

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K  
CURRENT REPORT

Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 1, 2015**

**Proteon Therapeutics, Inc.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-36694**  
(Commission  
File Number)

**20-4580525**  
(IRS Employer  
Identification No.)

**200 West Street**  
**Waltham, MA**  
(Address of principal executive offices)

**02451**  
(Zip Code)

Registrant's telephone number, including area code: **(781) 890-0102**

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Introductory Comment

Throughout this Current Report on Form 8-K, the terms “we,” “us,” “our,” “Company” and “Proteon” refer to Proteon Therapeutics, Inc.

### **Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

On June 2, 2015, Proteon announced the appointment of Scott Toner as Senior Vice President of Marketing, effective June 1, 2015. A copy of the press release announcing Mr. Toner’s appointment is filed as Exhibit 99.1 to this Current Report on Form 8-K.

Prior to joining Proteon, from 2014 to 2015, Mr. Toner, age 60, served as the VP Marketing and Sales of OPKO Health’s Renal Division. From 2012 to 2014, he served as a consultant to companies in the biotechnology industry and from 2011 to 2012 served as Senior Director, Marketing of Reata Pharmaceuticals. Prior to that, from 2007 to 2010, Mr. Toner served as Executive Director of Marketing with AMAG Pharmaceuticals. From 1985 to 2007, Mr. Toner held various roles within the domestic and international divisions of Abbott Laboratories, concentrating primarily on the nephrology and critical care therapeutic spaces. Mr. Toner serves as a member of the Board of the American Association of Kidney Disease Patients (AAKP).

There are no agreements or understandings between Mr. Toner and any other person pursuant to which he was appointed as an executive officer of the Company, there are no family relationships between Mr. Toner and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

On April 19, 2015, the Company entered into a letter agreement with Mr. Toner outlining the terms of his employment (the “Employment Agreement”). In accordance with the terms of the Employment Agreement, Mr. Toner became our Senior Vice President of Marketing effective as of June 1, 2015. Under the Employment Agreement, Mr. Toner’s base salary will be equal to \$245,000 per year, subject to increases by the Compensation Committee of the Company’s Board of Directors (the “Board”) (the “Committee”) at any time in its sole discretion. Mr. Toner is also eligible to receive an annual discretionary bonus, not to exceed 30% of his base salary, if certain performance goals are met in the discretion of the Committee. In addition, Mr. Toner will receive a signing bonus of \$5,000 in the Company’s next payroll period.

On June 2, 2015, the Board granted Mr. Toner options to purchase 50,000 shares of the Company’s common stock (the “Option Grant”) subject to the terms and conditions of the Company’s stock plans. The Option Grant will vest as to 12,500 options on the first anniversary of his hire date, and the remaining 37,500 options will vest in twelve equal quarterly installments from September 30, 2016 through June 30, 2019, conditioned upon Mr. Toner’s continued employment.

Under the Employment Agreement, Mr. Toner will be entitled to cash severance payments if the Company terminates his employment without Cause (as defined in the Employment Agreement) or if Mr. Toner resigns his employment by reason of Constructive Termination (as defined in the Employment Agreement).

In connection with the execution of the Employment Agreement, Mr. Toner agreed to maintain Company confidential information and trade secrets and also to adhere to certain covenants of non-competition.

The foregoing summary description of the Employment Agreement with Mr. Toner does not purport to be complete and is qualified in its entirety by reference to the Employment Agreement, which is filed as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference in its entirety.

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**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated June 2, 2015, issued by Proteon Therapeutics, Inc.
99.2	Employment Agreement, dated April 19, 2015, by and between Proteon Therapeutics, Inc. and Scott Toner

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**SIGNATURE**

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

Date: June 2, 2015

**PROTEON THERAPEUTICS, INC.**  
(Registrant)

By: /s/ Timothy P. Noyes  
Name: Timothy P. Noyes  
Title: President & Chief Executive Officer

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## EXHIBIT INDEX

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## Proteon Therapeutics Appoints Scott Toner as Senior Vice President of Marketing

WALTHAM, Mass., June 2, 2015 (GLOBE NEWSWIRE) -- Proteon Therapeutics Inc. (Nasdaq: PRTO), a company developing novel, first-in-class therapeutics to address the medical needs of patients with kidney and vascular diseases, today announced the addition of Scott Toner as Senior Vice President of Marketing. In this position, Scott will oversee development of the strategy around the potential commercialization of Proteon's investigational drug, vonapanitase. He brings over 25 years of experience developing and implementing effective commercial strategies for new drugs and critical care products and has worked for nearly 15 years specifically on drugs to treat the complications of chronic kidney disease (CKD).

