seely, who did not become named executive officers until 2014 and 2015, respectively):

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Total Direct Compensation ($)
R. Brian Hanson	2015	560,769		294,633	215,164	750,000	1,820,566
President, Chief Executive Officer	2014	550,000		287,700	248,050	825,000	1,910,750
and Director	2013	490,000		214,800	235,000	395,000	1,334,800
Steven A. Bate	2015	350,481		134,474	98,200	351,562	934,717
Executive Vice President and Chief	2014	316,616		114,050	211,169	193,000	834,835
Financial Officer							
Kenneth G. Williamson	2015	361,895		159,611	116,565	261,368	899,439
Executive Vice President and Chief	2014	372,320		82,200	148,830	390,000	993,350
Operating Officer, E&P	2013	358,000		71,600	141,000	215,000	785,600
Technology & Services							
Christopher T. Usher	2015	353,808		64,501	47,119	227,136	692,564
Executive Vice President and Chief	2014	364,000		82,200	148,830	218,400	813,430
Operating Officer, E&P	2013	350,000		71,600	141,000	300,000	862,600
Operations Optimization							
Jamey S. Seely	2015	327,115		73,359	53,579	262,500	716,553
Executive Vice President, General							
Counsel and Corporate Secretary							

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ABOUT THE MEETING

What is a proxy and proxy statement?

A proxy is your legal designation of another person to vote the stock you own on your behalf. That other person is referred to as a "proxy." Our Board has designated R. Brian Hanson and James M. Lapeyre, Jr. as proxies for the 2016 Annual Meeting of Shareholders. By completing and submitting the enclosed proxy card, you are giving Mr. Hanson and Mr. Lapeyre the authority to vote your shares in the manner you indicate on your proxy card. A proxy statement is a document that the regulations of the Securities and Exchange Commission ("SEC") require us to give you when we ask you to sign a proxy card designating individuals as proxies to vote on your behalf.

Who is soliciting my proxy?

Our Board is soliciting proxies on its behalf to be voted at the 2016 Annual Meeting. All costs of soliciting the proxies will be paid by ION. Copies of solicitation materials will be furnished to banks, brokers, nominees and other fiduciaries and custodians to forward to beneficial owners of Common Stock held by such persons. ION will reimburse such persons for their reasonable out-of-pocket expenses in forwarding solicitation materials. In addition to solicitations by mail, some of ION's directors, officers and other employees, without extra compensation, might supplement this solicitation by telephone, personal interview or other communication. ION has also retained Georgeson Inc. to assist with the solicitation of proxies from banks, brokers, nominees and other holders, for a fee not to exceed $10,500 plus reimbursement for out-of-pocket expenses. We may also ask our proxy solicitor to solicit proxies on our behalf by telephone for a fixed fee of $6 per phone call and $3.50 per telephone vote, plus reimbursement for expenses.

What are the voting rights of holders of Common Stock?

Each outstanding share of Common Stock is entitled to one vote on each matter considered at the Annual Meeting.

What is the difference between a "shareholder of record" and a shareholder who holds stock in "street name"?

If your shares are registered directly in your name, you are a shareholder of record. If your shares are registered in the name of your broker, bank or similar organization, then you are the beneficial owner of shares held in street name.

Where will the Annual Meeting be held?

ION's 2016 Annual Meeting of Shareholders will be held on the 4th Floor of 2105 CityWest Boulevard in Houston, Texas.

Directions: The site for the Annual Meeting is located on CityWest Boulevard off of West Sam Houston Parkway South ("Beltway 8"), near the intersection of Beltway 8 and Briar Forest Drive. Traveling south on the Beltway 8 feeder road after Briar Forest Drive, turn right on Del Monte Drive. Enter Garage Entrance 3 on your immediate left. Advise the guard that you are attending the ION Annual Meeting. You may be required to show your driver's license or other photo identification. The guard will then direct you where to park in the visitors section of the parking garage. The guard can also direct you to 2105 CityWest Boulevard, which is directly south of the garage. Once in the building, check in with the security desk and then take the elevators to the 4th floor.

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What is the effect of not voting?

It depends on how ownership of your shares is registered. If you are a shareholder of record, your unvoted shares will not be represented at the Annual Meeting and will not count toward the quorum requirement. Assuming a quorum is obtained, your unvoted shares will not be treated as a vote for or against a proposal. Depending on the circumstances, if you own your shares in street name, your broker or bank may represent your shares at the Annual Meeting for purposes of obtaining a quorum. As described in the answer to the question immediately following, in the absence of your voting instruction, your broker may or may not vote your shares.

If I don't vote, will my broker vote for me?

If you own your shares in street name and you do not vote, your broker may vote your shares in its discretion on proposals determined to be "routine matters" under the rules of the New York Stock Exchange ("NYSE"). With respect to "non-routine matters," however, your broker may not vote your shares for you. Where a broker cannot vote your shares on non-routine matters because he has not received any instructions from you regarding how to vote, the number of unvoted shares on those matters is reported as "broker non-votes." These "broker non-vote" shares are counted toward the quorum requirement, but, generally speaking, they do not affect the determination of whether a matter is approved. See *" How are abstentions and broker non- votes counted?"* below. The election of directors and the advisory vote on executive compensation are not considered to be routine matters under current NYSE rules, so your broker will not have discretionary authority to vote your shares held in street name on those matters. The proposal to ratify the appointment of Grant Thornton LLP ("Grant Thornton") as our independent registered public accounting firm is considered to be a routine matter on which brokers will be permitted to vote your shares without instructions from you.

What is the record date and what does it mean?

The record date for the 2016 Annual Meeting of Shareholders is March 31, 2016. The record date is established by the Board as required by Delaware law (the state in which we are incorporated). Holders of Common Stock at the close of business on the record date are entitled to receive notice of the Annual Meeting and vote at the Annual Meeting and any adjournments or postponements of the Annual Meeting.

How can I revoke a proxy?

A shareholder can revoke a proxy prior to the vote at the Annual Meeting by (a) giving written notice to the Corporate Secretary of ION, (b) delivering a later-dated proxy or (c) voting in person at the Annual Meeting. If you hold shares through a bank or broker, you must contact that bank or broker in order to revoke any prior voting instructions.

What constitutes a quorum?

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock constitutes a quorum. We need a quorum of shareholders to hold a validly convened Annual Meeting. If you have submitted your proxy, your shares will be counted toward the quorum. If a quorum is not present, the chairman may adjourn the Annual Meeting, without prior notice other than by announcement at the Annual Meeting, until the required quorum is present. As of the record date, 11,335,545 shares of Common Stock were outstanding. Thus, the presence of the holders of Common Stock representing at least 5,667,773 shares will be required to establish a quorum.

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What are my voting choices when voting for director nominees, and what vote is needed to elect directors?

In voting on the election of three director nominees to serve until the 2019 Annual Meeting of Shareholders, shareholders may vote in one of the following ways:

(a) in favor of all nominees,

(b) withhold votes as to all nominees or

(c) withhold votes as to a specific nominee.

Directors will be elected by a plurality of the votes of the shares of Common Stock present or represented by proxy at the Annual Meeting. This means that director nominees receiving the highest number of "for" votes will be elected as directors. Votes "for" and "withheld" are counted in determining whether a plurality has been cast in favor of a director. Under ION's Corporate Governance Guidelines, any director nominee who receives a greater number of votes "withheld" from his election than votes "for" such election shall promptly tender to the Board his resignation following certification of the results of the shareholder vote. For a more complete explanation of this requirement and process, please see *"Item 1 Election of Directors Board of Directors and Corporate Governance Majority Voting Procedure for Directors"* below.

You may not abstain from voting for purposes of the election of directors. Shareholders are not permitted to cumulate their votes in the election of directors.

The Board recommends a vote **"FOR"** all of the nominees.

What are my voting choices when casting an advisory vote to approve the compensation of our named executive officers?

In casting an advisory vote to approve the compensation of our named executive officers, shareholders may vote in one of the following ways:

(a) in favor of the advisory vote to approve our executive compensation,

(b) against the advisory vote to approve our executive compensation or

(c) abstain from voting.

The advisory vote to approve the compensation of our named executive officers will be approved if the number of votes cast in favor of the proposal exceeds the number of votes cast against it.

The Board recommends a vote **"FOR"** this proposal.

What are my voting choices when voting on the ratification of the appointment of Grant Thornton as our independent registered public accounting firm or independent auditors and what vote is needed to ratify their appointment?

In voting to ratify the appointment of Grant Thornton as independent auditors for 2016, shareholders may vote in one of the following ways:

(a) in favor of ratification,

(b)

against ratification or

(c) abstain from voting on ratification.

The proposal to ratify the appointment of Grant Thornton will require the affirmative vote of a majority of the votes cast on the proposal by holders of Common Stock in person or represented by proxy at the Annual Meeting.

The Board recommends a vote **"FOR"** this proposal.

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Will any other business be transacted at the Annual Meeting? If so, how will my proxy be voted?

We do not know of any business to be transacted at the Annual Meeting other than those matters described in this Proxy Statement. We believe that the periods specified in our Amended and Restated Bylaws (our "Bylaws") for submitting proposals to be considered at the Annual Meeting have passed and no proposals were submitted. However, should any other matters properly come before the Annual Meeting, and any adjournments or postponements of the Annual Meeting, shares with respect to which voting authority has been granted to the proxies will be voted by the proxies in accordance with their judgment.

What if a shareholder does not specify a choice for a matter when submitting their proxy?

Shareholders should specify their choice for each matter on their proxy. If no instructions are given, proxies that are properly submitted will be voted **"FOR"** the election of all director nominees, **"FOR"** the non-binding advisory vote to approve our Company's executive compensation and **"FOR"** the proposal to ratify the appointment of Grant Thornton as independent auditors for 2016.

How are abstentions and broker non-votes counted?

Abstentions are counted for purposes of determining whether a quorum is present at the Annual Meeting. A properly submitted proxy marked "withhold" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

With respect to (i) the proposal regarding the advisory vote on executive compensation and (ii) the proposal to ratify the appointment of the independent auditors, an abstention from voting on either such proposal will be counted as present in determining whether a quorum is present but will not be counted in determining the total votes cast on such proposal. Thus, abstentions will have no effect on the outcome of the vote on these proposals.

Broker non-votes will have no effect on the outcome of the vote on any of the proposals.

What is the deadline for submitting proposals to be considered for inclusion in the 2017 proxy statement and for submitting a nomination for director of ION for consideration at the Annual Meeting of Shareholders in 2017?

Shareholder proposals requested to be included in our 2017 proxy statement must be received by ION not later than December 15, 2016. A proper director nomination may be considered at ION's 2017 Annual Meeting of Shareholders only if the proposal for nomination is received by ION not later than December 15, 2016. Proposals and nominations should be directed to Jamey S. Seely, Executive Vice President, General Counsel and Corporate Secretary, ION Geophysical Corporation, 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839.

Will I have electronic access to the proxy materials and Annual Report?

The notice of Annual Meeting, Proxy Statement and 2015 Annual Report to Shareholders are posted on ION's Internet website at *www.iongeo.com* under "Investor Relations Investor Materials Annual Report & Proxy Statement".

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How can I obtain a copy of ION's Annual Report on Form 10-K?

A copy of our 2015 Annual Report on Form 10-K (without schedules or exhibits) forms a part of our 2015 Annual Report to Shareholders, which is enclosed with our Proxy Statement. You may obtain an additional copy of our 2015 Form 10-K at no charge by sending a written request to Jamey S. Seely, Executive Vice President, General Counsel and Corporate Secretary, ION Geophysical Corporation, 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839. Our Form 10-K is also available (i) through the Investor Relations section of our website at *www.iongeo.com* and (ii) with exhibits on the SEC's website at *http://www.sec.gov*.

Please note that the contents of these and any other websites referenced in this Proxy Statement are not incorporated by reference herein. Further, our references to the URLs for these and other websites listed in this Proxy Statement are intended to be inactive textual references only.

ITEM 1 ELECTION OF DIRECTORS

Our Board consists of eight members. The Board is divided into three classes. Members of each class are elected for three-year terms and until their respective successors are duly elected and qualified, unless the director dies, resigns, retires, is disqualified or is removed. Our shareholders elect the directors in a designated class annually. Directors in Class II, which is the class of directors to be elected at the Annual Meeting, will serve on the Board until our annual meeting in 2019.

The current Class II directors are David H. Barr, Franklin Myers, and S. James Nelson. Jr., and their terms will expire when their successors are elected and qualified at the 2016 Annual Meeting. At its meeting on February 9, 2016, the Board approved the recommendation of the Governance Committee that Messrs. Barr, Myers and Nelson be nominated to stand for reelection at the Annual Meeting to hold office until our 2019 Annual Meeting and until their successors are elected and qualified.

We have no reason to believe that either of the nominees will be unable or unwilling to serve if elected. However, if any nominee should become unable or unwilling to serve for any reason, proxies may be voted for another person nominated as a substitute by our Board, or our Board may reduce the number of directors.

The Board of Directors recommends a vote "FOR" the election of David H. Barr, Franklin Myers, and S. James Nelson, Jr.

The biographies of each of the nominees and continuing directors below contains information regarding the person's service as a director, business experience, education, director positions and the experiences, qualifications, attributes or skills that caused the Governance Committee and our Board to determine that the person should serve as a director for the Company:

Class II Director Nominees For Re-Election for Term Expiring In 2019

DAVID H. BARR Director since 2010

From May 2011 until December 2012, Mr. Barr, age 66, served as the President and Chief Executive Officer of Logan International Inc., a Calgary-based Toronto Stock Exchange (TSX)-listed manufacturer and provider of oilfield tools and services. In 2009, Mr. Barr retired from Baker Hughes Incorporated, an oilfield services and equipment provider, after serving for 36 years in various manufacturing, marketing, engineering and product management functions. At the time of his retirement, Mr. Barr was Group President Eastern Hemisphere, responsible for all Baker Hughes products and services for Europe, Russia/Caspian, Middle East, Africa and Asia Pacific. From 2007 to 2009, he served as Group President Completion & Production, and from 2005 to 2007, as Group President Drilling and Evaluation. Mr. Barr served as President of Baker Atlas, a division of Baker Hughes Inc., from 2000 to 2005, and served as Vice President, Supply Chain Management for the

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Cameron division of Cameron International Corporation from 1999 to 2000. Prior to 1999, he held positions of increasing responsibility within Baker Hughes Inc. and its affiliates, including Vice President Business Process Development and various leadership positions with Hughes Tool Company and Hughes Christensen. Mr. Barr initially joined Hughes Tool Company in 1972 after graduating from Texas Tech University with a Bachelor of Science degree in mechanical engineering. Mr. Barr also currently serves on the Board of Directors and Compensation Committee of Logan International Inc.; as the Chairman of the Board and on the Compensation Committee of Probe Holdings, Inc. (a designer and manufacturer of oilfield technology and tools); and on the Board of Directors, as well as, Chairman of the Safety and Social Responsibility Committee and on the Compensation Committee of Enerplus Corporation (a NYSE- and TSX-listed independent oil and gas exploration and production ("E&P") company). He formerly served on the Board of Directors and Audit, Remuneration and Governance Committees of Hunting PLC, a London Stock Exchange-listed provider of energy services. Mr. Barr is a member of the Compensation and Governance Committees of our Board.

