

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

Filed by a Party other than the Registrant

Check the appropriate box:

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

PROTEON THERAPEUTICS, INC.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

-
- Fee paid previously with preliminary materials.
 - Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

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

(3) Filing Party:

(4) Date Filed:



Proteon Therapeutics, Inc.

**200 West Street
Waltham, MA 02451**

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

The 2015 Annual Meeting of Stockholders of Proteon Therapeutics, Inc. (the "Company" or "Proteon") will be held on June 2, 2015, at 10:00 a.m. local time (the "Annual Meeting"), at Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110 for the following purpose of considering two company-sponsored proposals:

1. To elect Timothy P. Noyes, Garen Bohlin and John G. Freund, M.D., as Class I directors, each for a three-year term; and
2. To ratify the appointment of Ernst & Young LLP as the independent registered public accounting firm for Proteon for the fiscal year ending December 31, 2015.

We will also consider and act upon any other matters that properly come before the Annual Meeting or any adjournment or postponement thereof.

Our Board of Directors (the "Board") recommends that you vote "**FOR**" each of the nominees for Class I director (Proposal No. 1) and "**FOR**" ratification of the proposed independent registered public accounting firm (Proposal No. 2).

Each outstanding share of Proteon's common stock (NASDAQ: PRTO) entitles the holder of record at the close of business on April 15, 2015, to receive notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Whether or not you expect to attend the meeting, we urge you to vote your shares by internet, telephone, or by signing, dating and returning the proxy card included in these materials. If you choose to attend the Annual Meeting, you may still vote your shares in person, even if you have previously voted or returned your proxy by any of the methods described in our Proxy Statement. If your shares are held in a bank or brokerage account, please refer to the materials provided by your bank or broker for voting instructions.

All stockholders are extended a cordial invitation to attend the meeting.

By Order of the Board of Directors

A handwritten signature in black ink that reads 'Timothy Noyes'.

Timothy P. Noyes
Chief Executive Officer, President and Director
April 21, 2015

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

PROXY STATEMENT FOR 2015 ANNUAL MEETING OF STOCKHOLDERS
To Be Held On Tuesday, June 2, 2015 at 10:00 am EDT

GENERAL INFORMATION

When are this proxy statement and the accompanying material scheduled to be sent to stockholders?

This proxy statement and accompanying proxy card, or for shares held in street name (held for your account by a broker or other nominee), voting instruction form, are scheduled to be sent to stockholders beginning on April 27, 2015.

Who is soliciting my vote?

The Board of Proteon is soliciting your vote for the 2015 Annual Meeting of Stockholders.

When is the record date for the Annual Meeting?

Proteon's Board has fixed the record date for the Annual Meeting as of the close of business on April 15, 2015.

How many votes can be cast by all stockholders?

A total of 16,449,164 shares of common stock of Proteon were outstanding on April 15, 2015 and are entitled to be voted at the Annual Meeting. Each share of common stock is entitled to one vote on each matter. There is no cumulative voting.

How do I vote?

If you are a stockholder of record and your shares are registered directly in your name, you may vote:

- **By Internet.** You may vote by proxy via the internet at www.investorvote.com/PRTO by following the instructions provided on the proxy card.
- **By Telephone.** If you live in the United States or Canada, you may vote by proxy by calling toll-free 1-800-652- VOTE (8683) and by following the instructions provided on the proxy card. You must have the control number that is on the proxy card when voting.
- **By Mail.** Complete and mail your proxy card in the postage prepaid envelope you receive, and return the proxy card to Computershare, P.O. BOX 30170, College Station, TX, 77842-3170. Your proxy will be voted in accordance with your instructions. If you sign and return the enclosed proxy but do not specify how you want your shares voted, they will be voted "**FOR**" the election of the Class I director nominees named herein to the Board, and "**FOR**" the ratification of Ernst & Young LLP as Proteon's independent registered public accounting firm for the fiscal year ending December 31, 2015 and will be voted according to the discretion of the proxy holder named in the proxy card upon any other business that may properly be brought before the meeting and at all adjournments and postponements thereof.
- **In Person at the Meeting.** If you attend the meeting, be sure to bring a form of personal picture identification with you. You may deliver your completed proxy card in person, or you may vote by completing a ballot, which will be available at the meeting.

If your shares of common stock are held in street name (held for your account by a broker or other nominee):

- **By Internet or By Telephone.** You will receive instructions from your broker or other nominee if you are permitted to vote by internet or telephone.
- **By Mail.** You will receive instructions from your broker or other nominee explaining how to vote your shares.
- **In Person at the Meeting.** If you attend the meeting, in addition to picture identification, you should bring both an account statement or a letter from the record holder indicating that you owned the shares as of the record date, *and* contact the broker or other nominee who holds your shares to obtain a broker's proxy card and bring it with you to the meeting.

What are the Board's recommendations on how to vote my shares?