"Scott's leadership and experience successfully commercializing therapies for CKD patients are an ideal fit for Proteon as we progress through Phase 3 trials and prepare the strategy around the potential commercialization of vonapanitase," said Timothy Noyes, President and Chief Executive Officer. "We are delighted to welcome Scott to Proteon's senior management team and look forward to his contributions as we develop vonapanitase to improve arteriovenous fistula patency for CKD patients undergoing hemodialysis."

Most recently, Scott served as Vice President, U.S. Marketing and Sales, at OPKO Health, where he led the commercial planning for the launch of an investigational treatment for secondary hyperparathyroidism (SHPT). Previously, Scott served as a senior marketing executive at Reata Pharmaceuticals, where he led development of the global marketing strategy for an investigational therapy for CKD in patients with type 2 diabetes. Scott was also the Executive Director of Marketing at AMAG Pharmaceuticals, where he led the launch of Feraheme<sup>®</sup>, an iron replacement therapy for the treatment of iron deficiency anemia in adult patients with CKD. Scott worked for 20 years at Abbott Laboratories in progressive sales, sales training, sales management and domestic and international marketing roles. While head of marketing at Abbott Renal, he led the launch of Zemplar<sup>®</sup> Injection, which became the most commercially successful vitamin D therapy in the United States for the prevention and treatment of SHPT associated with CKD Stage 5. Scott serves as a member of the Board of the American Association of Kidney Disease Patients (AAKP).

"Although arteriovenous fistulas are the preferred form of hemodialysis vascular access, they are at risk of patency loss, which results in additional corrective procedures and reduced fistula survival," remarked Scott. "Proteon is currently evaluating in clinical trials whether vonapanitase can prolong fistula patency, an unmet medical need for which there are no approved therapies currently available. I am excited to join the Proteon team and work together developing this novel and potentially innovative treatment for CKD patients undergoing hemodialysis."

Proteon is currently enrolling patients in a Phase 3 multicenter, randomized, double-blind, placebo-controlled clinical study of vonapanitase in CKD patients undergoing surgical creation of a radiocephalic AVF for hemodialysis. The Company expects to complete enrollment by the end of 2015 and is anticipating initiating enrollment in a second Phase 3 clinical study in the second quarter of 2015. Proteon is also conducting an ongoing Phase 1 clinical study of vonapanitase in patients with symptomatic peripheral artery disease (PAD).

### About Proteon Therapeutics

Proteon Therapeutics is committed to improving the health of patients with kidney and vascular diseases through the development of novel, first-in-class therapeutics. Proteon's lead product candidate, vonapanitase (formerly PRT-201), is designed to improve arteriovenous fistula (AVF) patency, the period of time during which an AVF remains open with adequate blood flow to enable hemodialysis. Proteon is currently evaluating vonapanitase in a Phase 3 clinical trial in patients with chronic kidney disease (CKD) undergoing surgical creation of a radiocephalic AVF for hemodialysis and a Phase 1 clinical trial in patients with symptomatic peripheral artery disease (PAD). For more information, please visit [www.proteontherapeutics.com](http://www.proteontherapeutics.com).

### Cautionary Note Regarding Forward-Looking Statements

This press release contains statements that are, or may be deemed to be, "forward-looking statements." In some cases these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should," "approximately," "potential," or, in each case, their negatives or other variations thereon or comparable terminology, although not all forward-looking statements contain these words. These statements, including those regarding the potential surgical and endovascular applications for vonapanitase, the potential use of vonapanitase for patients with renal and vascular diseases, the effect of vonapanitase in patients with CKD, timing to complete enrollment for the Phase 3 trial, timing for initiation of enrollment for the second Phase 3 trial, and those relating to future events or our future financial performance or condition, involve substantial known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. These risks, uncertainties and other factors, including whether our cash resources will be sufficient to fund our operating expenses and capital expenditure requirements for the period anticipated; whether data from early clinical trials will be indicative of the data that will be obtained from future clinical trials; whether vonapanitase will advance through the clinical trial process on the anticipated timeline and warrant submission for regulatory approval; whether such a submission would receive approval from the Food and Drug Administration or equivalent foreign regulatory agencies on a timely basis or at all; and whether we can successfully commercialize and market our product candidates, are described more fully in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2015, as filed with the Securities and Exchange Commission on May 13, 2015, and our Annual Report on Form 10-K for the year ended December 31,

2014, as filed with the Securities and Exchange Commission on March 20, 2015, and our Current Reports on Form 8-K, as filed with the SEC, particularly in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." In light of the significant uncertainties in our forward-looking statements, you should not place undue reliance on these statements or regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. The forward-looking statements contained in this press release represent our estimates and assumptions only as of the date of this press release and, except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this press release.