Mr. Barr's more than 36 years of experience in the oilfield equipment and services industry provides a uniquely valuable industry perspective for our Board. While at Baker Hughes, Mr. Barr obtained experience within a wide range of company functions, from engineering to group President. His breadth of experience enables him to better understand and inform the Board regarding a range of issues and decisions involved in the operation of our business, including development of business strategy.

FRANKLIN MYERS Director since 2001

Mr. Myers, age 63, has served as a Senior Advisor of Quantum Energy Partners, a private equity firm for the global energy industry, since February 2013. From 2009 to 2012, he was an Operating Advisor with Paine & Partners, LLC, a private equity firm focused on leveraged buyout transactions. Prior to joining Paine & Partners, Mr. Myers was employed by Cameron International Corporation, an international manufacturer of oil and gas flow control equipment, as Senior Vice President, General Counsel and Corporate Secretary (from 1995 to 1999), President of the Cooper Energy Services Division (from 1998 until 2001), Senior Vice President (from 2001 to 2003), Senior Vice President and Chief Financial Officer (from 2003 to 2008) and Senior Advisor (from 2008 to 2009). Prior to joining Cameron, he was Senior Vice President and General Counsel of Baker Hughes Incorporated, an oilfield services and equipment provider, and an attorney and partner with the law firm of Fulbright & Jaworski L.L.P. in Houston, Texas. Mr. Myers also currently serves on the Boards of Directors of Comfort Systems USA, Inc. (a NYSE-listed provider of heating, ventilation and air conditioning services), HollyFrontier Corporation (a NYSE-listed independent oil refining and marketing company) and Forum Energy Technology, Inc. (a NYSE-listed oilfield equipment manufacturing company). Mr. Myers is Chairman of the Compensation Committee, co-Chairman of the Finance Committee and a member of the Governance Committee of our Board. He holds a Bachelor of Science degree in industrial engineering from Mississippi State University and a Juris Doctorate degree with Honors from the University of Mississippi.

Mr. Myers' extensive experience as both a financial and legal executive makes him uniquely qualified as a valuable member of our Board and the Chairman of our Compensation Committee. While at Cameron, Baker Hughes and Fulbright & Jaworski, Mr. Myers was responsible for numerous successful finance and acquisition transactions, and his expertise gained through those experiences have proved to be a significant resource for our Board. In addition, Mr. Myers' service on Boards of Directors of other NYSE-listed companies enables Mr. Myers to observe and advise on favorable governance practices pursued by other public companies.

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S. JAMES NELSON, JR. Director since 2004

Mr. Nelson, age 74, joined our Board in 2004. In 2004, Mr. Nelson retired from Cal Dive International, Inc. (now named Helix Energy Solutions Group, Inc.), a marine contractor and operator of offshore oil and gas properties and production facilities, where he was a founding shareholder, Chief Financial Officer (prior to 2000), Vice Chairman (from 2000 to 2004) and a Director (from 1990 to 2004). From 1985 to 1988, Mr. Nelson was the Senior Vice President and Chief Financial Officer of Diversified Energies, Inc., a NYSE-traded company with $1 billion in annual revenues and the former parent company of Cal Dive. From 1980 to 1985, Mr. Nelson served as Chief Financial Officer of Apache Corporation, an oil and gas E&P company. From 1966 to 1980, Mr. Nelson was employed with Arthur Andersen & Co. where, from 1976 to 1980, he was a partner serving on the firm's worldwide oil and gas industry team. Mr. Nelson also currently serves on the Board of Directors and Audit Committees of Oil States International, Inc. (a NYSE-listed diversified oilfield services company) and W&T Offshore, Inc. (a NYSE-listed oil and natural gas E&P company). From 2010 until October 2012, Mr. Nelson also served on the Board of Directors and Audit and Compensation Committees of the general partner of Genesis Energy LP, an operator of oil and natural gas pipelines and provider of services to refineries and industrial gas users. From 2005 until the company's sale in 2008, he served as a member of the Board of Directors, a member of the Compensation Committee and Chair of the Audit Committee of Quintana Maritime, Ltd., a provider of dry bulk cargo shipping services based in Athens, Greece. Mr. Nelson, who is also a Certified Public Accountant, is Chairman of the Audit Committee and co-Chairman of the Finance Committee of our Board. He holds a Bachelor of Science degree in accounting from Holy Cross College and a Master of Business Administration degree from Harvard University.

Mr. Nelson is an experienced financial leader with the skills necessary to lead our Audit Committee. His service as Chief Financial Officer of Cal Dive International, Inc., Diversified Energies, Inc. and Apache Corporation, as well as his years with Arthur Andersen & Co., make him a valuable asset to ION, both on our Board and as the Chairman of our Audit Committee, particularly with regard to financial and accounting matters. In addition, Mr. Nelson's service on audit committees of other companies enables Mr. Nelson to remain current on audit committee best practices and current financial reporting developments within the energy industry.

Class III Incumbent Directors Term Expiring In 2017

MICHAEL C. JENNINGS Director since 2010

Mr. Jennings, age 50, is the Executive Chairman of the Board of Directors of HollyFrontier Corporation, a NYSE-listed independent oil refining and marketing company. He is also President and Chief Executive Officer, and on the Board of Directors of Holly Energy Partners, a NYSE-listed master limited partnership partially owned by HollyFrontier Corporation. Prior to joining HollyFrontier, Mr. Jennings was the President, Chief Executive Officer and Chairman of the Board of Frontier Oil Corporation, an independent oil refining and marketing company. Mr. Jennings joined HollyFrontier in July 2011 when Frontier Oil merged with Holly Corporation to form HollyFrontier. Prior to his appointment to President and Chief Executive Officer of Frontier in January 2009, Mr. Jennings served as Frontier's Executive Vice President and Chief Financial Officer. From 2000 until joining Frontier in 2005, Mr. Jennings was employed by Cameron International Corporation as Vice President and Treasurer. From 1998 until 2000, he was Vice President Finance & Corporate Development of Unimin Corporation, a producer of industrial minerals. From 1995 to 1998, Mr. Jennings was employed by Cameron International Corporation as Director, Acquisitions and Corporate Finance. Mr. Jennings is a member of the Audit and Finance Committees of our Board. He holds a Bachelor of Arts degree in economics and government from Dartmouth College and a Master of Business Administration degree in finance and accounting from the University of Chicago.

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Mr. Jennings' experience in the global oil refining, marketing and oilfield services businesses enables him to advise the Board on customer and industry issues and perspectives. Given his extensive experience in executive, financial, treasury and corporate development matters, Mr. Jennings is able to provide the Board with expertise in corporate leadership, financial management, corporate planning and strategic development, thereby supporting the Board's efforts in overseeing and advising on strategic and financial matters.

JOHN N. SEITZ Director since 2003

Mr. Seitz, age 64, is Chairman and Chief Executive Officer of GulfSlope Energy, Inc., an OTC-listed independent E&P company exploring for oil and gas using advanced seismic imaging. From 2003 until 2006, Mr. Seitz served as co-CEO of Endeavour International Corporation, an exploration and development company with activities in the North Sea and selected North American basins. From 1977 to 2003, Mr. Seitz held positions of increasing responsibility at Anadarko Petroleum Company, serving most recently as a Director and as President and Chief Executive Officer. Mr. Seitz is a Trustee of the American Geological Institute Foundation. Mr. Seitz is a member of the Compensation and Governance Committees of our Board. Mr. Seitz holds a Bachelor of Science degree in geology from the University of Pittsburgh, a Master of Science degree in geology from Rensselaer Polytechnic Institute and is a Certified Professional Geoscientist in Texas. He also completed the Advanced Management Program at the Wharton School of Business.

Mr. Seitz' extensive experience as a leader of global E&P companies such as Endeavour and Anadarko has proven to be an important resource for our Board when considering industry and customer issues. In addition, Mr. Seitz' geology background and expertise assists the Board in better understanding industry trends and issues.

Class I Incumbent Directors Term Expiring In 2018

R. BRIAN HANSON Director since 2012

Mr. Hanson, age 51, has been our President and Chief Executive Officer since January 1, 2012. He joined ION in May 2006 as our Executive Vice President and Chief Financial Officer and was appointed our President and Chief Operating Officer in August 2011. Prior to joining ION, Mr. Hanson served as the Executive Vice President and Chief Financial Officer of Alliance Imaging, Inc., a NYSE-listed provider of diagnostic imaging services to hospitals and other healthcare providers, from July 2004 until November 2005. From 1998 to 2003, Mr. Hanson held a variety of positions at Fisher Scientific International, Inc., a NYSE-listed manufacturer and supplier of scientific and healthcare products and services, including Vice President Finance of the Healthcare group from 1998 to 2002 and Chief Operating Officer from 2002 to 2003. From 1986 until 1998, Mr. Hanson served in various positions with Culligan Water Conditioning, an international manufacturer of water treatment products and producer and retailer of bottled water products, most recently as Vice President of Finance and Chief Financial Officer. Mr. Hanson received a Bachelor's degree in engineering from the University of New Brunswick and a Master of Business Administration degree from Concordia University in Montreal.

Mr. Hanson's day-to-day leadership and involvement with our Company provides him with personal knowledge regarding our operations. In addition, Mr. Hanson's financial experience and skills and technical background enable the Board to better understand and be informed with regard to our Company's operations, prospects and financial condition.

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HAO HUIMIN Director since 2011

Mr. Hao, age 52, has been employed by China National Petroleum Corporation ("CNPC"), China's largest oil company, and its affiliates in various positions of increasing responsibility since 1984. Since 2006, Mr. Hao has been Chief Geophysicist of BGP Inc., China National Petroleum Corporation ("BGP"). BGP is a subsidiary of CNPC and is the world's largest land seismic contractor. From 2004 to 2006, Mr. Hao was assistant President of BGP, and from 2002 to 2004, he managed the marine department at BGP. From 2000-2002, Mr. Hao was manager of Dagang Geophysical Company, Dagang Oilfield, CNPC. Between 1984 and 2000, Mr. Hao served in various management positions at Dagang Geophysical Company, Dagang Oilfield and CNPC. Mr. Hao is a member of the Finance Committee of our Board. He holds a Bachelor of Science degree in geophysical exploration from China Petroleum University and Masters of Business Administration degrees from the University of Houston and Nankai University in China.

Mr. Hao has over 25 years of experience in geophysical technology research and development, particularly in seismic data processing and seismic data acquisition system research and development management. Mr. Hao's position with BGP and his extensive knowledge of the global seismic industry enables our Board to receive current input and advice reflecting the perspectives of our seismic contractor customers. In addition, our land equipment joint venture with BGP and the ever-increasing importance of China in the global economy and the worldwide oil and gas industry has elevated our commercial involvement with China and Chinese companies. Mr. Hao's insights with regard to issues relating to China provide our Board with a valuable resource.

Mr. Hao was appointed to our Board of Directors under the terms of an agreement with BGP in connection with BGP's purchase of approximately 1,585,969 shares of our Common Stock (23,789,536 shares of our Common Stock on a pre-reverse stock split basis) in March 2010. Under the agreement, BGP is entitled to designate one individual to serve as a member of our Board unless BGP's ownership of our Common Stock falls below 10%. In January 2011, Mr. Hao replaced Guo Yueliang, BGP's initial appointee to our Board.

JAMES M. LAPEYRE, JR. Director since 1998

Mr. Lapeyre, age 63, served as Chairman of our Board from 1999 until January 1, 2012, and again from January 1, 2013 until present. During 2012, Mr. Robert P. Peebler held the role of Executive Chairman and Mr. Lapeyre served as Lead Independent Director. Mr. Lapeyre has been President of Laitram L.L.C., a privately-owned, New Orleans-based manufacturer of food processing equipment and modular conveyor belts, and its predecessors since 1989. Mr. Lapeyre joined our Board when we bought the DigiCOURSE marine positioning products business from Laitram in 1998. Mr. Lapeyre is Chairman of the Governance Committee and a member of the Audit and Compensation Committees of our Board. He holds a Bachelor of Art degree in history from the University of Texas and Master of Business Administration and Juris Doctorate degrees from Tulane University.

Mr. Lapeyre's status as a significant shareholder of our Company enables our Board to have direct access to the perspective of our shareholders and ensures that the Board will take into consideration the interests of our shareholders in all Board decisions. In addition, Mr. Lapeyre has extensive knowledge regarding the marine products and technology that we acquired from Laitram in 1998.

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Board of Directors and Corporate Governance

Governance Initiatives. ION is committed to excellence in corporate governance and maintains clear practices and policies that promote good corporate governance. We review our governance practices and update them, as appropriate, based upon Delaware law, rules and listing standards of the NYSE, SEC regulations and practices recommended by our outside advisors.

Examples of our corporate governance initiatives include the following:

Seven of our eight Board members are independent of ION and its management. R. Brian Hanson, our President and Chief Executive Officer, is not independent because he is an employee of ION.

All members of the principal standing committees of our Board the Audit Committee, the Governance Committee and the Compensation Committee are independent.

The independent members of our Board and each of the principal committees of our Board meet regularly without the presence of management. The members of the Audit Committee meet regularly with representatives of our independent registered public accounting firm without the presence of management. The members of the Audit Committee also meet regularly with our manager of internal audit without the presence of other members of management.

Our Audit Committee has at least one member who qualifies as a "financial expert" in accordance with Section 407 of the Sarbanes-Oxley Act of 2002.

The Board has adopted written Corporate Governance Guidelines to assist its members in fulfilling their responsibilities.

Under our Corporate Governance Guidelines, Board members are required to offer their resignation from the Board if they retire or materially change the position they held when they began serving as a director on the Board.