The Board recommends a vote:

- Proposal 1: **"FOR"** the election of Timothy P. Noyes, Garen Bohlin and John G. Freund, M.D. as Class I directors.
- Proposal 2: **"FOR"** ratification of selection of Ernst & Young LLP as Proteon's independent registered public accounting firm for the fiscal year ending December 31, 2015.

Who pays the cost for soliciting proxies?

Proteon will bear the cost of solicitation of proxies. This includes the charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of our outstanding common stock. Proteon may solicit proxies by mail, personal interview, telephone or via the internet through its officers, directors and other management employees, who will receive no additional compensation for their services.

Can I change or revoke my vote?

You may revoke your proxy at any time before it is voted by notifying the Secretary in writing at the principal executive offices, by returning a signed proxy with a later date, by transmitting a subsequent vote over the internet or by telephone prior to the close of the internet voting facility or the telephone voting facility, or by attending the meeting and voting in person. If your stock is held in street name, you must contact your broker or nominee for instructions as to how to change your vote.

How is a quorum reached?

The presence, in person or by proxy, of holders of at least a majority of the issued and outstanding shares entitled to vote is necessary to constitute a quorum for the transaction of business at the Annual Meeting. Abstentions and "broker non-votes," if any, will be counted as present and entitled to vote for purposes of determining whether a quorum is present for the transaction of business at the meeting.

"Broker non-votes" are shares represented at the Annual Meeting held by brokers, bankers or other nominees (i.e., in "street name") and do not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Generally, brokerage firms may vote to ratify the selection of independent auditors and on other "discretionary" or "routine" items. In contrast, brokerage firms may not vote to elect directors, because those proposals are considered "non-discretionary" items. Accordingly, if you do not instruct your broker how to vote your shares on "non-discretionary" matters, your broker will not be permitted to vote your shares on these matters. This is a "broker non- vote."

What vote is required to approve each item?

Required Vote - Election of Directors (Proposal No. 1). Directors shall be elected by a plurality of the votes cast, present in person or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. This means that the three individuals receiving the highest number of "FOR" votes will be elected as directors. Abstentions and broker non-votes will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election.

Required Vote - Ratification of the Selection of Auditors (Proposal No. 2). The affirmative vote of a majority of shares of our common stock, present in person or represented by proxy at the Annual Meeting and entitled to vote, is required to ratify the selection of our independent auditors. An abstention is treated as present and entitled to vote and, therefore, has the effect of a vote “against” ratification of the independent auditors. Because the ratification of the independent auditors is routine matter, a nominee holding shares in street name may vote on this proposal in the absence of instructions from the beneficial owner.

If there are insufficient votes to approve these proposals, your proxy may be voted by the persons named in the proxy card to adjourn the Annual Meeting in order to solicit additional proxies in favor of the approval of such proposal(s). If the Annual Meeting is adjourned or postponed for any purpose, at any subsequent reconvening of the meeting, your proxy will be voted in the same manner as it would have been voted at the original convening of the Annual Meeting unless you withdraw or revoke your proxy.

Could other matters be decided at the Annual Meeting?

Proteon does not know of any other matters that may be presented for action at the Annual Meeting. Should any other business properly come before the meeting, the persons named on the enclosed proxy will have discretionary authority to vote the shares represented by such proxies in accordance with their best judgment to the same extent as the person signing the proxy would be entitled to vote. If you hold shares through a broker, bank or other nominee as described above, they will not be able to vote your shares on any other business that comes before the Annual Meeting unless they receive instructions from you with respect to such matter.

What happens if the meeting is postponed or adjourned?

Your proxy may be voted at the postponed or adjourned meeting. You will still be able to change your proxy until it is voted.

What does it mean if I receive more than one proxy card or voting instruction form?

It means that you have multiple accounts at the transfer agent or with brokers. Please complete and return all proxy cards or voting instruction forms to ensure that all of your shares are voted.

Where can I find the voting results of the meeting?

The preliminary voting results will be announced at the Annual Meeting. The final results will be published on a Current Report on Form 8-K within four days after the meeting date.

Implications of being an “emerging growth company.”

We are an “emerging growth company” as that term is used in the Jumpstart Our Business Startups (JOBS) Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements. These reduced reporting requirements include reduced disclosure about Proteon’s executive compensation arrangements and no non-binding advisory votes on executive compensation. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering on October 27, 2014, (b) in which we have total annual gross revenue of at least \$1.0 billion, or (c) in which we are deemed to be a large accelerated filer, which means the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the prior June 30th, and (2) the date on which we have issued more than \$1.0 billion in non-convertible debt during the prior three-year period.

Who should I call if I have any additional questions?

If you hold your shares directly, please call George A. Eldridge, Secretary of the Company, at (781) 890-0102. If your shares are held in street name, please contact the telephone number provided on your voting instruction form or contact your broker or nominee holder directly.