**Investor Relations Contact**

George Eldridge, Proteon Therapeutics, Senior Vice President and Chief Financial Officer

781-890-0102

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**Media Contact**

Chris Erdman or Lynnea Olivarez, MacDougall Biomedical Communications

781-235-3060

proteon@macbiocom.com

Exhibit 99.2

Proteon Therapeutics, Inc.  
200 West St.  
Waltham, MA 02451

April 19, 2015

Mr. E. Scott Toner  
300 South Biscayne Boulevard  
Miami, FL 33131

Re: Employment with Proteon Therapeutics, Inc.

Dear Scott,

This letter agreement (the "Agreement") contains the basic terms of your employment with the Proteon Therapeutics, Inc. (the "Company" or "Proteon"). If you agree to the terms and conditions set forth in this offer letter, please sign at the end of this letter in the space indicated.

1. **Duties.** Effective June 1, 2015, or on such other date agreed to by you and the Company (the "Start Date"): You will be employed as the Company's Senior Vice President, Marketing. In this capacity, you shall perform such duties as are ordinary, customary and necessary in your role as Senior Vice President, Marketing. You will report directly to the President and Chief Executive Officer of the Company who will be responsible for evaluating your performance.

2. **Place of Performance.** You shall be based no more than fifty (50) miles outside of the Boston, Massachusetts area, although reasonable travel may be expected.

3. **Compensation.** This is an exempt position and you will be compensated at an annualized rate of \$245,000 per year ("Base Salary"), payable and due in accordance with the regular payroll of the Company for its executives. Upward adjustments to your Base Salary will be made at the discretion of the Board of Directors of the Company (the "Board") with such increases typically made annually as part of the Company's annual compensation review process.

4. **Annual Performance and Retention Bonus.** You will have an annual target bonus of 30% of your Base Salary ("Bonus"), subject to upward adjustments at the discretion of the Board typically made annually as part of the Company's annual compensation review process. The actual amount of this Bonus, if any and up to the full 30% target shall be determined by the Board, based on its assessment, in its discretion, of your and the Company's performance and your continued employment through the retention/payment date. If approved by the Board, the Bonus shall be paid in one lump sum following the completion of Company's annual compensation review process and shall be paid at the same time that other employees' annual bonuses are paid, but in no event later than March 15th of the calendar year immediately following the end of the annual performance review process, provided that you remain employed by the Company on the date of any such payment. "Pro-Rata Bonus" means the Bonus that (but for the cessation of employment) would otherwise have been payable for the fiscal year in which the cessation occurs (based on actual performance outcomes for that year), multiplied by the following fraction: (i) the number of days that you were employed by the Company during that fiscal year, divided by (ii) 365. For this purpose, the Bonus that would otherwise have been payable to you shall be determined by the Board in good faith and in the same manner applicable to active executive officers of the Company.

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5. **Signing Bonus.** On or about the first payroll period following the Start Date, the Company shall pay you a signing bonus of \$5,000 (the "Signing Bonus"). If you resign from employment with the Company by reason of Constructive Termination or are terminated for Cause within ninety (90) days of the Start Date, you will be obligated to repay the Signing Bonus to the Company within thirty (30) days of your termination. It is expressly agreed that the Company may offset any sums owed to the Company for such reimbursement against any amounts due to you, including salary, expenses and commissions, to the full extent permitted by law.

6. **Options.** After your Start Date, the Company will recommend to the Board that at its next meeting it grant to you an option to purchase 50,000 shares of the Company's common stock, subject to Board approval, at an exercise price equal to the closing price of Proteon's common stock on the Nasdaq Stock Market on the date of the option grant. The stock option will be an incentive stock option (ISO) to the extent permissible under Section 422 of the Internal Revenue Code and will vest 25% of your options on the one-year anniversary of your Start Date and the remaining 75% will vest in twelve (12) equal quarterly installments on the last calendar day of each three-month quarterly period following the first anniversary of your Start Date.

7. **Benefits.** You will be entitled to participate in any and all employee benefit plans, programs and perquisites from time to time in effect for executives of the Company generally, on terms no less favorable than those provided to any other executive.