We comply with and operate in a manner consistent with regulations prohibiting loans to our directors and executive officers.

Members of our Disclosure Committee, consisting of management employees and senior finance and accounting employees, review all quarterly and annual reports before filing with the SEC.

We have a dedicated hotline and website available to all employees to report ethics and compliance concerns, anonymously if preferred, including concerns related to accounting, accounting controls, financial reporting and auditing matters. The hotline and website are administered and monitored by an independent hotline monitoring company. The Board has adopted a policy and procedures for the receipt, retention and treatment of complaints and employee concerns received through the hotline or website. The policy is available on our website at *http://ir.iongeo.com/phoenix.zhtml?c=101545&p=irol- govhighlights*.

On an annual basis, each director and each executive officer is obligated to complete a questionnaire that requires disclosure of any transactions with ION in which the director or executive officer, or any member of his or her immediate family, has a direct or indirect material interest.

We have included as Exhibits 31.1 and 31.2 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the SEC, certificates of our Chief Executive Officer and Chief Financial Officer, respectively, certifying as to the quality of our public disclosure. In addition, in 2015, we submitted to the NYSE a certificate of our Chief Executive Officer certifying that he is not aware of any violation by ION of the NYSE corporate governance listing standards.

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Our internal audit controls function maintains critical oversight over the key areas of our business and financial processes and controls, and provides reports directly to the Audit Committee.

We have a compensation recoupment (clawback) policy that applies to our current and former executive officers. The policy is available on our website at *http://ir.iongeo.com/phoenix.zhtml?c=101545&p=irol- govhighlights*.

We have stock ownership guidelines for our non-employee directors and senior management.

Our employment contracts with our Chief Executive Officer, Chief Financial Officer and other employees do not contain a "single-trigger" change of control severance provision or entitle the employee to tax gross-up benefits.

Majority Voting Procedure for Directors. Our Corporate Governance Guidelines require a mandatory majority voting, director resignation procedure. Any director nominee in an uncontested election who receives a greater number of votes "withheld" from his election than votes "for" such election is required to promptly tender to the Board his resignation following certification of the shareholder vote. Upon receipt of the resignation, the Governance Committee will consider the resignation offer and recommend to the Board whether to accept it. The Board will act on the Governance Committee's recommendation within 120 days following certification of the shareholder vote. The Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation. Thereafter, the Board will promptly disclose its decision whether to accept the director's resignation offer (and the reasons for rejecting the resignation offer, if applicable) in a Current Report on Form 8-K furnished to the SEC.

Code of Ethics. We have adopted a Code of Ethics that applies to all members of our Board and all of our employees, including our principal executive officer, principal financial officer, principal accounting officer and all other senior members of our finance and accounting departments. An updated version of our Code of Ethics was approved by the Board on November 4, 2014. We require all employees to adhere to our Code of Ethics in addressing legal and ethical issues encountered in conducting their work. The Code of Ethics requires that our employees avoid conflicts of interest, comply with all laws and other legal requirements, conduct business in an honest and ethical manner, promote full and accurate financial reporting and otherwise act with integrity and in ION's best interest. Every year our management employees and senior finance and accounting employees affirm their compliance with our Code of Ethics and other principal compliance policies. New employees sign a written certification of compliance with these policies upon commencing employment.

We have made our Code of Ethics, Corporate Governance Guidelines, charters for the principal standing committees of our Board and other information that may be of interest to investors available on the Investor Relations section of our website at *http://ir.iongeo.com/phoenix.zhtml?c=101545&p=irol- govhighlights.* Copies of this information may also be obtained by writing to us at ION Geophysical Corporation, Attention: Executive Vice President, General Counsel and Corporate Secretary, 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839. Amendments to, or waivers from, our Code of Ethics will also be available on our website and reported as may be required under SEC rules; however, any technical, administrative or other non-substantive amendments to our Code of Ethics may not be posted.

Please note that the preceding Internet address and all other Internet addresses referenced in this Proxy Statement are for information purposes only and are not intended to be a hyperlink. Accordingly, no information found or provided at such Internet addresses or at our website in general is intended or deemed to be incorporated by reference herein.

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Lead Independent Director. James M. Lapeyre, Jr. serves as our Chairman of the Board. Under NYSE corporate governance listing standards, Mr. Lapeyre has also been designated as our Lead Independent Director and presiding non-management director to lead non-management directors meetings of the Board. Our non-management directors meet at regularly scheduled executive sessions without management, over which Mr. Lapeyre presides. The powers and authority of the Lead Independent Director also include the following:

- Advise and consult with the Chief Executive Officer, senior management and the Chairperson of each Committee of the Board, as to the appropriate information, agendas and schedules of Board and Committee meetings;

- Advise and consult with the Chief Executive Officer and senior management as to the quality, quantity and timeliness of the information submitted by the Company's management to the independent directors;

- Recommend to the Chief Executive Officer and the Board the retention of advisers and consultants to report directly to the Board;

- Call meetings of the Board or executive sessions of the independent directors;

- Develop the agendas for and preside over executive sessions of the Board's independent directors;

- Serve as principal liaison between the independent directors, and the Chief Executive Officer and senior management, on sensitive issues, including the review and evaluation of the Chief Executive Officer; and

- Coordinate with the independent directors in respect of each of the foregoing.

Certain of the duties and powers described above are to be conducted in conjunction with our Chairman of the Board if the Lead Independent Director is not also the Chairman of the Board.

Communications to Board and Lead Independent Director. Shareholders and other interested parties may communicate with the Board and our Lead Independent Director or non-management independent directors as a group by writing to "Chairman of the Board" or "Lead Independent Director," c/o Corporate Secretary, ION Geophysical Corporation, 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839. Inquiries sent by mail will be reviewed by our Corporate Secretary and, if they pertain to the functions of the Board or committees of the Board or if the Corporate Secretary otherwise determines that they should be brought to the intended recipient's attention, they will be forwarded to the intended recipient. Concerns relating to accounting, internal controls, auditing or compliance matters will be brought to the attention of our Audit Committee and handled in accordance with procedures established by the Audit Committee.

Our Corporate Secretary's review of these communications will be performed with a view that the integrity of this process be preserved. For example, items that are unrelated to the duties and responsibilities of the Board, such as personal employee complaints, product inquiries, new product suggestions, resumes and other forms of job inquiries, surveys, service or product complaints, requests for donations, business solicitations or advertisements, will not be forwarded to the directors. In addition, material that is considered to be hostile, threatening, illegal or similarly unsuitable will not be forwarded. Except for these types of items, the Corporate Secretary will promptly forward written communications to the intended recipient. Within the above guidelines, the independent directors have granted the Corporate Secretary discretion to decide what correspondence should be shared with ION management and independent directors.

2015 Meetings of the Board and Shareholders. During 2015, the Board held ten meetings and the four standing committees of the Board held a total of 13 meetings. Overall, the rate of attendance by

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our directors at such meetings was 97% and six of our directors attended all of the meetings. The table below provides for each member of the Board the percentage of meetings of the Board and committees of the Board each director attended during 2015. No director attended less than 82% of these meetings. We do not require our Board members to attend our Annual Meeting of Shareholders; however, six of our directors were present at our Annual Meeting held in May 2015.

Director	Board and Committee Meetings Attended During 2015
James M. Lapeyre, Jr.	100%
David H. Barr	100%
R. Brian Hanson	100%
Hao Huimin	82%
Michael C. Jennings	100%
Franklin Myers	94%
S. James Nelson, Jr.	100%
John N. Seitz	100%

Independence. In determining independence, each year the Board determines whether directors have any "material relationship" with ION. When assessing the "materiality" of a director's relationship with ION, the Board considers all relevant facts and circumstances, not merely from the director's standpoint, but from that of the persons or organizations with which the director has an affiliation, and the frequency or regularity of the services, whether the services are being carried out at arm's length in the ordinary course of business and whether the services are being provided substantially on the same terms to ION as those prevailing at the time from unrelated parties for comparable transactions. Material relationships can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships. Factors that the Board may consider when determining independence for purposes of this determination include (1) not being a current employee of ION or having been employed by ION within the last three years; (2) not having an immediate family member who is, or who has been within the last three years, an executive officer of ION; (3) not personally receiving or having an immediate family member who has received, during any 12-month period within the last three years, more than $120,000 per year in direct compensation from ION other than director and committee fees; (4) not being employed or having an immediate family member employed within the last three years as an executive officer of another company of which any current executive officer of ION serves or has served, at the same time, on that company's compensation committee; (5) not being an employee of or a current partner of, or having an immediate family member who is a current partner of, a firm that is ION's internal or external auditor; (6) not having an immediate family member who is a current employee of such an audit firm who personally works on ION's audit; (7) not being or having an immediate family member who was within the last three years a partner or employee of such an audit firm and who personally worked on ION's audit within that time; (8) not being a current employee, or having an immediate family member who is a current executive officer, of a company that has made payments to, or received payments from, ION for property or services in an amount that, in any of the last three fiscal years, exceeds the greater of $1 million or 2% of the other company's consolidated gross revenues; or (9) not being an executive officer of a charitable organization to which, within the preceding three years, ION has made charitable contributions in any single fiscal year that has exceeded the greater of $1 million or 2% of such organization's consolidated gross revenues.

Our Board has affirmatively determined that, with the exception of R. Brian Hanson, who is our President and Chief Executive Officer and an employee of ION, no director has a material relationship with ION within the meaning of the NYSE's listing standards, and that each of our directors (other than Mr. Hanson) is independent from management and from our independent registered public accounting firm, as required by NYSE listing standard rules regarding director independence. Our

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Chairman and Lead Independent Director, Mr. Lapeyre, is an executive officer and significant shareholder of Laitram, L.L.C., a company with which ION has ongoing contractual relationships, and Mr. Lapeyre and Laitram together owned approximately 7.5% of our outstanding Common Stock as of February 29, 2016. Our Board has determined that these contractual relationships have not interfered with Mr. Lapeyre's demonstrated independence from our management, and that the services performed by Laitram for ION are being provided at arm's length in the ordinary course of business and substantially on the same terms to ION as those prevailing at the time from unrelated parties for comparable transactions. In addition, the services provided by Laitram to ION resulted in payments by ION to Laitram in an amount less than 1% of Laitram's 2015 consolidated gross revenues. As a result of these factors, our Board has determined that Mr. Lapeyre, along with each of our other non-management directors, is independent within the meaning of the NYSE's director independence standards. For an explanation of the contractual relationship between Laitram and ION, please see " *Certain Transactions and Relationships*" below.

Our director, Mr. Hao, is employed as Chief Geophysicist of BGP. For an explanation of the relationships between BGP and ION, please see " *Certain Transactions and Relationships*" below.

Risk Oversight. Our Board oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks a company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of the full Board in setting ION's business strategy is a key part of its assessment of the Company's appetite for risk and also a determination of what constitutes an appropriate level of risk for the company. The Board also regularly reviews information regarding the Company's credit, liquidity and operations, as well as the risks associated with each. While the Board has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. In particular, the Audit Committee focuses on financial risk, including internal controls, and receives an annual risk assessment report from ION's internal auditors. In addition, in setting compensation, the Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with ION's business strategies. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, the entire Board is regularly informed through committee reports about such risks.

Board Leadership. Our current Board leadership structure consists of a Chairman of the Board (who is not our current CEO), a Lead Independent Director (who is also our Chairman of the Board) and strong independent committee chairs. The Board believes this structure provides independent Board leadership and engagement and strong independent oversight of management while providing the benefit of having our Chairman and Lead Independent Director lead regular Board meetings as we discuss key business and strategic issues. Mr. Lapeyre, a non-employee independent director, serves as our Chairman of the Board and Lead Independent Director. Mr. Hanson has served as our CEO since January 1, 2012. We separate the roles of CEO and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman provides guidance to the CEO and sets the agenda for Board meetings and presides over the meetings of the full Board. Separating these positions allows our CEO to focus on our day-to-day business, while allowing the Chairman to lead the Board in its fundamental role of providing advice to, and independent oversight of, management. The Board recognizes the time, effort and energy that the CEO is required to devote to his position, as well as the commitment required to serve as our Chairman. The Board believes that having separate positions is the appropriate leadership structure for our Company at this time and demonstrates our commitment to good corporate governance.

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Political Contributions and Lobbying. Our Code of Ethics prohibits company contributions to political candidates or parties. In addition, we do not advertise in or purchase political publications, allow company assets to be used by political parties or candidates, use corporate funds to purchase seats at political fund raising events, or allow company trademarks to be used in political or campaign literature. ION is a member of certain trade associations that may use a portion of their membership dues for lobbying and/or political expenditures.

Committees of the Board

The Board has established four standing committees to facilitate and assist the Board in the execution of its responsibilities. The four standing committees are the Audit Committee, the Compensation Committee, the Governance Committee and the Finance Committee. Each standing committee operates under a written charter, which sets forth the functions and responsibilities of the committee. A copy of the charter for each of the Audit Committee, the Compensation Committee and the Governance Committee can be viewed on our website at *http://ir.iongeo.com/phoenix.zhtml?c=101545&p=irol- govhighlights.* A copy of each charter can also be obtained by writing to us at ION Geophysical Corporation, Attention: Corporate Secretary, 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839. The Audit Committee, Compensation Committee, Governance Committee and Finance Committee are composed entirely of non-employee directors. In addition, the Board establishes temporary special committees from time to time on an as-needed basis. During 2015, the Audit Committee met five times, the Compensation Committee met four times, the Governance Committee met two times, and the Finance Committee met two times.

The current members of the four standing committees of the Board are identified below.

Director	Compensation Committee	Audit Committee	Governance Committee	Finance Committee
James M. Lapeyre, Jr.	*	*	Chair	
David H. Barr	*		*	
R. Brian Hanson				
Hao Huimin				*
Michael C. Jennings		*		*
Franklin Myers	Chair		*	Co-Chair
S. James Nelson, Jr.		Chair		Co-Chair
John N. Seitz	*		*	

* Member

Audit Committee

The Audit Committee is a separately-designated standing audit committee as defined in Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Audit Committee oversees matters relating to financial reporting, internal controls, risk management and compliance. These responsibilities include appointing, overseeing, evaluating and approving the fees of our independent auditors, reviewing financial information that is provided to our shareholders and others, reviewing with management our system of internal controls and financial reporting processes, and monitoring our compliance program and system.