Important Notice Regarding the Availability of Proxy Materials for the 2015 Annual Meeting of Stockholders to be Held on June 2, 2015

This Proxy Statement and our Annual Report are available free of charge at <http://www.edocumentview.com/PRTO> or www.proteontherapeutics.com under “Investors & Media” at “Financial Information.”

BENEFICIAL OWNERSHIP OF COMMON STOCK

The following table sets forth certain information as of April 15, 2015 (unless otherwise specified), with respect to the beneficial ownership of our common stock by each person who is known to own beneficially more than 5% of the outstanding shares of common stock, each person currently serving as a director, each nominee for director, each named executive officer (as set forth in the Summary Compensation Table below), and all directors and executive officers as a group.

Shares of common stock subject to options or other rights to purchase which are now exercisable or are exercisable within 60 days after April 15, 2015, are to be considered outstanding for purposes of computing the percentage ownership of the persons holding these options or other rights, but are not to be considered outstanding for the purpose of computing the percentage ownership of any other person. As of April 15, 2015, there were 16,449,164 shares of common stock outstanding. Unless otherwise indicated, the address for each beneficial owner is c/o Proteon Therapeutics, Inc., 200 West Street, Waltham, MA 02451.

Name and address of beneficial owner	Number of shares beneficially owned	Percentage of shares beneficially owned
5% or greater stockholders:		
Abingworth Bioventures VI, L.P., and related funds(1) Princes House, 38 Jermyn Street London, England SW1Y 6DN	2,017,872	12.3%
TVM Capital, and related funds(2) Ottostrasse 4, 80333 Munich, Germany.	1,943,059	11.8%
Skyline Venture Partners Qualified Purchaser Fund IV, L.P., and related funds(3) 525 University Avenue, Suite 520 Palo Alto, CA 94301	1,432,930	8.7%
Prism Venture Partners, and related funds(4) 117 Kendrick Street, Suite 200 Needham, MA 02494	1,337,462	8.1%
Deerfield Mgmt, L.P., and related funds(5) 780 Third Avenue, 37th Floor New York, NY 10017	1,265,343	7.8%
RA Capital Management, LLC(6) 20 Park Plaza, Suite 1200 Boston, MA 02216	1,250,000	7.6%
Pharmstandard International S.A.(7) 65, Boulevard Grande Duchesse Charlotte L-1331 Luxembourg, Grand-Duchy of Luxembourg	1,165,344	7.1%
MPM Bio IV NVS Strategic Fund, L.P., and related funds(8) 200 Clarendon Street, 54th Floor Boston, MA 02116	983,381	6.0%
Intersouth Partners VI, L.P.(9) 102 City Hall Plaza, Suite 200 Durham, NC 27701	898,383	5.5%
FMR LLC(10) 245 Summer Street Boston, MA 02110	850,000	5.2%
Directors and named executive officers:		
Timothy P. Noyes(11)	385,966	2.3%
Hubert Birner, Ph.D.(12)	1,949,725	11.8%
Garen Bohlin(13)	-	*
John G. Freund, M.D.(14)	1,439,596	8.7%
Timothy Haines(15)	2,024,538	12.3%
Dmitry Kobzyev(16)	1,172,010	7.1%
Brendan M. O'Leary, Ph.D.(17)	1,344,128	8.2%
Gregory D. Phelps(18)	38,336	*
Steven K. Burke(19)	167,033	1.2%
George A. Eldridge(20)	126,023	*
All executive officers and directors as a group (11 persons)	8,739,756	50.6%

* Represents beneficial ownership of less than one percent of our outstanding common stock.