8. **Vacation and Sick Time.** You will accrue vacation at the rate of 1.25 days per month basis per standard Company policy. Vacation shall be taken at such times and intervals as shall be determined by you, subject to the reasonable business needs of the Company. Carry-over privileges for unused vacation time shall be consistent with Company policy. You also shall have the right to earn and use up to 5 days (i.e., 40 hours) of sick time per calendar year. You will accrue sick leave at a rate of one (1) hour of sick time per 30 hours worked. You will not be compensated for unused sick days at year-end or when terminating employment. You may carry over up to 5 days (i.e., 40 hours) of sick time at year-end, but may only use 5 days (i.e., 40 hours) of sick time per calendar year. You may use sick days for the following reasons: to care for a physical or mental illness, injury, or medical condition affecting you or your child, spouse, parent, or parent of a spouse; to attend routine medical appointments or the appointments of your child, spouse, parent, or parent of a spouse; or to address the effects of domestic violence on yourself or your dependent child.

9. **Business Expenses.** The Company shall pay or reimburse you for all reasonable business expenses incurred or paid by you in the performance of your duties and responsibilities hereunder, subject to such reasonable documentation as may be specified by the Company.

10. **Termination of Employment and Severance Benefits.**

(a) **By the Company for Cause.** The Company may terminate your employment hereunder for Cause, as defined below, provided that the Company has given written notice to you setting forth in reasonable detail the nature of such Cause. The following, as determined by the Board in its reasonable judgment, shall constitute Cause for Termination:

- (i) Your conviction of any crime involving a felony or any crime involving moral turpitude;
- (ii) Your willful failure to perform, or gross negligence in the performance of, your duties and responsibilities to the Company which, if capable of being cured, is

not cured within thirty (30) days after written notice by the Company specifying in reasonable detail the nature of such failure or negligence;

- (iii) Your material breach of this Agreement which, if capable of being cured, is not cured within thirty (30) days after written notice by the Company specifying in reasonable detail the nature of such breach; or
- (iv) Your material breach of any agreements between you and the Company relating to confidentiality or inventions, including, without limitation, the Employee Confidentiality and Inventions Assignment Agreement between you and the Company that you are executing concurrently with this Agreement, which, if capable of being cured, is not cured within thirty (30) days after written notice by the Company specifying in reasonable detail the nature of such breach.

Upon giving written notice to you that your employment with the Company has been terminated for Cause, the Company shall have no further obligation to you, other than for Final Compensation, as defined below.

(b) By Reason of Constructive Termination. Provided you have not previously been notified of the Company's intention to terminate your employment, you may resign from employment by reason of Constructive Termination within thirty (30) days after the occurrence of one of the events specified in 9(b)(i-vi) below, by giving notice of your resignation in accordance with Section 18 below. In the event of your death or disability as provided in Section 10(b)(vi) or 10(b)(vii) below your employment will terminate by reason of Constructive Termination as of the date of your death or as of the end of the one hundred eighty 180 day period, in the case of disability.

In the event of such termination, in addition to Final Compensation, you shall be entitled to the following: (i) provided that no benefits are payable to you under a separate severance agreement as a result of such termination, an amount equal to nine (9) months of your Base Salary, at the rate in effect on the date of termination, plus your annual Bonus in respect of any calendar year that has been earned but not yet paid (for this purpose, the Bonus earned for such calendar year shall be determined by the Board in good faith and in the same manner applicable to active executive officers of the Company, your "Earned and Unpaid Bonus") or, in the event Constructive Termination or a termination without Cause occurs within thirty (30) days prior to or three hundred sixty-five (365) days following a Corporate Transaction, twelve (12) months of your Base Salary, as applicable, at the rate in effect on the date of termination plus, only following a Corporation Transaction, an amount equal to your Pro-Rata Bonus plus any Earned and Unpaid Bonus, less applicable withholdings and deductions, paid in a lump sum as provided below (the "Severance Payment"); (ii) if you are participating in the Company's group health insurance plans on the effective date of termination, and you timely elect and remain eligible for continued coverage under COBRA, or, if applicable, state insurance laws, the Company shall pay that portion of your COBRA premiums equal to the amount that the Company was paying for you under such group health insurance plans prior to the effective date of termination for nine (9) months following (the "9-Month Tail Period") or, in the event Constructive Termination or a termination without Cause occurs within thirty (30) days prior to or three hundred sixty-five (365) days following a Corporate Transaction, twelve (12) months following (the "12-Month Tail Period" and, collectively with the 9-Month Tail Period, the "Tail Period"), as applicable, or for the continuation period for which Employee is eligible, whichever is longer and in the event the continuation period is provided by state law and is less than the applicable Tail Period, pay to you the premium payments it would have made for the remainder of the applicable Tail Period (the "COBRA Premiums"); (iii) fifty percent (50%) of any unvested stock options or