The Board has determined that each member of the Audit Committee is financially literate and satisfies the definition of "independent" as established under the NYSE corporate governance listing standards and Rule 10A-3 under the Exchange Act. In addition, the Board has determined that Mr. Nelson, the Chairman of the Audit Committee, is qualified as an audit committee financial expert within the meaning of SEC regulations, and that he has accounting and related financial management expertise within the meaning of the listing standards of the NYSE and Rule 10A-3.

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Compensation Committee

General. The Compensation Committee has responsibility for the compensation of our executive officers, including our Chief Executive Officer, and the administration of our executive compensation and benefit plans. The Compensation Committee also has authority to retain or replace outside counsel, compensation and benefits consultants or other experts to provide it with independent advice, including the authority to approve the fees payable and any other terms of retention. All actions regarding executive officer compensation require Compensation Committee approval. The Compensation Committee completes a comprehensive review of all elements of compensation at least annually. If it is determined that any changes to any executive officer's total compensation are necessary or appropriate, the Compensation Committee obtains such input from management as it determines to be necessary or appropriate. All compensation decisions with respect to executives other than our Chief Executive Officer are determined in discussion with, and frequently based in part upon the recommendation of, our Chief Executive Officer. The Compensation Committee makes all determinations with respect to the compensation of our Chief Executive Officer, including, but not limited to, establishing performance objectives and criteria related to the payment of his compensation, and determining the extent to which such objectives have been established, obtaining such input from the Compensation Committee's independent compensation advisors as it deems necessary or appropriate.

As part of its responsibility to administer our executive compensation plans and programs, the Compensation Committee, usually near the beginning of the calendar year, establishes the parameters of the annual incentive plan awards, including the performance goals relative to our performance that will be applicable to such awards and the similar awards for our other senior executives. It also reviews our performance against the objectives established for awards payable in respect of the prior calendar year, and confirms the extent, if any, to which such objectives have been obtained, and the amounts payable to each of our executive officers in respect of such achievement.

The Compensation Committee also determines the appropriate level and type of awards, if any, to be granted to each of our executive officers pursuant to our equity compensation plans, and approves the total annual grants to other key employees, to be granted in accordance with a delegation of authority to our corporate human resources officer.

The Compensation Committee reviews, and has the authority to recommend to the Board for adoption, any new executive compensation or benefit plans that are determined to be appropriate for adoption by ION, including those that are not otherwise subject to the approval of our shareholders. It reviews any contracts or other transactions with current or former elected officers of the corporation. In connection with the review of any such proposed plan or contract, the Compensation Committee may seek from its independent advisors such advice, counsel and information as it determines to be appropriate in the conduct of such review. The Compensation Committee will direct such outside advisors as to the information it requires in connection with any such review, including data regarding competitive practices among the companies with which ION generally compares itself for compensation purposes.

Compensation Committee Interlocks and Insider Participation. The Board has determined that each member of the Compensation Committee satisfies the definition of "independent" as established under the NYSE corporate governance listing standards. No member of the Compensation Committee is, or was during 2015, an officer or employee of ION. Mr. Lapeyre is President and Chief Executive Officer and a significant equity owner of Laitram, L.L.C, which has had a business relationship with ION since 1999. During 2015, we paid Laitram and its affiliates a total of approximately $0.8 million, which consisted of approximately $0.7 million for manufacturing services, and $0.1 million for reimbursement

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of costs related to providing administrative and other back-office support services in connection with our Louisiana marine operations. See *" Certain Transactions and Relationships"* below. During 2015:

- No executive officer of ION served as a member of the compensation committee of another entity, one of whose executive officers served as a director or on the Compensation Committee of ION; and

- No executive officer of ION served as a director of another entity, one of whose executive officers served on the Compensation Committee of ION.

Governance Committee

The Governance Committee functions as the Board's nominating and corporate governance committee and advises the Board with regard to matters relating to governance practices and policies, management succession, and composition and operation of the Board and its committees, including reviewing potential candidates for membership on the Board and recommending to the Board nominees for election as directors of ION. In addition, the Governance Committee reviews annually with the full Board and our Chief Executive Officer the succession plans for senior executive officers and makes recommendations to the Board regarding the selection of individuals to occupy these positions. The Board has determined that each member of the Governance Committee satisfies the definition of "independent" as established under the NYSE corporate governance listing standards.

In identifying and selecting new director candidates, the Governance Committee considers the Board's current and anticipated strengths and needs and a candidate's experience, knowledge, skills, expertise, integrity, diversity, ability to make independent analytical inquiries, understanding of our Company's business environment, willingness to devote adequate time and effort to Board responsibilities, and other relevant factors. The Governance Committee has not established specific minimum age, education, years of business experience, or specific types of skills for potential director candidates, but, in general, expects that qualified candidates will have ample experience and a proven record of business success and leadership. The Governance Committee also seeks an appropriate balance of experience and expertise in accounting and finance, technology, management, international business, compensation, corporate governance, strategy, industry knowledge and general business matters. In addition, the Governance Committee seeks a diversity of experience, professions, skills, geographic representation and backgrounds. The committee may rely on various sources to identify potential director nominees, including input from directors, management and others the Governance Committee feels are reliable, and professional search firms.

Our Bylaws permit shareholders to nominate individuals for director for consideration at an annual shareholders' meeting. A proper director nomination may be considered at our 2017 Annual Meeting only if the proposal for nomination is received by ION not later than December 15, 2016. All nominations should be directed to Jamey S. Seely, Executive Vice President, General Counsel and Corporate Secretary, ION Geophysical Corporation, 2105 CityWest Boulevard, Suite 400, Houston, Texas 77042-2839.

The Governance Committee will consider properly submitted recommendations for director nominations made by a shareholder or other sources (including self- nominees) on the same basis as other candidates. For consideration by the Governance Committee, a recommendation of a candidate must be submitted timely and in writing to the Governance Committee in care of our Corporate Secretary at our principal executive offices. The submission must include sufficient details regarding the qualifications of the potential candidate. In general, nominees for election should possess (1) the highest level of integrity and ethical character, (2) strong personal and professional reputation, (3) sound judgment, (4) financial literacy, (5) independence, (6) significant experience and proven superior performance in professional endeavors, (7) an appreciation for Board and team performance,

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(8) the commitment to devote the time necessary, (9) skills in areas that will benefit the Board and (10) the ability to make a long-term commitment to serve on the Board.

Finance Committee

The Finance Committee has responsibility for overseeing all areas of corporate finance for ION. The Finance Committee is responsible for reviewing with ION management, and has the power and authority to approve on behalf of the Board, ION's strategies, plans, policies and actions related to corporate finance, including, but not limited to, (a) capital structure plans and strategies and specific equity or debt financings, (b) capital expenditure plans and strategies and specific capital projects, (c) strategic and financial investment plans and strategies and specific investments, (d) cash management plans and strategies and activities relating to cash flow, cash accounts, working capital, cash investments and treasury activities, including the establishment and maintenance of bank, investment and brokerage accounts, (e) financial aspects of insurance and risk management, (f) tax planning and compliance, (g) dividend policy, (h) plans and strategies for managing foreign currency exchange exposure and other exposures to economic risks, including plans and strategies with respect to the use of derivatives, and (i) reviewing and making recommendations to the Board with respect to any proposal by ION to divest any asset, investment, real or personal property, or business interest if such divestiture is required to be approved by the Board. The Finance Committee does not have oversight responsibility with respect to ION's financial reporting, which is the responsibility of the Audit Committee. The Board has determined that a majority of the members of the Finance Committee (including its co-Chairmen) satisfies the definition of "independent" as established under the NYSE corporate governance listing standards.

Stock Ownership Requirements

The Board has adopted stock ownership requirements for ION's directors. The Board adopted these requirements in order to align the economic interests of the directors with those of our shareholders and further focus our emphasis on enhancing shareholder value. Under these requirements, each non-employee director is expected to own at least 2,400 shares of Common Stock, which, at the $7.50 closing price per share of our Common Stock on the NYSE on December 31, 2015, equates to almost 40% of the $46,000 annual retainer fee we pay to our non-employee directors. New and current directors will have three years to acquire and increase the director's ownership of ION Common Stock to satisfy the requirements. The stock ownership requirements are subject to modification by the Board in its discretion. The Board has also adopted stock ownership requirements for senior management of ION. See *"Executive Compensation Compensation Discussion and Analysis Elements of Compensation Stock Ownership Requirements; Hedging Policy"* below.

The Governance Committee and the Board regularly review and evaluate ION's directors' compensation program on the basis of current and emerging compensation practices for directors, emerging legal, regulatory and corporate compliance developments and comparisons with director compensation programs of other similarly-situated public companies.

Certain Transactions and Relationships

The Board has adopted a written policy and procedures to be followed prior to any transaction, arrangement or relationship, or series of similar transactions, arrangements or relationships, including any indebtedness or guarantee of indebtedness, between ION and a "Related Party" where the aggregate amount involved is expected to exceed $120,000 in any calendar year. Under the policy, "Related Party" includes (a) any person who is or was an executive officer, director or nominee for election as a director (since the beginning of the last fiscal year); (b) any person or group who is a greater-than-5% beneficial owner of ION voting securities; or (c) any immediate family member of any of the foregoing, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law,

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father-in-law, son-in-law, daughter-in-law, brother- in-law, sister-in-law, and anyone residing in the home of an executive officer, director or nominee for election as a director (other than a tenant or employee). Under the policy, the Governance Committee of the Board is responsible for reviewing the material facts of any Related Party transaction and approving or ratifying the transaction. In making its determination to approve or ratify, the Governance Committee is required to consider such factors as (i) the extent of the Related Party's interest in the transaction, (ii) if applicable, the availability of other sources of comparable products or services, (iii) whether the terms of the Related Party transaction are no less favorable than terms generally available in unaffiliated transactions under like circumstances, (iv) the benefit to ION and (v) the aggregate value of the Related Party transaction.

Mr. Lapeyre is the President and Chief Executive Officer and a significant equity owner of Laitram, L.L.C. and has served as President of Laitram and its predecessors since 1989. Laitram is a privately-owned, New Orleans-based manufacturer of food processing equipment and modular conveyor belts. Mr. Lapeyre and Laitram together owned approximately 7.5% of our outstanding Common Stock as of February 29, 2016.

We acquired DigiCourse, Inc., our marine positioning products business, from Laitram in 1998. In connection with that acquisition, we entered into a Continued Services Agreement with Laitram under which Laitram agreed to provide us certain bookkeeping, software, manufacturing, and maintenance services. Manufacturing services consist primarily of machining of parts for our marine positioning systems. The term of this agreement expired in September 2001 but we continue to operate under its terms. In addition, from time to time, when we have requested, the legal staff of Laitram has advised us on certain intellectual property matters with regard to our marine positioning systems. The amended lease of commercial property dated February 1, 2006, between Lapeyre Properties, L.L.C. (an affiliate of Laitram) and ION was terminated in 2015. During 2015, we paid Laitram and its affiliates a total of approximately $0.8 million, which consisted of approximately $0.7 million for manufacturing services, and $0.1 million for reimbursement for costs related to providing administrative and other back-office support services in connection with our Louisiana marine operations. In the opinion of our management, the terms of these services are fair and reasonable and as favorable to us as those that could have been obtained from unrelated third parties at the time of their performance.

Mr. Hao is Chief Geophysicist of BGP, which has been a customer of our products and services for many years. For our fiscal years ended December 31, 2015 and 2014, BGP accounted for approximately 3% and 1% of our consolidated net sales, respectively. During 2015, we recorded revenues from sales to BGP of approximately $6.3 million. Trade receivables due from BGP at December 31, 2015 were $0.3 million.

In March 2010, prior to Mr. Hao being appointed to the Board, we entered into certain transactions with BGP that resulted in the commercial relationships between our Company and BGP as described below:

We issued and sold approximately 1,585,969 shares of our Common Stock (23,789,536 shares of our Common Stock on a pre-reverse stock split basis) to BGP for an effective purchase price of $42.00 per share ($2.80 per share on a pre-reverse stock split basis) pursuant to (i) a Stock Purchase Agreement we entered into with BGP and (ii) the conversion of the principal balance of indebtedness outstanding under a Convertible Promissory Note dated as of October 23, 2009. As of February 29, 2016, BGP held beneficial ownership of approximately 14.9% of our outstanding shares of Common Stock. The shares of our Common Stock acquired by BGP are subject to the terms and conditions of an Investor Rights Agreement that we entered into with BGP in connection with its purchase of our shares. Under the Investor Rights Agreement, for so long as BGP owns as least 10% of our outstanding shares of Common Stock, BGP will have the right to nominate one director to serve on our Board. The appointment of Mr. Hao to our Board was made pursuant to this agreement. The Investor Rights Agreement also provides that

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whenever we may issue shares of our Common Stock or other securities convertible into, exercisable or exchangeable for our Common Stock, BGP will have certain pre-emptive rights to subscribe for a number of such shares or other securities as may be necessary to retain its proportionate ownership of our Common Stock that would exist before such issuance. These pre-emptive rights are subject to usual and customary exceptions, such as issuances of securities as equity compensation to our directors, employees and consultants and under employee stock purchase plans.

We formed a joint venture with BGP, owned 49% by us and 51% by BGP, to design, develop, manufacture and sell land-based seismic data acquisition equipment for the petroleum industry. The name of the joint venture company is INOVA Geophysical Equipment Limited. Under the terms of the joint venture transaction, INOVA Geophysical was initially formed as a wholly-owned direct subsidiary of ION, and BGP acquired its interest in the joint venture by paying us aggregate consideration of (i) $108.5 million in cash and (ii) contributing certain assets owned by BGP relating to the business of the joint venture.

Director Compensation

ION employees who are also directors do not receive any fee or remuneration for services as members of our Board. We currently have seven non- employee directors who qualify for compensation as directors. In addition to being reimbursed for all reasonable out-of-pocket expenses that the director incurs attending Board meetings and functions, our outside directors receive an annual retainer fee of $46,000. In addition, our Chairman of the Board receives an annual retainer fee of $25,000, our Chairman of the Audit Committee receives an annual retainer fee of $20,000, our Chairman of the Compensation Committee receives an annual retainer fee of $15,000, our Chairman of the Governance Committee receives an annual retainer fee of $10,000 and each co-Chairman of the Finance Committee receives an annual retainer fee of $5,000. Our non-employee directors also receive, in cash, $2,000 for each Board meeting attended and $2,000 for each committee meeting attended (unless the committee meeting is held in conjunction with a Board meeting, in which case the fee for committee meeting attendance is $1,000) and $1,000 for each Board or committee meeting attended via teleconference.