- (1) Based solely on the Schedule 13D filed with the SEC on October 31, 2014 by Abingworth LLP, Abingworth LLP and Abingworth Bioventures VI LP (“ABV VI”) have shared voting power and shared dispositive power with respect to 2,017,872 shares of our common stock. Abingworth Bioventures VI GP LP, a Scottish limited partnership, serves as the general partner of “ABV VI”. Abingworth General Partner VI LLP, an English limited liability partnership, serves as the general partner of Abingworth Bioventures VI GP LP. ABV VI (acting by its general partner Abingworth Bioventures VI GP LP, acting by its general partner Abingworth General Partner VI LLP) has delegated to Abingworth LLP, an English limited liability partnership, all investment and dispositive power over the securities held by ABV VI. An investment committee of Abingworth LLP, comprised of Joseph Anderson, Michael F. Bigham, Stephen W. Bunting, Genghis Lloyd-Harris, and Timothy Haines, our director, approves investment and voting decisions by a majority vote, and no individual member has the sole control or voting power over the securities held by ABV VI. Each of Abingworth Bioventures VI GP LP, Abingworth General Partner VI LLP, Joseph Anderson, Stephen W. Bunting, Genghis Lloyd-Harris, and Timothy Haines disclaims beneficial ownership of the securities held by the ABV VI except to the extent of their proportionate pecuniary interest therein.
- (2) Based solely on the Schedule 13D filed with the SEC on November 4, 2014 by TVM Life Science Ventures VI L.P., TVM Life Science Ventures VI L.P., TVM Life Science Ventures VI GmbH & Co. KG, TVM Life Science Ventures Management VI L.P., Alexandra Goll, Helmut Schühlsler, Stefan Fischer and Hubert Birner, our director, have shared voting power and shared dispositive power with respect to 1,943,059 shares of our common stock. Alexandra Goll, Helmut Schühlsler, Stefan Fischer and Hubert Birner, Ph.D. our director, are members of the investment committee of TVM Life Science Ventures VI Management Limited Partnership, a special limited partner of TVM Life Science Ventures VI GmbH & Co. KG and TVM Life Science Ventures VI LP with voting and dispositive power over the share held by those entities. TVM Life Science Venture VI Management Limited Partnership and these individuals each disclaim beneficial ownership of such shares except to the extent of any pecuniary interest therein.
- (3) Based solely on the Schedule 13D filed with the SEC on November 3, 2014 by Skyline Venture Partners Qualified Purchaser Fund IV, L.P. (“SVPQP IV”), Skyline Venture Management IV, LLC, John G. Freund, M.D., our director, and Yasunori Kaneko have shared voting power and shared dispositive power with respect to 1,432,930 shares of our common stock held by SVPQP IV. Each of John G. Freund, M.D., and Yasunori Kaneko are managing directors of SVPQP IV and share voting and dispositive power over the shares held by the SVPQP IV; however, they disclaim beneficial ownership of the shares held by SVPQP IV, except to the extent of their pecuniary interests therein.
- (4) Based solely on Amendment No. 1 to the Schedule 13G filed with the SEC on February 24, 2015 by Prism Venture Partners, V, L.P., Prism Investment Partners V, L.P., Prism Venture Partners V, L.P., Prism Venture Partners V-A, L.P., Steven J. Benson, James A. Counihan, and Brendan M. O’Leary, Ph.D. our director, have shared voting power and shared dispositive power with respect to 1,337,462 shares of our common stock consisting of (a) 918,971 shares of our common stock held by Prism Venture Partners V, L.P., and (b) 418,491 shares of our common stock held by Prism Venture Partners V-A, L.P. Steven J. Benson, James A. Counihan, and Brendan M. O’Leary, Ph.D. are the managing members of Prism Venture Partners V, LLC, the sole general partner of Prism Investment Partners V, L.P., which is the sole general partner of each Prism Venture Partners V, L.P. and Prism Venture Partners V-A, L.P. Each of the managing members disclaims beneficial ownership of any such shares except to the extent of his proportionate pecuniary interest therein.