unvested restricted shares held by you shall vest in full upon the occurrence of the Constructive Termination or a termination without Cause, accelerated to one hundred percent (100%) vesting in the event Constructive Termination or a termination without Cause occurs within thirty (30) days prior to or three hundred sixty-five (365) days following a Corporate Transaction (as defined below) (the "Option Acceleration"); (iv) at your request, the post-termination exercise grace period set forth in your stock option agreements shall be extended to provide for an exercise period of up to one hundred eighty (180) days following the termination (the "Option Extension"); provided, however, that the Option Extension Period shall not be extended beyond the period of time that would enable the stock option to remain exempt under Section 409A (as defined below).

Any obligation of the Company to you in Section 10(b) is conditioned upon you signing and returning to the Company a timely and effective release of claims, in the form attached hereto as Exhibit A (the "Release of Claims"). The Release of Claims required for separation benefits in accordance with this Section 10(b) creates legally binding obligations on your part and the Company and its Affiliates therefore advise you to seek the advice of an attorney before signing it. The Severance Payments shall be payable and due as a lump sum, and will be paid thirty (30) days following the later of the effective date of the Release of Claims or the date the Release of Claims, signed by you, is received by the Company, subject to Section 11(d) hereof. The payment of the COBRA Premiums will commence on such later date as well. Notwithstanding the foregoing, if the Company determines that it cannot provide such reimbursement of premiums to you without potentially violating applicable law, the Company shall not be obligated to make any such payments or reimbursements to you.

The following shall constitute Constructive Termination:

- (i) failure of the Company to provide you Base Salary (as may have been increased pursuant to Section 3) and benefits in accordance with the terms of this Agreement, excluding an inadvertent failure which is cured within ten (10) business days following written notice from you to the Company specifying in detail the nature of such failure;
- (ii) failure of the Company, or a successor to the Company, to provide you with a position that is equivalent in title, total compensation (salary and bonus), benefits or responsibilities to your then current position within ninety (90) days of a Corporate Transaction resulting in a material diminution of your responsibilities, duties or authority;
- (iii) material diminution in the nature or scope of your responsibilities, duties or authority, or a reduction in your Base Salary (as may have been increased pursuant to Section 3) without your prior written consent;
- (iv) relocation of your employment by more than fifty (50) miles outside of the Boston, Massachusetts area;
- (v) failure of the Company to materially comply with the terms of this Agreement;
- (vi) termination of your employment as a result of your death; or
- (vii) termination of your employment as a result of the fact that you become disabled during your employment with an illness, injury, accident or condition of either a

12. **Definitions.** Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "**Affiliates**" means all persons and entities directly or indirectly controlling, controlled by or under common control with the Company, where control may be by either management authority, contract or equity interest.

(b) "**Corporate Transaction**" as used herein shall mean any (i) consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization in which the stockholders of the Company prior to such consolidation, merger or reorganization shall own less than fifty percent (50%) of the voting stock of the continuing or surviving entity after such consolidation, merger or reorganization, (ii) any transaction or series of related transactions to which the Company is a party, in which in excess of fifty percent (50%) of the Company's voting stock is transferred, except for bona fide sales of the Company's equity securities to venture investors for primarily fundraising purposes, or (iii) a sale of substantially all of the assets of the Company.

(c) "**Final Compensation**" means (1) any Base Salary earned but not paid through the date of termination; (2) pay for any vacation time earned but not used through the date of termination; and (3) any business expenses incurred by you but un-reimbursed on the date of termination, provided that such expenses and required substantiation and documentation are submitted within thirty (30) days of termination and that such expenses are reimbursable under Company policy.

(d) "**Person**" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

13. **Tax Matters.**

(a) Subsections (a) through (e) of this Section 11 are intended to help ensure that compensation paid or delivered to you pursuant to this Agreement either is paid in compliance with, or is exempt from, Section 409A of the Internal Revenue Code of 1986, as amended and the rules and regulations promulgated thereunder (collectively, "**Section 409A**"). However, the Company does not warrant to you that all compensation paid or delivered to you for your services will be exempt from, or paid in compliance with, Section 409A. You bear the entire risk of any adverse federal, state or local tax consequences and penalty taxes which may result from payment of compensation for your services on a basis contrary to the provisions of Section 409A or comparable provisions of any applicable state or local income tax laws.