Each non-employee director also receives an initial grant of 533 vested shares of our Common Stock on the first quarterly grant date after joining the Board and follow-on grants each year of a number of shares of our Common Stock equal in market value to $110,000, up to an annual grant of 2,500 shares per director.

The following table summarizes the compensation earned by our non-employee directors in 2015:

Name(1)	Fees Earned or Paid in Cash ($)	Stock Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)(3)	Total ($)
David H. Barr	67,000	56,977			24,750	148,727
Hao Huimin	55,000	56,977			24,750	136,727
Michael C. Jennings	67,000	56,977			24,750	148,727
James M. Lapeyre, Jr.	109,000	56,977			24,750	190,727
Franklin Myers	88,000	56,977			24,750	169,727
S. James Nelson, Jr.	93,000	56,977			24,750	174,727
John N. Seitz	67,000	56,977			24,750	148,727

(1) R. Brian Hanson, our President and Chief Executive Officer, is not included in this table because he was an employee of ION during 2015, and therefore received no compensation for his services

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as director. The compensation received by Mr. Hanson as an employee of ION during 2015 is shown in the Summary Compensation Table contained in " *Executive Compensation*" below.

(2)

All of the amounts shown represent the value of Common Stock granted under our 2013 Long-Term Incentive Plan (the "2013 LTIP"). On March 1, 2015, each of our non-employee directors was granted an award of 1,666 shares of ION Common Stock. The values contained in the table are based on the grant-date fair value of awards of stock during the fiscal year.

(3)

On March 1, 2015, the value of the 1,666 shares received by each of our non-employee directors was only valued at $56,977 leaving a gap of $53,023 in the value of the equity awarded versus the $110,000 compensation target. As a result, the Governance Committee approved additional cash compensation to be provided to the Board in the amount of $33,000. The additional compensation, which is paid in quarterly increments, is approximately 20% less than the compensation target and 10% less than the total compensation paid to the Board in 2014.

As of December 31, 2015, our non-employee directors held the following unvested and unexercised ION equity awards:

Name	Unvested Stock Awards(#)	Unexercised Option Awards(#)
David H. Barr	1,666	
Hao Huimin	1,666	
Michael C. Jennings	1,666	
James M. Lapeyre, Jr.	1,666	1,666
Franklin Myers	1,666	1,666
S. James Nelson, Jr.	1,666	1,666
John N. Seitz	1,666	1,666

OWNERSHIP OF EQUITY SECURITIES OF ION

Except as otherwise set forth below, the following table sets forth information as of February 29, 2016, with respect to the number of shares of Common Stock owned by (i) each person known by us to be a beneficial owner of more than 5% of our Common Stock, (ii) each of our directors, (iii) each of our executive officers named in the 2015 Summary Compensation Table included in this Proxy Statement and (iv) all of our directors and executive officers as a group. Except where information was otherwise known by us, we have relied solely upon filings of Schedules 13D and 13G to determine the number of shares of our Common Stock owned by each person known to us to be the beneficial owner of more than 5% of our Common Stock as of such date. The share numbers in this table and the

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footnotes below have been retroactively adjusted to reflect the one-for-15 reverse split completed on February 4, 2016.

Name of Owner	Common Stock(1)	Rights to Acquire(2)	Restricted Stock(3)	Percent of Common Stock(4)
Invesco Ltd.(5)	1,895,105			17.8%
BGP Inc., China National Petroleum Corporation(6)	1,585,969			14.9%
James M. Lapeyre, Jr.(7)	790,017	1,666	1,666	7.5%
Laitram, L.L.C.(8)	581,309			5.5%
David H. Barr	6,267		1,666	*
R. Brian Hanson(9)	27,789	41,811	13,059	*
Hao Huimin	4,340		1,666	*
Michael C. Jennings	6,267		1,666	*
Franklin Myers	21,467	1,666	1,666	*
S. James Nelson, Jr.	7,600	1,666	1,666	*
John N. Seitz	9,593	1,666	1,666	*
Steven A. Bate	17,156	11,973	6,263	*
Kenneth G. Williamson	6,396	31,779	5,999	*
Christopher T. Usher	3,174	7,207	3,218	*
Jamey S. Seely	9,095	1,805	3,033	*
All directors and executive officers as a group (14 Persons)	912,548	112,357	46,206	10.0%

* Less than 1%

(1) Represents shares on a post-reverse stock split basis for which the named person (a) has sole voting and investment power or (b) has shared voting and investment power. Excluded are shares that (i) are unvested restricted stock holdings or (ii) may be acquired through stock option exercises.

(2) Represents shares of Common Stock that may be acquired upon the exercise of stock options held by our officers and directors that are currently exercisable or will be exercisable on or before April 29, 2016.

(3) Represents unvested shares subject to a vesting schedule, forfeiture risk and other restrictions. Although these shares are subject to risk of forfeiture, the holder has the right to vote the unvested shares unless and until they are forfeited.

(4) Assumes shares subject to outstanding stock options that such person has rights to acquire upon exercise, presently and on or before April 29, 2016, are outstanding.

(5) The address for Invesco Ltd. is 1555 Peachtree Street NE, Atlanta, Georgia 30309.

(6) The address for BGP Inc., China National Petroleum Corporation is No. 189 Fanyang Middle Road, ZhuoZhou City, HeBei Province 072750 P.R. China.

(7) The shares of Common Stock held by Mr. Lapeyre include 99,402 shares that Mr. Lapeyre holds as a custodian or trustee for the benefit of his children, 581,309 shares owned by Laitram, and 699 shares that Mr. Lapeyre holds as a co-trustee with his wife for the benefit of his children, in all of which Mr. Lapeyre disclaims any beneficial interest. Please read note 8 below. Mr. Lapeyre has sole voting power over only 110,273 of these shares of Common Stock.

(8) The address for Laitram, L.L.C. is 220 Laitram Lane, Harahan, Louisiana 70123. Mr. Lapeyre is the President and Chief Executive Officer of Laitram. Please read note 7 above. Mr. Lapeyre disclaims beneficial ownership of any shares held by Laitram.

(9) The shares of Common Stock held by Mr. Hanson include 666 shares owned by Mr. Hanson's wife, in which Mr. Hanson disclaims any beneficial interest.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires directors and certain officers of ION, and persons who own more than 10% of ION's Common Stock, to file with the SEC and the NYSE initial statements of beneficial ownership on Form 3 and changes in such ownership on Forms 4 and 5. Based on our review of the copies of such reports, we believe that, with three exceptions, during 2015 our directors, executive officers and shareholders holding greater than 10% of our outstanding shares complied with all applicable filing requirements under Section 16(a) of the Exchange Act, and that all of their filings were timely made. A Form 4 for Mr. Lapeyre was filed two days late when the Company was not timely notified of the execution of a buy order. On two separate occasions, Form 4s were filed for Ms. Seely that each inadvertently failed to report all of the reporting person's shares purchased and therefore required amendment to reflect the full holdings. In each case, the amendment was filed to correct the numbers reported on the original Form 4.

EXECUTIVE OFFICERS

Our executive officers are as follows:

Name	Age	Position with ION
R. Brian Hanson	51	President and Chief Executive Officer and Director
Steven A. Bate	53	Executive Vice President and Chief Financial Officer
Kenneth G. Williamson	51	Executive Vice President and Chief Operating Officer, E&P Technology & Services
Christopher T. Usher	55	Executive Vice President and Chief Operating Officer, E&P Operations Optimization
Jamey S. Seely	44	Executive Vice President, General Counsel and Corporate Secretary
Colin T. Hulme	64	Executive Vice President, Ocean Bottom Services
Scott P. Schwausch	41	Vice President and Corporate Controller

For a description of the business background of Mr. Hanson, please see *"Item 1 Election of Directors Class I Director Nominees for Re-Election for Term Expiring in 2018"* above.

Mr. Bate is currently our Executive Vice President and Chief Financial Officer. Mr. Bate rejoined ION in May 2013 as Senior Vice President, Systems Division, became the Executive Vice President and Chief Operating Officer, Systems Division in February 2014 and became the Executive Vice President and Chief Financial Officer in November 2014. Mr. Bate originally joined ION in 2005 as Chief Financial Officer of our GX Technology business unit. In 2007, he was appointed Senior Vice President, Sensor business unit and in 2009 his area of responsibility broadened to our Land Imaging Systems Division. Following our formation in March 2010 of INOVA Geophysical, a land seismic equipment joint venture with BGP, Mr. Bate was appointed as INOVA Geophysical's first President and Chief Executive Officer, and served in that role until October 2012. Prior to joining ION in 2005, Mr. Bate founded a consulting business and served as President of a residential construction company. Mr. Bate holds a Bachelor of Business Administration degree from the University of Houston.

Mr. Williamson is our Executive Vice President and Chief Operating Officer, E&P Technology & Services. Mr. Williamson originally joined ION as Vice President of our GeoVentures business unit in September 2006, became a Senior Vice President in January 2007, and became Executive Vice President and Chief Operating Officer, GeoVentures Division, in November 2012 and Executive Vice President and Chief Operating Officer in February of 2015. Between 1987 and 2006, Mr. Williamson was employed by Western Geophysical, which in 2000 became part of WesternGeco, a seismic solutions and technology subsidiary of Schlumberger, Ltd., a global oilfield and information services company. While at WesternGeco, Mr. Williamson served as Vice President, Marketing from 2001 to 2003, Vice President, Russia and Caspian Region, from 2003 to 2005 and Vice President, Marketing, Sales & Commercialization of WesternGeco's electromagnetic services and technology division from 2005 to 2006. Mr. Williamson holds a Bachelor of Science degree in geophysics from Cardiff University in Wales.

Mr. Usher is our Executive Vice President and Chief Operating Officer, E&P Operations Optimization. Mr. Usher joined ION in November 2012 as the Executive Vice President and Chief Operating Officer, GeoScience Division. Prior to joining our Company, Mr. Usher served as the Senior Vice President, Data Processing, Analysis and Interpretation and Chief Technology Officer (including significant merger and acquisitions responsibility) of Global Geophysical Services, Inc., a NYSE-listed seismic products and services company, since January 2010. Prior to joining Global, Mr. Usher served from October 2005 to January 2010 as Senior Director at Landmark Software and Services (including significant merger and acquisition responsibility), a division of Halliburton Company, an oilfield services company. From 2004 to 2005, he was Senior Corporate Vice President, Integrated Services, at Paradigm Geotechnology, an E&P software company. From 2000 to 2003, Mr. Usher served as President of the global data processing division of Petroleum Geo-Services (PGS), a marine geophysical contracting company. He began his career at Western Geophysical where he served in a number of roles over his 17 year tenure before becoming the Worldwide VP Technology. Mr. Usher holds a Bachelor of Science degree in geology and geophysics from Yale University.

Ms. Seely joined ION as Executive Vice President, General Counsel and Corporate Secretary in October 2014. Prior to joining ION, Ms. Seely served as Senior Vice President of Alternative Energy for NRG Energy, Inc., with management and legal oversight of multiple new business and startup ventures related to enhanced oil recovery, solar power and nuclear project development. She also recently served in executive and general counsel roles for Nuclear Innovation North America (NINA), a joint venture of NRG Energy with Toshiba Corporation. Prior to NRG Energy, Ms. Seely served as Vice President and General Counsel at Direct Energy and as a partner in the corporate and securities law group of Thompson & Knight LLP. Ms. Seely holds a Juris Doctor from Southern Methodist University's Dedman School of Law, and earned a Bachelor of Arts degree magna cum laude at Baylor University. She is licensed to practice in Texas and New York.

Mr. Hulme is currently our Executive Vice President, Ocean Bottom Services. Mr. Hulme joined ION in April 2012 as Senior Vice President, Strategic Marketing and in November 2013 was promoted to Senior Vice President, Ocean Bottom Services, and appointed to serve as the chief executive officer of OceanGeo B.V., a joint venture controlled by ION and became our Executive Vice President, Ocean Bottom Services in February 2015. Prior to joining ION, Mr. Hulme held a variety of senior management positions at Schlumberger, Ltd., a global oilfield and information services company, from 1989 through 2011, including serving as Technical Director Deep Reading for Schlumberger Wireline from 2006 to 2011, Vice President and General Manager of Seismic Data Processing for WesternGeco, a seismic solutions and technology subsidiary of Schlumberger, from 2002 to 2006, Vice President and General Manager for Reservoir Products, Schlumberger Information Services, from 2000 to 2002, Vice President and Business Manager for Asia Region, Schlumberger Information Services, from 1998 to 2000, and Corporate Marketing and Commercialization Manager for WesternGeco from 1994 to 1998. Prior to joining Schlumberger, Mr. Hulme began his career at Digicon Geophysical.

Mr. Schwausch joined ION in 2006 as Assistant Controller and held that position until June 2010 when he became Director of Financial Reporting. In May 2012, he became Controller, Solutions Business Unit, and in May 2013 became Vice President and Corporate Controller. Mr. Schwausch held a variety of positions at Deloitte & Touche, LLP, a public accounting firm, from 2000 until he joined ION. Mr. Schwausch is a Certified Public Accountant and a Certified Management Accountant. He received a Bachelor of Science degree in accounting from Brigham Young University.

EXECUTIVE COMPENSATION

Introductory note: The following discussion of executive compensation contains descriptions of various employee benefit plans and employment-related agreements. These descriptions are qualified in their entirety by reference to the full text or detailed descriptions of the plans and agreements, which are filed or incorporated by reference as exhibits to our annual report on Form 10-K for the year ended December 31,

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2015. In this discussion, the terms "ION," "we," "our" and "us" refer to ION Geophysical Corporation and its consolidated subsidiaries, except where the context otherwise requires or as otherwise indicated.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides an overview of the Compensation Committee of our Board, a discussion of the background and objectives of our compensation programs for our senior executives, and a discussion of all material elements of the compensation of each of the executive officers identified in the following table, whom we refer to as our named executive officers:

Name	Title
R. Brian Hanson	President and Chief Executive Officer (our principal executive officer)
Steven A. Bate	Executive Vice President and Chief Financial Officer (our principal financial officer)
Kenneth G. Williamson	Executive Vice President and Chief Operating Officer, E&P Technology & Services
Christopher T. Usher	Executive Vice President and Chief Operating Officer, E&P Operations Optimization
Jamey S. Seely	Executive Vice President, General Counsel and Corporate Secretary

Executive Summary

General. The objectives and major components of our executive compensation program remained consistent from 2015 to 2016. While we regularly review and fine-tune our compensation programs, we believe consistency in our compensation program and philosophy is important to effectively motivate and reward top-level management performance and for the creation of shareholder value. We continue to provide our named executive officers with total annual compensation that includes three principal elements: base salary, performance-based annual incentive cash compensation and long- term equity-based incentive awards. Elements of our compensation program continue to be performance-based, and a significant portion of each executive's total annual compensation is at risk and dependent upon our Company's achievement of specific, measurable performance goals. Our performance-based pay is designed to align our executive officers' interests with those of our shareholders and to promote the creation of shareholder value, without encouraging excessive risk-taking. In addition, our equity programs, combined with our executive share ownership requirements, are designed to reward long-term stock performance.