- (5) Based solely on Amendment No. 1 to the Schedule 13G filed by James E. Flynn with the SEC on February 17, 2015, Deerfield Mgmt, L.P. has the shared voting power and shared dispositive power with respect to 387,544 shares of our common stock consisting of (a) 213,171 shares of common stock held by Deerfield Special Situations Fund, L.P., and (b) 174,373 shares of common stock held by Deerfield Special Situations International Master Fund, L.P.; Deerfield Mgmt III, L.P. has the shared voting power and shared dispositive power with respect to 877,799 shares of our common stock held by Deerfield Private Design Fund III, L.P.; and Deerfield Management Company, L.P. and James E. Flynn have the shared voting power and shared dispositive power with respect to 1,265,343, consisting of (a) 877,799 shares of our common stock held by Deerfield Private Design Fund III, L.P., (b) 213,171 shares of common stock held by Deerfield Special Situations Fund, L.P., and (c) 174,373 shares of common stock held by Deerfield Special Situations International Master Fund, L.P. Deerfield Mgmt, L.P. is the general partner of each of Deerfield Special Situations Fund, L.P. and Deerfield Special Situations International Master Fund, L.P. Deerfield Mgmt III, L.P. is the general partner of Deerfield Private Design Fund III, L.P. (together with Deerfield Special Situations Fund, L.P. and Deerfield Special Situations International Master Fund, L.P., the “Deerfield Funds”). Deerfield Management Company, L.P. is the investment manager of each of the Deerfield Funds. Mr. James E. Flynn is the sole member of the general partner of each of Deerfield Mgmt, L.P., Deerfield Mgmt III, L.P. and Deerfield Management Company, L.P. Deerfield Mgmt, L.P. may be deemed to beneficially own the shares held by Deerfield Special Situations Fund, L.P. and Deerfield Special Situations International Master Fund, L.P. Deerfield Mgmt III, L.P. may be deemed to beneficially own the shares held by Deerfield Private Design Fund III, L.P. Each of Deerfield Management Company, L.P. and Mr. Flynn may be deemed to beneficially own the shares held by the Deerfield Funds.
- (6) Based solely on Amendment No. 1 to the Schedule 13G filed with the SEC on February 17, 2015 by RA Capital Healthcare Fund, L.P. (“RA Fund”), RA Capital Management, LLC (“RA Capital”) and Peter Kolchinsky, Ph.D., RA Fund has shared voting power and shared dispositive power with respect to 1,025,000 shares of our common stock. RA Capital has the shared voting power and shared dispositive power with respect to 1,250,000 shares of our common stock, including (a) 1,025,000 shares of our common stock held by RA Fund, for which RA Capital serves as the sole general partner, and (b) 475,000 shares of our common stock held in a separately managed account, for which RA Capital serves as investment adviser. Dr. Kolchinsky has the shared voting power and shared dispositive power with respect to 1,250,000 shares of our common stock reported for RA Capital, for which Dr. Kolchinsky serves as the manager. Each of RA Fund, RA Capital and Dr. Kolchinsky disclaims beneficial ownership for the shares, except to the extent of its or his pecuniary interest therein.
- (7) Based solely on the Schedule 13G filed with the SEC on February 12, 2015 by Pharmstandard International S.A., Pharmstandard International S.A. and the public joint stock company “Pharmstandard” have shared voting power and shared dispositive power with respect to 1,165,344 shares of our common stock held by Pharmstandard International S.A. Pharmstandard International S.A. is a wholly owned subsidiary of public joint stock company “Pharmstandard.” As the parent entity Pharmstandard has voting and investment control over the shares of Proteon held by Pharmstandard International S.A. Dmitry Kobzyev, Ph.D. our director, is the representative of Pharmstandard International S.A. Dr. Kobzyev disclaims beneficial ownership of any such shares, except to the extent of his proportionate pecuniary interest therein.
- (8) Based solely on the Schedule 13G filed by MPM Bio IV NVS Strategic Fund, L.P. with the SEC on February 15, 2015, MPM Bio IV NVS Strategic Fund, L.P. has shared voting power and shared dispositive power with respect to 983,381 shares of our common stock and MPM BioVentures IV GP LLC, MPM BioVentures IV GP LLC, Luke Envin, Ansbert Gadicke, Vaughn M. Kailian, John Paul Scopa and Todd Foley have shared voting power and shared dispositive power with respect to 983,381 shares of our common stock. MPM BioVentures IV LLC is the General Partner of MPM Bio Ventures IV GP LLC, which is the General Partner of MPM Bio IV NVS Strategic Fund, L.P. Mr. Foley shares the power to vote, hold and dispose of the shares held by MPM Bio IV NVS Strategic Fund, L.P.
- (9) Intersouth Partners VI, L.P., Intersouth Associates VI, LLC, the general partner of Intersouth Partners VI, L.P., Dennis J. Dougherty and Mitchell Mumma have shared voting and dispositive power with respect to 898,383 shares of our common stock held by Intersouth Partners VI, L.P. Dennis J. Dougherty and Mitchell Mumma are the managing partners of Intersouth Associates VI, LLC and each disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein.
- (10) Based solely on the Schedule 13G filed with the SEC on February 13, 2015 by FMR LLC, a Delaware limited liability company, FMR LLC has sole power to dispose of the 850,000 shares of our common stock owned by the Fidelity and its funds.
- (11) Consists of 385,966 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.

- (12) Consists of shares held by TVM. By virtue of the relationships described in footnote 2 above, Dr. Birner may be deemed to share beneficial ownership in the shares held by TVM. Dr. Birner disclaims beneficial ownership of the shares referred to in footnote 2 above. Includes 6,666 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (13) No shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (14) Consists of shares held by Skyline. By virtue of the relationships described in footnote 3 above, Dr. Freund may be deemed to share beneficial ownership in the shares held by Skyline. Dr. Freund disclaims beneficial ownership of the shares referred to in footnote 3 above. Includes 6,666 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (15) Consists of shares held by Abingworth. By virtue of the relationships described in footnote 1 above, Mr. Haines may be deemed to share beneficial ownership in the shares held by Abingworth. Mr. Haines disclaims beneficial ownership of the shares referred to in footnote 1 above. Includes 6,666 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (16) Consists of shares held by Pharmstandard. By virtue of the relationships described in footnote 7 above, Dr. Kobyzev may be deemed to share beneficial ownership in the shares held by Pharmstandard. Dr. Kobyzev disclaims beneficial ownership of the shares referred to in footnote 7 above. Includes 6,666 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (17) Consists of shares held by Prism. By virtue of the relationships described in footnote 4 above, Dr. O'Leary may be deemed to share beneficial ownership in the shares held by Prism. Dr. O'Leary disclaims beneficial ownership of the shares referred to in footnote 4 above. Includes 6,666 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (18) Consists of 38,336 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (19) Consists of (a) 30,411 shares of common stock and (b) 167,033 shares of common stock are issuable upon exercise of options exercisable within 60 days of April 15, 2015.
- (20) Consists of 126,023 shares of common stock issuable upon exercise of options exercisable within 60 days of April 15, 2015.