(b) For the purposes determining when amounts of otherwise payable on account of your termination of employment will be paid, "termination of employment" or words of similar import, as used in this Agreement, shall mean the date as of which the Company and you reasonably anticipate that no further services will be performed by you and shall be construed as the date that you first incur a "separation from service" for purposes of Section 409A on or following termination of employment. Furthermore, if you are a "specified employee" of a public company as determined pursuant to Section 409A as of your termination of employment, any amounts payable on account of your termination of employment which constitute deferred compensation within the meaning of Section 409A and which are otherwise payable during the first six months following your termination of employment shall be paid or provided to you in a lump sum on the earlier of (1) the date of your death and (2) the first business day of

the seventh calendar month immediately following the month in which your termination of employment occurs.

(c) Any taxable reimbursement of business or other expenses, or any provision of taxable in-kind benefits to you, as specified under this Agreement, shall be subject to the following conditions: (1) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code (and, as a result, if there is a maximum dollar amount of expense reimbursement specified in this Agreement, only expenses in the first taxable year in which you could incur eligible expenses shall be eligible for reimbursement, to the limitation specified); (2) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (3) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(d) Any amounts otherwise payable on account of your termination of employment under this Agreement which (i) are conditioned in any part on a release of claims and (ii) would otherwise be paid (assuming the release is given) prior to the last day on which the release could become irrevocable assuming your latest possible execution and delivery of the release (such last day, the "Release Deadline") shall be paid, if ever, only on the Release Deadline, even if your release becomes irrevocable before that date. The Company may elect to make such payment up to thirty (30) days prior to the Release Deadline, however. If no such last day is specified in this Agreement, then such last day will be the sixtieth (60th) day after your termination of employment.

(e) In applying Section 409A to compensation paid pursuant to this Agreement, any right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(f) The Company makes no representation or warranty as to the tax treatment to you of your receipt or exercise of any options granted to you in connection with this Agreement or upon your sale or other disposition of the shares underlying any such options. You should rely on your own tax advisors for such advice. In particular, you acknowledge that in any event an option will not be treated as an ISO as to any shares acquired under any such option

- (i) more than twelve (12) months after your employment ends, if your employment ends on account of your death or total and permanent disability, or
- (ii) more than three (3) months after your employment ends, if your employment ends in any other circumstance.

14. **Noncompetition Covenant.** You agree that during the term of your employment by Company and during the Tail Period, you will not, without Company's express written consent, participate, whether as owner, stockholder (excluding holding of less than 1% of the stock of a public company), director, officer, manager, employee, agent or consultant or otherwise in any business, firm or corporation that is competitive with, or, with respect to action during the term of your employment by the Company, that would otherwise conflict with your employment by the Company. For the purposes of this section, a "business, firm or corporation that is competitive with" the Company means a business, firm or corporation that sells, or is developing for sale, Company Products or products that may be used in direct substitution for Company Products and would compete directly in the marketplace with such Company Products. "Company Products" means PRT-201 that the Company is developing for the reduction of

physical or psychological nature, and, as a result, you are unable to perform substantially all of your duties and responsibilities hereunder, with or without a reasonable accommodation, for one hundred eighty (180) consecutive days in any three hundred sixty-five (365) consecutive calendar days.

"Constructive Termination" shall also mean failure by the Company prior to the one (1) year anniversary of a Corporation Transaction to offer you continued employment on mutually acceptable terms pursuant to the terms of a written agreement with the Company; any third party acquiror or any affiliate of the Company or such third party acquiror that contemplates or provides for your continued employment with the Company at any time from and after such Corporation Transaction or for your employment with such acquiror or any affiliate of such acquiror or the Company at any time from and after such Corporation Transaction.

(c) By the Company Without Cause. The Company may terminate your employment hereunder without Cause. In the event of such termination, in addition to Final Compensation, you shall be entitled to the following: (i) the Severance Payment less applicable withholdings and deductions, paid in a lump sum as provided below; (ii) the COBRA Premiums; (iii) the Option Acceleration; and (iv) the Option Extension; provided, however, that the Option Extension period shall not be extended beyond the period of time that would enable the stock option to remain exempt under Section 409A.