Due to the difficulties the Company, its customers and industry have experienced, base salaries for all of our named executive officers were decreased by 10% on May 1, 2015 and the salary decreases were continued throughout the remainder of 2015. In addition, management recommended and the Compensation Committee has approved the continuation of the base salary reductions through June 30, 2016. No base salary increases were approved for executive officers in 2016.

Payments under our annual bonus incentive plan for 2015 reflected our performance and the level of achievement of our 2015 plan performance goals. In light of the unprecedented business climate the Company faced in 2015, the Compensation Committee reduced the maximum award achievable by individual participants from 150% to 125%. This reduction is in addition to the reduction from 200% to 150% made by the Compensation Committee at the beginning of 2015.

In 2015, the Compensation Committee determined that the bonus available for awards paid to our named executive officers under the 2015 plan should be based on a combination of long-term strategic initiatives and cash preservation goals. In early 2016, the Compensation Committee reviewed the Company's progress towards the achievement of the strategic initiative and cash produced from operations and approved a reduced bonus pool and bonus for each named executive based on individual and company performance. In approving the individual awards to our named executive officers in February 2016, the Compensation Committee noted that our named executive officers' efforts had enabled us to drive our cash preservation objectives during a challenging economic period for the seismic industry while, at the same time, positioning us to take advantage of the next upturn in the energy cycle by pursuing the long term strategic initiatives. In addition, the Compensation Committee determined that each named executive officer had individually performed at or above the expected level and was a significant contributor to our overall performance for the year.

The annual grants made to our named executive officers under our long-term stock incentive plan on March 1, 2015 were similar to grants made to named executive officers in previous years. However, a greater emphasis was placed on stock appreciation rights ("SARs") than in previous years with a substantial portion of each executive's compensation being in the form of performance-based, cash settled SARs instead of restricted stock or stock options.

Consideration of Say-On-Pay Result. At our 2015 Annual Meeting of Shareholders held on May 20, 2015, our shareholders approved all of our director nominees and proposals, including a non-binding advisory ("say-on-pay") vote to approve the compensation of our executive officers. In the advisory executive compensation vote, over 76% of the votes cast on the proposal voted in favor of our executive compensation. Our general goal since our 2015 Annual Meeting has been to continue to act consistently with the established practices that were overwhelmingly approved by our shareholders. We believe that we have accomplished that goal. In addition, because our shareholders voted in a non-binding advisory vote held at our 2011 Annual Meeting in favor of our holding an advisory ("say-on-frequency") vote on executive compensation every year, we will continue to hold an annual advisory vote to approve the compensation of our named executive officers. When and if our Board determines that it is in the best interest of our Company to hold our say-on-pay vote with a different frequency, we will propose such a change to our shareholders at the next annual meeting of shareholders to be held following the Board's determination. Presently, under SEC rules, we are not required to hold another say-on-frequency vote again until our 2017 Annual Meeting of Shareholders.

Corporate Governance

Compensation Committee

The Compensation Committee of our Board reviews and approves, or recommends to the Board for approval, all salary and other remuneration for our executive officers and oversees matters relating to our employee compensation and benefit programs. No member of the Compensation Committee is an employee of ION. The Board has determined that each member of the Compensation Committee satisfies the definition of "independent" as established in the NYSE corporate governance listing standards. In determining the independence of each member of the Compensation Committee, the Board considered all factors specifically relevant to determining whether the director has a relationship to our Company that is material to the director's ability to be independent from management in the execution of his duties as a Compensation Committee member, including, but not limited to:

- the source of compensation of the director, including any consulting, advisory or other compensatory fee paid by us to the director; and

- whether the director is affiliated with our Company, a subsidiary or affiliate.

When considering the director's affiliation with us for purposes of independence, the Board considered whether the affiliate relationship places the director under the direct or indirect control of our Company or its senior management, or creates a direct relationship between the director and members of senior management, in each case, of a nature that would impair the director's ability to make independent judgments about our executive compensation.

The Compensation Committee operates pursuant to a written charter that sets forth its functions and responsibilities. A copy of the charter can be viewed on our website at *http://ir.iongeo.com/phoenix.zhtml?c=101545&p=irol- govhighlights*. For a description of the responsibilities of the Compensation Committee, see *"Item 1. Election of Directors Committees of the Board Compensation Committee"* above.

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During 2015, the Compensation Committee met in person or by conference call four times. In addition, the Compensation Committee took action by unanimous written consent, as permitted under Delaware law and our Bylaws, one time during 2015, primarily to approve individual non-executive employee grants of restricted stock and stock options. We believe that each of these individual grants made by unanimous written consent of the Compensation Committee complied with the applicable grant date requirements under Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic (ASC) 718, "Compensation Stock Compensation" ("ASC Topic 718").

Compensation Consultants

The Compensation Committee has the authority and necessary funding to engage, terminate and pay compensation consultants, independent legal counsel and other advisors in its discretion. Prior to retaining any such compensation consultant or other advisor, the Compensation Committee evaluates the independence of such advisor and also evaluates whether such advisor has a conflict of interest. During 2011, the Compensation Committee engaged Performensation Consulting, an equity compensation consulting firm, to provide advisory services with regard to the preparation of our 2011 proxy statement and to provide the Compensation Committee with analysis on the number of shares to propose to shareholders to add to our stock plan at our 2011 Annual Meeting for future grants to employees and directors. During 2011, the Compensation Committee also engaged Aon Hewitt as its consultant in connection with the promotion of Mr. Hanson to Chief Executive Officer. From 2012-2014, at the recommendation of our management, the Compensation Committee has approved and engaged Performensation Consulting to provide advisory services with regard to the preparation of our proxy statements. In 2015, the Compensation Committee engaged Aon Hewitt to provide advisory services with regard to the preparation of this proxy statement.

From 2011 to date, neither of Performensation Consulting nor Aon Hewitt has received compensation, or advised our Company or our executive officers, on matters outside the scope of their respective engagements by the Compensation Committee.

The Compensation Committee has considered the independence of Aon Hewitt in light of SEC rules and NYSE listing standards. Among the factors considered by the Compensation Committee were the following:

- other services provided to our Company by Aon Hewitt;
- the amount of fees paid by us as a percentage of Aon Hewitt's total revenues;
- policies or procedures maintained by Aon Hewitt that are designed to prevent a conflict of interest;
- any business or personal relationships between the individual consultants involved in the engagement and any member of the Compensation Committee;
- any of our Common Stock owned by the individual consultants involved in the engagement; and
- any business or personal relationships between our executive officers and Aon Hewitt or the individual consultants involved in the engagement.

The Compensation Committee discussed these considerations and concluded that the work of Aon Hewitt did not raise any conflict of interest.

Role of Management in Establishing and Awarding Compensation

On an annual basis, our Chief Executive Officer, with the assistance of our Human Resources department, recommends to the Compensation Committee any proposed increases in base salary, bonus payments and equity awards for our executive officers other than himself. No executive officer is involved in determining his own salary increase, bonus payment or equity award. When making officer compensation recommendations, our Chief Executive Officer takes into consideration compensation benchmarks, which include industry standards for similar sized organizations serving similar markets, as well as comparable positions, the level of inherent importance and risk associated with the position and function, and the executive's job performance over the previous year. See " *Objectives of Our Executive Compensation Programs Benchmarking*" and " *Elements of Compensation Base Salary"* below.

Our Chief Executive Officer, with the assistance of our Human Resources department and input from our executive officers and other members of senior management, also formulates and proposes to the Compensation Committee an employee bonus incentive plan for the ensuing year. For a description of our process for formulating the employee bonus incentive plan and the factors that we consider, see " *Elements of Compensation Bonus Incentive Plan*" below.

The Compensation Committee reviews and approves all compensation and awards to executive officers and all bonus incentive plans. With respect to equity compensation awarded to employees other than executive officers, the Compensation Committee reviews and approves all grants of restricted stock and stock options above 5,000 shares, generally based upon the recommendation of the Chief Executive Officer, and has delegated option and restricted stock granting authority to the Chief Executive Officer as permitted under Delaware law for grants to non-executive officers of up to 5,000 shares.

On its own initiative, at least once a year, the Compensation Committee reviews the performance and compensation of our Chief Executive Officer and, following discussions with the Chief Executive Officer and other members of the Board, establishes his compensation level. Where it deems appropriate, the Compensation Committee will also consider market compensation information from independent sources. See " *Objectives of Our Executive Compensation Programs Benchmarking*" below.

Certain members of our senior management generally attend most meetings of the Compensation Committee, including our Chief Executive Officer, our Executive Vice President, Global Human Resources, and our Executive Vice President, General Counsel & Corporate Secretary. However, no member of management votes on items being considered by the Compensation Committee. The Compensation Committee and Board do solicit the views of our Chief Executive Officer on compensation matters, particularly as they relate to the compensation of the other named executive officers and the other members of senior management reporting to the Chief Executive Officer. The Compensation Committee often conducts an executive session during each meeting, during which members of management are not present.

Objectives of Our Executive Compensation Programs

General Compensation Philosophy and Policy

Through our compensation programs, we seek to achieve the following general goals:

- attract and retain qualified and productive executive officers and key employees by providing total compensation competitive with that of other executives and key employees employed by companies of similar size, complexity and industry of business;
- encourage our executives and key employees to achieve strong financial and operational performance;
- structure compensation to create meaningful links between corporate performance, individual performance and financial rewards;

- align the interests of our executives with those of our shareholders by providing a significant portion of total pay in the form of stock-based incentives;

- encourage long-term commitment to our Company; and

- limit corporate perquisites to seek to avoid perceptions both within and outside of our Company of "soft" compensation.

Our governing principles in establishing executive compensation have been:

Long-Term and At-Risk Focus. Compensation opportunities should be composed of long-term, at-risk pay to focus our management on the long-term interests of our Company. Base salary, annual incentives and employee benefits should be close to competitive levels when compared to similarly-situated companies.

Equity Orientation. Equity-based plans should comprise a major part of the at-risk portion of total compensation to instill ownership thinking and to link compensation to corporate performance and shareholder interests.

Competitive. We emphasize total compensation opportunities consistent on average with our peer group of companies. Competitiveness of annual base pay and annual incentives is independent of stock performance. However, overall competitiveness of total compensation is generally contingent on long-term, stock-based compensation programs.

Focus on Total Compensation. In making decisions with respect to any element of an executive officer's compensation, the Compensation Committee considers the total compensation that may be awarded to the executive officer, including salary, annual bonus and long-term incentive compensation. These total compensation reports are prepared by our Human Resources department and present the dollar amount of each component of the named executive officers' compensation, including current cash compensation (base salary, past bonus and eligibility for future bonus), equity awards and other compensation. The overall purpose of these total compensation reports is to bring together, in one place, all of the elements of actual and potential compensation of our named executive officers so that the Compensation Committee may analyze both the individual elements of compensation (including the compensation mix) as well as the aggregate total amount of actual and projected compensation. In its most recent review of total compensation reports, the Compensation Committee determined that annual compensation amounts for our Chief Executive Officer and our other named executive officers remained generally consistent with the Compensation Committee's expectations. However, the Compensation Committee reserves the right to make changes that it believes are warranted.

Internal Pay Equity. Our core compensation philosophy is to pay our executive officers competitive levels of compensation that best reflect their individual responsibilities and contributions to our Company, while providing incentives to achieve our business and financial objectives. While comparisons to compensation levels at other companies (discussed below) are helpful in assessing the overall competitiveness of our compensation program, we believe that our executive compensation program also must be internally consistent and equitable in order for our Company to achieve our corporate objectives. Each year our Human Resources department reports to the Compensation Committee the total compensation paid to our Chief Executive Officer and all other senior executives, which includes a comparison for internal pay equity purposes. Over time, there have been variations in the comparative levels of compensation of executive officers and changes in the overall composition of the management team and the overall accountabilities of the individual executive officers; however, we and the Compensation Committee are satisfied that total compensation received by executive officers reflects an appropriate differential for executive compensation.

These principles apply to compensation policies for all of our executive officers and key employees. We do not follow the principles in a mechanistic fashion; rather, we apply experience and judgment in

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determining the appropriate mix of compensation for each individual. This judgment also involves periodic review of discernible measures to determine the progress each individual is making toward agreed-upon goals and objectives.

Benchmarking

When making compensation decisions, we also look at the compensation of our Chief Executive Officer and other executive officers relative to the compensation paid to similarly-situated executives at companies that we consider to be our industry and market peers a practice often referred to as "benchmarking." We believe, however, that a benchmark should be just that a point of reference for measurement but not the determinative factor for our executives' compensation. The purpose of the comparison is not to supplant the analyses of internal pay equity, total wealth accumulation and the individual performance of the executive officers that we consider when making compensation decisions. Because the comparative compensation information is just one of the several analytic tools that are used in setting executive compensation, the Compensation Committee has discretion in determining the nature and extent of its use. Further, given the limitations associated with comparative pay information for setting individual executive compensation, including the difficulty of assessing and comparing wealth accumulation through equity gains, the Compensation Committee may elect to not use the comparative compensation information at all in the course of making compensation decisions.