PROPOSAL NO. 1—ELECTION OF DIRECTORS

In accordance with Proteon's Certificate of Incorporation and bylaws, the Board is divided into three classes of approximately equal size. The members of each class are elected to serve a three-year term with the term of office of each class ending in successive years. Timothy P. Noyes, Garen Bohlin and John G. Freund, M.D. are the Class I directors whose terms expire at Proteon's 2015 Annual Meeting of stockholders and each of Mr. Noyes, Mr. Bohlin and Dr. Freund has been nominated for, and has agreed to stand for, re-election to the Board to serve as a Class I director of Proteon for three years until the 2018 Annual Meeting and until their successors are duly elected and qualified or until their earlier death, resignation or removal.

It is intended that, unless you give contrary instructions, shares represented by proxies will be voted for the election of the three nominees listed above as director nominees. Proteon has no reason to believe that any nominee will be unable to serve. In the event that one or more nominees is unexpectedly not available to serve, proxies may be voted for another person nominated as a substitute by the Board, or the Board may reduce the number of directors to be elected at the Annual Meeting. Information relating to each nominee for election as director and for each continuing director, including his or her period of service as a director of Proteon, principal occupation and other biographical material, is included below.

VOTE REQUIRED

A plurality of the votes cast at the meeting will be required for the election of the Class I director nominees. The three nominees for director with the highest number of affirmative votes will be elected as directors. Broker non-votes and abstentions will not be treated as votes cast for this purpose and, therefore, will not affect the outcome of the election.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" EACH OF THESE NOMINEES FOR CLASS I DIRECTOR.

(PROPOSAL NO. 1 ON YOUR PROXY CARD)

BOARD OF DIRECTORS

Board Composition and Structure

Our certificate of incorporation and bylaws state that our Board shall consist of a number of directors that shall be fixed exclusively by the Board from time to time in accordance with the bylaws of the Company. Each director holds office until his or her successor is duly elected and qualified or until his or her death, incapacity, resignation or removal. Our certificate of incorporation provides that our directors may be removed only for cause by the affirmative vote of the holders of at least 75% of the voting power of the outstanding shares of capital stock of Proteon entitled to vote in the election of directors, voting together as a single class, at a meeting of the stockholders called for that purpose. Any vacancy in the Board, including a vacancy that results from an increase in the number of directors, may be filled only by the vote of a majority of the remaining directors then in office, although less than a quorum, or by the sole remaining director.

Our certificate of incorporation provides that our Board is divided into three classes of directors, with the classes as nearly equal in number as possible. Each of our directors identified below serves in the class indicated. Subject to any earlier resignation or removal in accordance with the terms of our certificate of incorporation and bylaws, our current Class I directors will serve until the 2015 annual meeting of stockholders; our Class II directors will serve until the 2016 annual meeting of stockholders; and our Class III directors will serve until the 2017 annual meeting of stockholders. Any additional directorships resulting from an increase in the number of directors will be apportioned by our board among the three classes.

Our Board is currently comprised of eight members. Below is a list of the names, ages as of April 15, 2015 and classification of the individuals who currently serve as our directors.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Timothy P. Noyes	53	President, Chief Executive Officer and Director (Class I)
Hubert Birner, Ph.D. (1)(3)	48	Director (Class II)
Garen Bohlin (2)	67	Director (Class I)
John G. Freund, M.D. (3)	61	Director (Class I)
Tim Haines (1)(3)	57	Director (Class III)
Dmitry Kobzyev, Ph.D. (2)(3)	29	Director (Class II)
Brendan M. O'Leary, Ph.D. (1)(2)	43	Director (Class III)
Gregory D. Phelps (1)	66	Chairman of the Board of Directors (Class II)

(1) Member of the Compensation Committee.

(2) Member of the Audit Committee.

(3) Member of the Governance and Nominating Committee.

In consultation with the Governance and Nominating Committee, the Board has determined that the classified board structure is appropriate for the Company, particularly following its initial public offering. A classified board provides for stability, continuity and experience among our Board. Further, the Board believes that building a cohesive board of directors is an important goal, which was only recently established in its current form. In our industry in particular, long-term focus is critical. The time horizon required for successful development of pharmaceuticals makes it vital that we have a board that understands the implications of this process and has the ability to develop and implement long-term strategies while benefiting from an in-depth knowledge of Proteon's business and operations. A classified board structure helps to ensure that there will be the continuity and stability of leadership required to navigate a challenging economic environment while resisting the pressure to focus on short-term results at the expense of the long-term value and success of the Company. The future success of Proteon depends in significant part on the ability to attract and retain capable and experienced directors. In this regard, we believe that longer terms for our directors will enhance director independence from both management and stockholder special interest groups.

Director Biographies

Information concerning our directors is set forth below. The biographical description of each director includes the specific experience, qualifications, attributes and skills that the Board would expect to consider if it were making a conclusion currently as to whether such person should serve as a director.