Any obligation of the Company to you in Section 10(c) is conditioned upon you signing and returning to the Company a timely and effective Release of Claims. The Release of Claims required for separation benefits in accordance with this Section 10(c) creates legally binding obligations on your part and the Company and its Affiliates therefore advise you to seek the advice of an attorney before signing it. The Severance Payments shall be payable and due as a lump sum, and will be paid thirty (30) days following the later of the effective date of the Release of Claims or the date the Release of Claims, signed by you, is received by the Company, subject to Section 13(d) hereof. The payment of the COBRA Premiums will commence on such later date as well. Notwithstanding the foregoing, if the Company determines that it cannot provide such reimbursement of premiums to you without potentially violating applicable law, the Company shall not be obligated to make any such payments or reimbursements to you.

(d) Section 280G. If any payment or benefit you would receive under this Agreement, when combined with any other payment or benefit you receive pursuant to the termination or Constructive Termination of your employment with the Company ("Payment") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be either (x) the full amount of such Payment or (y) such lesser amount (with your choice of whether to reduce cash payments or stock option compensation or both) as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Taxes results in your receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax.

11. **At-Will Employment.** Please understand your employment is "at will," voluntarily entered into and is for no specific period. As a result, you are free to resign at any time, for any reason or for no reason, with thirty (30) days written notice. Similarly, the Company is free to conclude its at-will employment relationship with you at any time, with or without cause, and without prior notice, subject to all terms and conditions of this Agreement. Any contrary representations or agreements, which may have been made to you, are superseded by this Agreement. This at-will relationship cannot be altered unless specifically set forth in writing and signed by both you and an authorized member of the Board.

vascular access failure in patients receiving hemodialysis. Your obligations under this Section 12 survive any termination of your employment.

15. **Indemnification.** The Company shall indemnify you against any and all losses, liabilities, damages, expenses (including attorneys' fees) judgments, fines and amounts incurred by you in connection with any claim, action, suit or proceeding (whether civil, criminal, administrative or investigative), including any action by or in the right of the Company, by reason of any act or omission to act in connection with the performance of your duties hereunder to the fullest extent that the Company is permitted to indemnify you against the foregoing under applicable law. The Company shall at all times cause you to be included, in your capacities hereunder, under all liability insurance coverage (or similar insurance coverage), including directors' and officers' liability insurance, maintained by the Company.

16. **Withholding.** All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

17. **Assignment and Successors.** The Company shall assign this Agreement and its rights and obligations hereunder in whole, but not in part, to any Company or other entity with or into which the Company may hereafter merge or consolidate, or to which the Company may transfer all or substantially all of its assets, if in any such case said Company or other entity shall by operation of law or expressly in writing assume all obligations of the Company hereunder as fully as if it had been originally made a party hereto, and may not otherwise assign this Agreement or its rights and obligations hereunder. You may not assign or transfer this Agreement or any rights or obligations hereunder.

18. **Severability.** If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

19. **Waiver.** No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

20. **Notices.** Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person, consigned to a reputable national courier service or deposited in the United States mail, postage prepaid, registered or certified, and addressed to you at your last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chair of the Board, or to such other address as either party may specify by notice to the other actually received.

21. **Entire Agreement.** This Agreement, the Employee Confidentiality and Inventions Assignment Agreement that you have previously executed with the Company, constitute the entire agreement between the parties and amend and supersede all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of your employment.

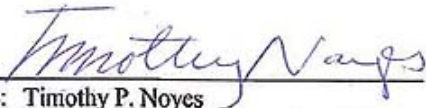
22. **Miscellaneous.** This Agreement may not be modified or amended, and no breach shall be deemed to be waived, unless agreed to in writing by you and the Company. This is a Massachusetts

Mr. E. Scott Toner  
April 19, 2015  
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contract and shall be governed and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

Best Regards,

**PROTEON THERAPEUTICS, INC.**

By:   
Name: Timothy P. Noyes  
Title: President and Chief Executive Officer

I have read, understand and accept the enclosed offer of employment with Proteon Therapeutics, Inc.

  
E. Scott Toner

4/19/15  
Date



## EXHIBIT A

### Release of Claims

In consideration of the promises and covenants recited in the Employment Agreement dated as of \_\_\_\_\_ by and between Proteon Therapeutics, Inc. (the "Company") and E. Scott Toner (the "Executive"), the Executive enters into this Release of Claims.