In most years, at least once each year, our Human Resources department, under the oversight of the Compensation Committee, reviews data from market surveys, independent consultants and other sources to assess our competitive position with respect to base salary, annual incentives and long-term incentive compensation. When reviewing compensation data in November 2015, we utilized data primarily from Radford salary surveys, the Mercer U.S. Compensation Planning Survey, TowersWatson executive salary survey and Frost's 2015 Oilfield Manufacturing and Services Industry Executive Compensation Survey ("OFMS Survey"). The survey information from most of these resources covered a broad range of industries and companies. However, the 2015 OFMS Survey compiled proxy compensation data from 53 oilfield services companies and survey results from the following 24 oilfield services companies:

Aker Solutions ASA	ION Geophysical Corporation
Baker Hughes, Inc.	Jet Specialty
Bristow Group, Inc.	National Oilwell Varco, Inc.
C&J Energy Services, Inc.	Newpark Resources, Inc.
Cameron International Corp.	Oil States International, Inc.
Core Laboratories NV	Saulsbury Industries
Ensco PLC	Shelf Drilling Offshore Holdings Ltd.
Exterran Holdings, Inc.	Siemens
Forum Energy Technologies	Superior Energy Services, Inc.
Frank's International N.V.	T.D. Williamson Inc.
Helmerich & Payne, Inc.	TETRA Technologies, Inc.
Hercules Offshore Services, Inc.	Vantage Drilling Company

Each year, the administrators of the OFMS Survey in their discretion make adjustments to the list of companies included in the survey. As a result, the above list of companies included in the 2015 OFMS Survey is slightly different from the list of companies included in the OFMS Survey for 2014 and previous years and will likely be different from the list of companies to be included in future OFMS Surveys.

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The overall results of the compensation surveys provide the starting point for our compensation analysis. We believe that the surveys contain relevant compensation information from companies that are representative of the sector in which we operate, have relative size as measured by market capitalization and experience relative complexity in the business and the executives' roles and responsibilities. Beyond the survey numbers, we look extensively at a number of other factors, including our estimates of the compensation at our most comparable competitors and other companies that were closest to our Company in size, profitability and complexity. We also consider an individual's current performance, the level of corporate responsibility, and the employee's skills and experience, collectively, in making compensation decisions.

In the case of our Chief Executive Officer and some of our other executive officers, we also consider our Company's performance during the person's tenure and the anticipated level of compensation that would be required to replace the person with someone of comparable experience and skill.

In addition to our periodic review of compensation, we also regularly monitor market conditions and will adjust compensation levels from time to time as necessary to remain competitive and retain our most valuable employees. When we experience a significant level of competition for retaining current employees or hiring new employees, we will typically reevaluate our compensation levels within that employee group in order to ensure our competitiveness.

Elements of Compensation

The primary components of our executive compensation program are as follows:

Below is a summary of each component:

Base Salary

General. The general purpose of base salary for our executive officers is to create a base of cash compensation for the officer that is consistent on average with the range of base salaries for executives in similar positions and with similar responsibilities at comparable companies. In addition to salary norms for persons in comparable positions at comparable companies, base salary amounts may also reflect the nature and scope of responsibility of the position, the expertise of the individual employee and the competitiveness of the market for the employee's services. Base salaries of executives other than our Chief Executive Officer may also reflect our Chief Executive Officer's evaluation of the individual executive officer's job performance. As a result, the base salary level for each individual may be above or below the target market value for the position. The Compensation Committee also recognizes that the Chief Executive Officer's compensation should reflect the greater policy- and decision-making authority that he holds and the higher level of responsibility he has with respect to our strategic direction and our financial and operating results. At December 31, 2015, our Chief Executive Officer's annual base salary was 55% higher than the annual base salary for the next highest-paid named executive officer and 61% higher than the average annual base salary for all of our other named executive officers. The Compensation Committee does not intend for base salaries to be the vehicle for long-term capital and value accumulation for our executives.

2015 Actions. In typical years, base salaries are reviewed at least annually and may also be adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities and changes in responsibilities, performance and contribution to ION, experience, impact on total compensation, relationship of compensation to other ION officers and employees, and changes in external market levels.

Base Salary Reduction Program. Commencing in late 2014, our business has experienced a significant decline due in large part to the historic decline in oil and gas prices, which has negatively impacted demand for our products and services and thus adversely affected our financial results. We have taken a number of actions to reduce our costs in our business and to improve our operating performance including substantial reductions in our work force. In mid-2015, we also implemented a base salary reduction program in a further effort to reduce our operating costs. Under the salary reduction program, base salaries for all employees were reduced by 10% for all employees earning above the designated minimum income threshold. Management has recommended and the Board has approved the continuation of the program until at least June 30, 2016.

Under the program, all of our named executive officers received a decrease in base salary on May 1, 2015, as described below:

Named Executive Officer	Action
R. Brian Hanson	In recognition of the difficult financial times for the industry, Mr. Hanson's salary was reduced by 10% from $600,000 to $540,000. The 2015 OFMS Survey indicated that the median for CEO base salary for surveyed companies having annual revenues of less than $1 billion was $705,926.
Steven A. Bate	In recognition of the difficult financial times for the industry, Mr. Bate's salary was reduced by 10% from $375,000 to $337,500. The 2015 OFMS Survey indicated that the median of Chief Financial Officer base salary for surveyed companies having annual revenues of less than $1 billion was $400,000.
Kenneth G. Williamson	In recognition of the difficult financial times for the industry, Mr. Williamson's salary was reduced by 10% from $387,213 to $348,492. The 2015 OFMS Survey indicated that the median for Executive Vice President base salary for surveyed companies having annual revenues of less than $1 billion was $418,500.
Christopher T. Usher	In recognition of the difficult financial times for the industry, Mr. Usher's salary was reduced by 10% from $378,560 to $340,704. The 2015 OFMS Survey indicated that the median for Executive Vice President base salary for surveyed companies having annual revenues of less than $1 billion was $418,500.
Jamey S. Seely	In recognition of the difficult financial times for the industry, Ms. Seely's salary was reduced by 10% from $350,000 to $315,000. The 2015 OFMS Survey indicated that the median for General Counsel and Corporate Secretary base salary for surveyed companies having annual revenues of less than $1 billion was $375,000.

Bonus Incentive Plan

Our employee annual bonus incentive plan is intended to promote the achievement each year of the Company's performance objectives, the employee's particular business unit's performance objectives and to recognize those employees who contributed to the Company's achievements. The plan provides cash compensation that is at-risk on an annual basis by establishing bonus pools for each business unit contingent on achievement of annual business and operating objectives. The plan also provides for individual awards designed to reward company and individual performance. This provides all participating employees the opportunity to share in the Company's performance through the achievement of established financial and individual objectives. The financial and individual objectives within the plan are intended to measure an increase in the value of our Company.

In recent years, we have adopted a bonus incentive plan with regard to each year. Performance under the annual bonus incentive plan is measured with respect to the designated plan fiscal year. Payments under the plan are paid in cash in an amount reviewed and approved by the Compensation Committee and are ordinarily made in the first quarter following the completion of a fiscal year, after the financial results for that year have been determined.

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Our annual bonus incentive plan is usually consistent with our operating plan for the same year. In early 2015, we prepared a consolidated company operating budget for 2015 and individual operating budgets for each operating unit. The budgets took into consideration our views on market opportunities, customer and sale opportunities, technology enhancements for new products, product manufacturing and delivery schedules and other operating factors known or foreseeable at the time. The Board analyzed the proposed budgets with management extensively and, after analysis and consideration, the Board approved the consolidated 2015 operating plan. During early 2015, our Chief Executive Officer worked with our Human Resources department and members of senior management to formulate our 2015 bonus incentive plan, consistent with the 2015 operating plans approved by the Board.

At the beginning of 2015, the Compensation Committee approved our 2015 bonus incentive plan for executives and certain designated non-executive employees. The computation of awards generated under the plan is required to be approved by the Compensation Committee. In February 2016, the Compensation Committee reviewed the Company's actual performance against each of the plan performance goals established at the beginning of 2015 and evaluated the individual performance of each participating named executive officer during 2015. The results of operations of our Company for 2015 and individual performance evaluations determined the appropriate payouts under the annual bonus incentive plan.

The Compensation Committee has discretion in circumstances it determines are appropriate to authorize discretionary bonus awards that might exceed amounts that would otherwise be payable under the terms of the bonus incentive plan. These discretionary awards can be payable in cash, stock options, restricted stock, restricted stock units or a combination thereof. Any stock options, restricted stock or restricted stock units awarded would be granted under one of our existing long-term equity compensation plans. The Compensation Committee also has the discretion, in appropriate circumstances, to grant a lesser bonus award, or no bonus award at all, under the bonus incentive plan.

As described above, our bonus incentive plans are designed for payouts that generally track the financial performance of our Company. The general intent of the plans is to reward key employees based on the Company's and the employee's performance, in each case measured against internal targets and plans. In most years when our Company financial performance is strong, cash bonus payments are generally higher. Likewise, when our financial performance is low as compared to our internal targets and plans, cash bonus payments are generally lower. There are occasionally exceptions to this general trend. For example, in 2008 and 2011, we achieved improved financial performance over the previous year, but average cash bonus awards under our annual bonus incentive plans were relatively lower because we did not achieve our internal financial and growth objectives for the relevant years. In 2012, we achieved improved financial performance over the previous year, but our average bonus award paid to our named executive officers remained at approximately the same level as 2011 because our internal financial objectives for 2012 were higher than in 2011. This history demonstrates a clear and consistent link between our executive officer bonus incentive compensation and our performance.

Below are general descriptions of our 2015 bonus incentive plan and our Company performance criteria applicable to the plan.

2015 Bonus Incentive Plan. The purpose of the 2015 bonus incentive plan was to provide an incentive for our participating employees to achieve their highest level of individual and business unit performance and to align the employees to accomplish and share in the achievement of our Company's 2015 strategic and financial goals.

The bonus program includes a three step process:

1. The total bonus pool is established in our annual operating plan based on approximate percentages of base salary and our expected headcount. As discussed below, the total bonus pool consists of two variable components (i) the achievement of certain long-term strategic initiatives, and (ii) the satisfaction of cash preservation criteria.

2. The total bonus pool is allocated among our business units based on satisfaction of both the strategic initiatives and the cash preservation objectives.

3. Once the bonus pool for each business unit is funded, individual bonuses are determined by business unit managers by evaluating each eligible employee's individual and team performance, and the computation of individual awards is approved by the Compensation Committee.

Although achievement of our strategic initiatives and cash preservation target establishes a guideline funding level of the bonus pool available to our named executive officers, actual amounts paid to our named executive officers are at the discretion of the Compensation Committee based on its overall assessment of other qualitative and quantitative corporate and individual criteria, generally in accordance with the compensation philosophy and policy described above.

Designated employees, including our named executive officers, were eligible to participate in our 2015 bonus incentive plan. Under the 2015 plan, approximately 35% of the funds allocated for distribution were available for awards to eligible employees based on achievement of certain long term strategic initiatives in 2015 and approximately 65% of the funds allocated for distribution were available for distribution to eligible employees only to the extent we satisfied the designated 2015 cash preservation criteria. In addition, the 2015 plan was structured so that the total amount of funds available for distribution increased as our financial performance and cash preservation increased, up to a maximum funding level of 150% versus caps of 200% in prior years. As a result, the amount of total dollars available for distribution under the bonus incentive plan was largely dependent on the Company's achievement of financial objectives.

Our 2015 bonus incentive plan established the achievement of long term strategic initiatives and cash preservation and cash from operations as the performance goals. The strategic initiatives were selected to ensure that the Company's cash preservation and expense reduction efforts did not result in long-term harm to the company and appropriately balanced short term savings against ensuring the long term viability of our Company. For 2015, the Compensation Committee selected strategic initiatives focused on the achievement of certain objectives in the WesternGeco litigation, including but not limited to the successful reversal of damages related to lost profits at the Court of Appeals. The company also established certain objectives for maintaining Ocean Bottom Services capabilities through a time of few market opportunities. Several milestones were established for critical R&D projects. The company's data process business established back log objectives. Finally, the company established six cultural initiatives and objectives designed the streamline the internal efficiency of the organization, promote better information sharing and consolidate certain activities. The company reported progress on all of the initiatives to the Board throughout the year. At the conclusion of 2015, the Compensation Committee determined that all strategic initiatives had been met and recommended funding of the 35% of the bonus pool tied to such objectives in the amount of $5.4 million.

In addition to the strategic initiatives, the Compensation Committee also established a critical emphasis on metrics for cash preservation based on the cash generated from operations. Cash from operations is the net cash flow generation by ION excluding interest, severance expenses, cash from external funding arrangements, and other corporate expenses and is adjusted based on the timing of collection of customer payments. Cash from operations is offset by the payment of vendors, employee payroll, taxes, utilities, and similar matters.

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Cash preservation was selected as the most appropriate performance goals for our 2015 plan because the Compensation Committee believed that cash from operations and preservation of the Company's existing cash were the best indicators of our Company's overall performance at that time and evidenced a direct correlation with the interests of our shareholders and the ability of our Company to survive the downturn. As a result, 65% of the bonus pool is tied to the achievement of these objectives as well all opportunities to achieve goals in excess of the plan. When determining whether financial targets have been achieved under the 2015 plan, the Compensation Committee has the discretion to modify or revise the targets as necessary to reflect any significant beneficial or adverse change that results in a substantial positive or negative effect on our performance as a whole, such as sales of assets, mergers, acquisitions, divestitures, spin-offs or unanticipated matters such as economic conditions, indicators of growth or recession in our business segments, nature of our operations or changes in or effect of applicable laws, regulations or accounting practices.

Under the prior plan, every participating named executive officer other than our Chief Executive Officer had the opportunity to earn up to 200% of such executive officers' target depending on performance of our Company against the designated performance goals and performance of such executive officer against personal criteria determined at the beginning of 2015 by our Chief Executive Officer. However, when the 2015 bonus plan was adopted by the Compensation Committee, the maximum individual award for each participating named executive officer were reduced to 150% of such participating executive officer's target. In addition, the Compensation Committee further reduced the maximum individual awards payable in February of 2016 to 125% in light of the difficult economic market for the Company's products and services. The Compensation Committee has the discretion to determine the amounts of individual bonus awards. Under separate terms approved by the Compensation Committee and contained in his employment agreement, Mr. Hanson, who served as our Chief Executive Officer during 2015, participated in the plan with potential to earn a target incentive payment of 100% of his base salary, depending on achievement of the Company's target consolidated performance goals and pre-designated personal critical success factors, and a maximum of 150% of his base salary upon achievement of the maximum consolidated performance goal and his personal goals. Our Chief Executive Officer typically carries a higher target and maximum bonus incentive plan percentage as compared to our other named executive officers as a result of his leadership role in setting company policy and strategic planning.