Class I Directors (Nominees Standing for Election)

Timothy P. Noyes joined Proteon in April 2006 as our President and Chief Executive Officer and has also been a member of our Board since joining Proteon. From 2002 to 2006, Mr. Noyes served as Chief Operating Officer of Trine Pharmaceuticals, Inc. Before joining Trine, Mr. Noyes held several management positions with GelTex Pharmaceuticals from 1996 to 2001, prior to its acquisition by Genzyme Corporation. After the acquisition, from 2001 to 2002, he held the positions of President, Renal Division and President, GelTex Pharmaceuticals. Prior to GelTex, he worked for several years at Merck & Co. across multiple roles in its hypertension and heart failure group and managed care division, and on its Vasotec and Prilosec products. Mr. Noyes received an A.B. from Harvard College and an M.B.A. from Harvard Business School. We believe Mr. Noyes is qualified to serve as a member of our Board because of his role with us and his extensive operational knowledge of, and executive level management experience in, the biopharmaceutical industry.

Garen Bohlin has served as a member of our Board since September 2014. Since May 2012, Mr. Bohlin has served on the board of directors to various life sciences and healthcare companies. From January 2010 until April 2012, he served as Executive Vice President of Constellation Pharmaceuticals, a biopharmaceutical company. Prior to joining Constellation Pharmaceuticals, Mr. Bohlin served as Chief Operating Officer of Sirtris Pharmaceuticals, a biopharmaceutical company, from January 2006 to December 2009. Mr. Bohlin was the founding Chief Executive Officer of Syntonix Pharmaceuticals, Inc., a biopharmaceutical company, from 1999 through December 2008. Earlier in his career, he held multiple executive positions at Genetics Institute, a biopharmaceutical company, and was a partner at Arthur Andersen & Co., a public accounting and consulting organization. Mr. Bohlin currently serves on the board of directors of Tetrphase Pharmaceuticals and Karyopharm Therapeutics, both NASDAQ listed, and Collegium Pharmaceuticals, Inc., a privately-owned company. He also served on the board of directors for Acusphere, Inc. from 2005 to January 2015, Praecis Pharmaceuticals, Inc. from 2005 to 2007, Targanta Therapeutics from 2007 to 2009, SpringLeaf Therapeutics from 2010 to 2013 and Precision Dermatology from 2012 to 2014. Mr. Bohlin received his B.S. in accounting and finance from The University of Illinois. We believe that Mr. Bohlin is qualified to serve on our Board because of his business and professional experience.

John G. Freund, M.D. became a member of our Board in February 2014. Dr. Freund co-founded Skyline Ventures, a venture capital firm, in September 1997, where he has served as a partner since its founding. Prior to joining Skyline, Dr. Freund served as managing director in the private equity group of Chancellor Capital Management from 1995 to 1997. In 1995, he co-founded Intuitive Surgical, Inc. and served on its board of directors until 2000. From 1988 to 1994, Dr. Freund served in various positions at Acuson Corporation, now part of Siemens, most recently as Executive Vice President. Prior to joining Acuson, Dr. Freund was a general partner of Morgan Stanley Venture Partners from 1987 to 1988. From 1982 to 1988, Dr. Freund worked at Morgan Stanley & Co., where he co-founded the Healthcare Group in the Corporate Finance Department. Dr. Freund currently serves as a member of the board of directors of the following public companies: XenoPort, Inc., Tetrphase Pharmaceuticals, Inc. and Concert Pharmaceuticals, Inc. He was on the board of MAKO Surgical Corp. from 2008 until its acquisition in 2013. He is a director of three mutual funds managed by Capital Research and Management. He is a member of the Advisory Board for the Harvard Business School Healthcare Initiative and is a member of the Therapeutics Advisory Council of Harvard Medical School. He received an A.B. in history from Harvard College, an M.D. from Harvard Medical School and an M.B.A. from Harvard Business School, where he was a Baker Scholar and won the Loeb Fellowship in Finance. We believe Dr. Freund is qualified to serve as a member of our Board because of his business and professional experience.

Current Directors Not Standing for Election at the Annual Meeting

Hubert Birner, Ph.D. has served as a member of our Board since 2007. Dr. Birner is the managing partner of TVM Capital, a venture capital firm, which he joined in 2000. Before joining TVM Capital, Dr. Birner served as Head of Business Development Europe and Director of Marketing for Germany at Zeneca from 1998 to 2000. Dr. Birner joined Zeneca from McKinsey & Company's European Health Care and Pharmaceutical practice where he worked from 1995 to 1998. From 1992 to 1994, Dr. Birner was also an Assistant Professor for biochemistry at the Ludwig-Maximilian-University in Munich. Dr. Birner currently serves as Chairman of the Board of Argos Therapeutics Inc. and Spepharm Holding BV and he previously served as a member of the board of directors of Horizon Pharma, Evotec AG, and BioXcell SPA. Dr. Birner received an M.B.A. from Harvard Business School and a Ph.D. in biochemistry from Ludwig-Maximilian-University Munich, where he graduated summa cum laude. We believe Dr. Birner is qualified to serve as a member of our Board because of his business and professional experience.