The Executive hereby releases, waives and discharges his right to assert any legal claim or right, known or unknown, that arose on or before the Effective Date (as defined below), against the Company arising from any conduct by the Company or any of the Company's affiliates, parents, subsidiaries, directors, officers, shareholders, creditors, insurers, representatives, agents, or employees.

The claims the Executive is releasing include, without limitation, any and all claims arising out of or related to his employment with the Company and his separation from employment with the Company. Such claims include, without limitation, all claims under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 2000e et seq., the Americans With Disabilities Act of 1990, 42 U.S.C. § 12101 et seq., the Age Discrimination in Employment Act, 29 U.S.C. § 621 et seq., the Genetic Information Nondiscrimination Act of 2008, 42 U.S.C. § 2000ff et seq., the Family and Medical Leave Act, 29 U.S.C. § 2601 et seq., the Worker Adjustment and Retraining Notification Act ("WARN"), 29 U.S.C. § 2101 et seq., the Rehabilitation Act of 1973, 29 U.S.C. § 701 et seq., Executive Order 11246, Executive Order 11141, the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq., and the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. § 1001 et seq., all as amended; all claims arising out of the Massachusetts Fair Employment Practices Act, Mass. Gen. Laws ch. 151B, § 1 et seq., the Massachusetts Civil Rights Act, Mass. Gen. Laws ch. 12, §§ 11H and 11I, the Massachusetts Equal Rights Act, Mass. Gen. Laws ch. 93, § 102 and Mass. Gen. Laws ch. 214, § 1C, the Massachusetts Labor and Industries Act, Mass. Gen. Laws ch. 149, § 1 et seq., Mass. Gen. Laws ch. 214, § 1B (Massachusetts right of privacy law), the Massachusetts Maternity Leave Act, Mass. Gen. Laws ch. 149, § 105D, and the Massachusetts Small Necessities Leave Act, Mass. Gen. Laws ch. 149, § 52D, all as amended; all common law claims including, but not limited to, actions in defamation, intentional infliction of emotional distress, misrepresentation, fraud, wrongful discharge, and breach of contract; all claims to any non-vested ownership interest in the Company, contractual or otherwise; and any claim or damage arising out of your employment with and/or separation from the Company (including a claim for retaliation) under any common law theory or any federal, state or local statute or ordinance not expressly referenced above.

The Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act ("ADEA") and the Older Workers Benefit Protection Act ("OWBPA"). The Executive is advised that this is an important legal document, and is further advised to consult with an attorney before entering into it. The Executive affirms that he understands the terms of this Agreement and that he knowingly and voluntarily is entering into this Agreement.

The Executive acknowledges that this release releases claims under the Massachusetts Wage Act, M GL c. 149 §148, and further that he has been paid all compensation owed for services performed for the Company. The Executive acknowledges that he has not been denied any leave under the FMLA, and that he has not been retaliated against for taking such leave. The Executive agrees that these terms represent a full and final settlement of any and all claims he may have arising out of his employment with the Company, except that this Agreement shall not release or affect any vested rights he may have (1) under the Company's 401 (k) plan, (2) under the terms of this Agreement, (3) to continue health insurance coverage under COBRA, and (4) which by law cannot be released in this manner.

Nothing in this Agreement shall be construed to waive claims that cannot be waived under applicable law. Nothing in this Agreement shall be construed to affect the Equal Employment Opportunity Commission's, or any local agency's, independent rights and responsibilities to enforce the law. The Executive recognizes and agrees, however, that while this Agreement does not affect his right to file a charge or participate in an investigation or proceeding conducted by a Commission, it does bar any claim he might have to receive monetary damages in connection with any Commission proceeding concerning matters covered by this Agreement.

The Executive understands that he has until forty five (45) days after receiving this Agreement to consider this Agreement. The Executive further understands that if he executes and returns the Agreement prior to the expiration of this forty five (45) day period, he has waived any right he may have to additional time within which to consider the Agreement.

The Executive has seven (7) days after the day he signs this agreement to revoke it. To revoke this agreement after signing it, he must deliver a written notice of revocation to the Company's Chief Executive Officer at the Company's offices before the seven day period expires. This Agreement shall not become effective until the eighth (8th) day after the day the Executive signs the Agreement (the "Effective Date"). If the Executive revokes this Agreement it will not become enforceable and he will not receive the benefits described in the Employment Agreement and this Agreement.

IN WITNESS WHEREOF, the Executive has duly executed this Agreement.

**E. Scott Toner**

\_\_\_\_\_  
E. Scott Toner

Date: \_\_\_\_\_