Performance Criteria. In 2015, the Compensation Committee approved a plan that emphasized the critical importance placed on cash preservation as the criteria for consideration of bonus awards to the named executive officers and other covered employees under our 2015 bonus incentive plan:

Threshold Adjusted Cash from Operations	**Target Adjusted Cash from Operations**	**Maximum Adjusted Cash from Operations**
$(50.0) million	$(25.0) million	$0.0 million

Where an employee is primarily involved in a particular business unit, the financial performance criteria under the bonus incentive plan are weighted toward the operational performance of the employee's business unit rather than consolidated company performance. The "*Non-Equity Incentive Plan Compensation*" column of the 2015 Summary Compensation Table below reflects the payments that our named executive officers earned and received under our 2015 bonus incentive plan, and the "*Bonus*" column of the same table reflects any discretionary cash bonus payments received by our named executive officers during 2015. Our 2015 cash from operations exceeded the threshold target performance criteria under our 2015 bonus incentive plan by $8 million. As a result, the Compensation Committee authorized the funding of approximately $0.8 million to bonus pool. When combined with the amounts approved in connection with the achievement of long-term strategic initiatives the total bonus pool available for distribution in 2015 was approximately $6.2 million.

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In addition to overall company performance, when considering the 2015 bonus incentive plan awards paid to our named executive officers, the Compensation Committee also considered the individual performances and accomplishments of each officer. For example, when considering the bonus award paid to Mr. Hanson, among the factors the Compensation Committee took into consideration was Mr. Hanson's effective leadership in our achievement of several important strategic objectives during the year, including focusing the strategies of the Company on measures needed to sustain the business through this historic downturn in demand for its services and other challenges associated with low oil prices, such as maintaining our key core capabilities. When considering the bonus award paid to Mr. Bate, among the factors the Compensation Committee took into consideration were his leadership in reducing the company's operating costs, the renegotiation of the credit agreement with PNC and his role in soliciting shareholders in connection with the reverse split and other votes required by the company as Chief Financial Officer. When considering the bonus award paid to Mr. Williamson, among the factors the Compensation Committee took into consideration were the 2015 financial performance of his GeoVentures Division, his efforts to reduce the costs associated with the division and the amount of risk associated with the business portfolio. When considering the bonus award paid to Mr. Usher, among the factors the Compensation Committee took into consideration were the 2015 financial results of his GeoScience Division, his role in appropriately sizing the organization, maintaining its key customers and managing the credit risk associated with the group. When considering the bonus award paid to Ms. Seely, among the factors the Compensation Committee took into consideration was her leadership and participation in pursuing a number of important projects during 2015 including the PNC amendment, the reverse split and relates shareholder initiatives, the WesternGeco litigation, and resolving NYSE non-compliance matters. The total compensation paid to each named executive officer is set forth in the graph titled "*Summary Compensation Table*".

The Compensation Committee reviews the annual bonus incentive plan each year to ensure that the key elements of the plan continue to meet the objectives described above.

Long-Term Stock-Based Incentive Compensation

We have structured our long-term incentive compensation to provide for an appropriate balance between rewarding performance and encouraging employee retention and stock ownership. There is no pre-established policy or target for the allocation between either cash or non-cash or short-term and long-term incentive compensation; however, at executive management levels, the Compensation Committee strives for compensation to increasingly focus on longer-term incentives. In conjunction with the Board, executive management is responsible for setting and achieving long-term strategic goals. In support of this responsibility, compensation for executive management, and most particularly our Chief Executive Officer, tends to be weighted towards rewarding long-term value creation for shareholders.

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The below table illustrates the mix of total compensation received by Mr. Hanson, our CEO, and our other current named executive officers during 2015:

For 2015, there were four forms of long-term equity incentives utilized for executive officers and key employees: stock options, restricted stock, SARs and restricted stock units. Our long-term incentive plans have provided the principal method for our executive officers to acquire equity or equity-linked interests in our Company. Of the total stock option or restricted stock employee awards made by ION during 2015, 61% were in the form of stock options and 39% were in the form of restricted stock or restricted stock units. Our 2013 LTIP limits the number of awards we can grant under the plan in the form of full-value awards, such as restricted stock and restricted stock units, to 86,667 shares, or less than 35% of the total shares authorized for grant under the plan, in the aggregate. On December 4, 2015, the Board adopted resolutions setting forth and declaring advisable certain amendments to the 2013 LTIP, and, at a special meeting of the shareholders of the Company held on February 1, 2016, the shareholders of the Company approved such amendments to the 2013 LTIP. The 2013 LTIP, as amended, became effective on February 4, 2016. The Company's 2013 LTIP, as amended, increased (i) the total number of shares of our Common Stock we can grant under the plan to 1,248,667 and (ii) the number of awards we can grant under the plan in the form of full-value awards to 412,060 shares, which is than 35% of the total shares authorized for grant under the plan, in the aggregate.

Reduction in Plan Participants. In 2015, the Compensation Committee decided to significantly decrease the number of executives eligible to participate in the Company's long-term incentive plans. In 2014, approximately 147 employees participated in the Company's long-term equity programs and the Company granted approximately 164,263 shares of restricted stock and options. In 2015, the Company substantially reduced the number of participants in the long-term equity grants to only 16 participants, excluding non-executive directors. In addition, the Compensation Committee dramatically reduced the equity grants available to only 98,980 grants of restrict stock and options. Currently, 100% of the restricted stock and options granted in 2015 are more than 500% underwater.

Stock Options. Under our equity plans, stock options may be granted having exercise prices equal to the closing price of our stock on the date before the date of grant. In any event, all awards of stock options are made at or above the market price at the time of the award. The Compensation Committee

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will not grant stock options having exercise prices below the market price of our stock on the date of grant, and will not reduce the exercise price of stock options (except in connection with adjustments to reflect recapitalizations, stock or extraordinary dividends, stock splits, mergers, spin-offs and similar events, as required by the relevant plan) without the consent of our shareholders. Our stock options generally vest ratably over four years, based on continued employment, and the terms of our 2013 LTIP require stock options granted under that plan to follow that vesting schedule unless the Compensation Committee approves a different schedule when approving the grant. Prior to the exercise of an option, the holder has no rights as a shareholder with respect to the shares subject to such option, including voting rights and the right to receive dividends or dividend equivalents. New option grants normally have a term of ten years.

The purpose of stock options is to provide equity compensation with value that has been traditionally treated as entirely at-risk, based on the increase in our stock price and the creation of shareholder value. Stock options also allow our executive officers and key employees to have equity ownership and to share in the appreciation of the value of our stock, thereby aligning their compensation directly with increases in shareholder value. Stock options only have value to their holder if the stock price appreciates in value from the date options are granted.

Stock option award decisions are generally based on past business and individual performance. In determining the number of options to be awarded, we also consider the grant recipient's qualitative and quantitative performance, the size of stock option and other stock based awards in the past, and expectations of the grant recipient's future performance. In 2015, a total of 16 employees received option awards, covering 53,328 shares of Common Stock. In 2015, the named executive officers received option awards for a total of 31,870 shares, or approximately 60% of the total options awarded in 2015.

Restricted Stock and Restricted Stock Units. We use restricted stock and restricted stock units to focus executives on our long-term performance and to help align their compensation more directly with shareholder value. Vesting of restricted stock and restricted stock units typically occurs ratably over three years, based solely on continued employment of the recipient-employee, and the terms of our 2013 LTIP require restricted stock and restricted stock units granted under that plan to follow that vesting schedule unless the Compensation Committee approves a different schedule when approving the grant. In 2015, 16 employees received restricted stock or restricted stock unit awards, covering an aggregate of 33,990 shares of restricted stock and shares underlying restricted stock units. The named executive officers received awards totaling 21,245 shares of restricted stock in 2015, or approximately 63% of the total shares of restricted stock awarded to employees in 2015.

Awards of restricted stock units have been made to certain of our foreign employees in lieu of awards of restricted stock. Restricted stock units provide certain tax benefits to our foreign employees as the result of foreign law considerations, so we expect to continue to award restricted stock units to designated foreign employees for the foreseeable future.

Stock Appreciation Rights. To enhance the performance-based focus of ION's compensation programs, the Compensation Committee elected to have a substantial portion of the stock-based compensation paid in SARs instead of restricted stock or stock options. The SARs grants approved by the Compensation Committee are 100% cash-settled and were granted pursuant to our Stock Appreciation Rights Plan. The vesting of the SARs is achieved through both a market condition and a service condition. The market condition is achieved, in part or in full, in the event that during the four-year period beginning on the date of grant the 20-day trailing volume-weighted average price per share of Common Stock is (i) greater than 120% of the exercise price for the first 1/3 of the awards, (ii) greater than 125% of the exercise price for the second 1/3 of the awards and (iii) greater than 130% of the exercise price for the final 1/3 of the awards. The exercise condition restricts the ability of the holders to exercise awards until certain service milestones have been reached such that (i) no more than 1/3 of the awards may be exercised, if vested, on and after the first anniversary of the date of grant, (ii) no more than 2/3 of the awards may be exercised, if vested, on and after the second anniversary of the date of grant and (iii) all of the awards may be exercised, if vested, on and after the third anniversary of the date of grant.

The Compensation Committee reviews the long-term incentive program each year to ensure that the key elements of this program continue to meet the objectives described above.

Approval and Granting Process. As described above, the Compensation Committee reviews and approves all stock option, restricted stock and restricted stock unit awards made to executive officers, regardless of amount. With respect to equity compensation awarded to employees other than executive officers, the Compensation Committee reviews and approves all grants of restricted stock, stock options and restricted stock units above 5,000 shares, generally based upon the recommendation of our Chief Executive Officer. Committee approval is required for any grant to be made to an executive officer in any amount. The Compensation Committee has granted to our Chief Executive Officer the authority to approve grants to any employee other than an executive officer of (i) up to 5,000 shares of restricted stock and (ii) stock options for not more than 5,000 shares. Our Chief Executive Officer is also required to provide a report to the Compensation Committee of all awards of options and restricted stock made by him under this authority. We believe that this policy is beneficial because it enables smaller grants to be made more efficiently. This flexibility is particularly important with respect to attracting and hiring new employees, given the increasingly competitive market for talented and experienced technical and other personnel in locales in which our employees work.

All grants of restricted stock, restricted stock units and stock options to employees or directors are granted on one of four designated quarterly grant dates during the year: March 1, June 1, September 1 or December 1. The Compensation Committee approved these four dates because they are not close to any dates on which earnings announcements or other announcements of material events would normally be made by us. For an award to a current employee, the grant date for the award is the first designated quarterly grant date that occurs after approval of the award. For an award to a newly hired employee who is not yet employed by us at the time the award is approved, the grant date for the award is the first designated quarterly grant date that occurs after the new employee commences work. We believe that this process of fixed quarterly grant dates is beneficial because it serves to remove any perception that the grant date for an award could be capable of manipulation or change for the benefit of the recipient. In addition, having all grants occur on a maximum of four days during the year simplifies certain fair value accounting calculations related to the grants, thereby minimizing the administrative burden associated with tracking and calculating the fair values, vesting schedules and tax-related events upon vesting of restricted stock and also lessening the opportunity for inadvertent calculation errors.

Beginning March 1, 2015, the Compensation Committee decided that all awards of restricted stock, stock options and SARs will be made in annual grants occurring on March 1 of each year. In 2015, the Company also awarded annual equity grants on March 1. Prior to 2015, annual equity awards were made on December 1 of each year. After review and careful consideration by the Compensation Committee, the Company decided to continue the practice that began in 2015 of making annual awards on March 1 of each year. This date was selected because (i) it enables the Board and Compensation Committee to consider individual performance after the full year has been completed, (ii) it simplifies the annual budgeting process by having the expense resulting from the equity award incurred at the same time as incentive compensation and (iii) the date aligns with the time the Company normally pays annual incentive bonuses. Awards made in connection with significant promotions, new hires, new directors joining the Board or unusual circumstances, including but not limited to its employees and directors, will be granted on one of four designated dates during the year: March 1, June 1, September 1 or December 1.

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Beginning in 2015, and due in part to the steep decline in energy company equity prices, the Compensation Committee authorized grants under the 2008 Stock Appreciation Rights Plan to key employees with vesting based on a set of performance metrics. The grants were authorized after consulting with the Compensation Committee's compensation expert and upon the evaluation of market-based metrics of compensation. In addition to the performance metrics, employees participating in the plan would also be required to have minimum tenure requirements to create an environment of employment stability.

Clawback Policy

We have a Compensation Recoupment Policy (commonly referred to as a "clawback" policy), which provides that, in the event of a restatement of our financial results due to material noncompliance with applicable financial reporting requirements, the Board will, if it determines appropriate and subject to applicable laws and the terms and conditions of our applicable stock plans, programs or arrangements, seek reimbursement of the incremental portion of performance-based compensation, including performance-based bonuses and long-term incentive awards, paid to current or former executive officers within three years of the restatement date, in excess of the compensation that would have been paid had the compensation amount been based on the restated financial results.

Personal Benefits, Perquisites and Employee Benefits

Our Board and executives have concluded that we will not offer most perquisites traditionally offered to executives of similarly-sized companies. As a result, perquisites and any other similar personal benefits offered to our executive officers are substantially the same as those offered to our general salaried employee population. These offered benefits include medical and dental insurance, life insurance, disability insurance, a vision plan, charitable gift matching (up to designated limits), a 401(k) plan with a company match of certain levels of contributions, flexible spending accounts for healthcare and dependent care and other customary employee benefits. Business-related relocation benefits may be reimbursed on a case-by-case basis. We intend to continue applying our general policy of not providing specific personal benefits and perquisites to our executives; however, we may, in our discretion, revise or add to any executive's personal benefits and perquisites if we deem it advisable.

Risk Management Considerations

The Compensation Committee believes that our Company's bonus and equity programs create incentives for employees to create long-term shareholder value. The Compensation Committee has considered the concept of risk as it relates to our compensation programs and has concluded that our compensation programs do not encourage excessive or inappropriate risk-taking. Several elements of the compensation programs are designed to promote the creation of long-term value and thereby discourage behavior that leads to excessive risk:

- The compensation programs consist of both fixed and variable compensation. The fixed (or salary) portion is designed to provide a steady income regardless of the Company's stock price performance so that executives do not focus exclusively on stock price performance to the detriment of other important business metrics. The variable (cash bonus and equity) portions of compensation are designed to reward both short- and long-term corporate performance. The Compensation Committee believes that the variable elements of compensation are a sufficient percentage of overall compensation to motivate executives to produce positive short- and long-term corporate results, while the fixed element is also sufficiently high such that the executives are not encouraged to take unnecessary or excessive risks in doing so.