Tim Haines became a member of our Board in May 2014. Mr. Haines joined Abingworth in 2005 and is currently a partner. From 2000 to 2005, he was Chief Executive of Astex Therapeutics, an Abingworth portfolio company. From 1993 to 2000, Mr. Haines was Chief Executive of two divisions of the publicly-listed medical technology company, Datascope Corp. Prior to Datascope, he held a number of other senior management positions in the US and Europe, including CEO of Thackray Inc and General Manager Baxter UK. Current and past board positions include Astex Pharmaceuticals, Chroma, Fovea, Pixium Vision, PowderMed, Kspine, Stanmore Implants, Lombard Medical, Sientra, and XCounter. Mr. Haines received a B.Sc. from Exeter University and an M.B.A. from INSEAD. We believe Mr. Haines is qualified to serve as a member of our Board because of his business and professional experience.

Dmitry Kobzyev, Ph.D. became a member of our Board in May 2014. Dr. Kobzyev joined Inbio Ventures, a venture capital management company representing Pharmstandard International S.A., in 2014 and serves in the capacity of Investment Director. From 2009 to 2014, he served as an Investment Director of one of the top Russian life science venture capital teams at OJSC RUSNANO. From 2007 to 2009, Dr. Kobzyev advised international private equity and Russian corporate clients within the transactions practice at PricewaterhouseCoopers Russia. Dr. Kobzyev received a Ph.D. degree in economics from Moscow State University. We believe Dr. Kobzyev is qualified to serve as a member of our Board because of his business and professional experience.

Brendan M. O'Leary, Ph.D. has been a member of our Board since March 2006. Dr. O'Leary joined Prism VentureWorks, a venture capital firm, in 2003 and is currently a general partner. Dr. O'Leary began his professional career with numerous operating roles at IGEN International, a medical diagnostics company (acquired by Roche), where he served from 1999 to 2003, and Meso Scale Discovery, a high-throughput drug discovery start-up, where he served from 1999 to 2003. Dr. O'Leary previously served on the board of directors of Alacer Biomedical Inc. (acquired by Allergan), Atritech (acquired by Boston Scientific), BioRexis Pharmaceutical Corp. (acquired by Pfizer), Serica Technologies (acquired by Allergan), and Trius Therapeutics (acquired by Cubist). Dr. O'Leary received a Ph.D. in organic chemistry from the Massachusetts Institute of Technology and a B.A. in chemistry and economics from Middlebury College, and was a Kauffman Fellow. In late 2014, he took on an additional role as Executive Vice Chancellor at UMass Medical School in charge of all innovation and business development functions. We believe Dr. O'Leary is qualified to serve as a member of our Board because of his business and professional experience.

Gregory D. Phelps has been a member of our Board since February 2008 and has served as Chairman of the Board since July 2009. Mr. Phelps is an independent advisor to biotechnology and pharmaceutical companies. He was a founder and Partner of Red Sky Partners LLC, an advisory firm providing corporate development, product strategy and leadership support to life sciences companies, from February 2009 to February 2014. Prior to that, Mr. Phelps served as Chairman and Chief Executive Officer of RenaMed Biologics, Inc. from 2004 to 2007. Prior to that, he served as Chief Executive Officer of Ardaix Corporation from 2002 to 2003, as Vice Chairman and member of the executive committee of Dyax Corporation from 1998 to 2002, as Executive Vice President and Senior Vice President of Genzyme Corporation from 1991 to 1997. Mr. Phelps has previously served as a member of the board of directors of the following companies: EPIX Pharmaceuticals Inc. from 2004 to 2009, Ostex International Inc. from 1995 to 2001, Atlantic Biopharmaceuticals (now Merrimack Pharmaceuticals Inc.) from 1998 to 2000, Neozyme II Corporation from 1992 to 1996, and Genzyme Transgenics Corporation (now rEVO Biologics Inc.) from 1993 to 1995. Mr. Phelps received a B.S. in electrical engineering from Bradley University and an M.B.A. from Harvard Business School. We believe Mr. Phelps is qualified to serve as a member of our Board because of his business and professional experience.

Director Independence

Under NASDAQ rules, a majority of a listed company's board of directors must be comprised of independent directors. In addition, NASDAQ rules require that, subject to specified exceptions, each member of a listed company's audit committee and compensation committee be independent and satisfy additional independence criteria set forth in Rules 10A-3 and 10C-1, respectively, under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Under NASDAQ rules, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Based upon information requested from and provided by each director concerning their background, employment and affiliations, including family relationships, our Board has determined, upon the recommendation of our Governance and Nominating Committee, that each of our directors, Messrs. Bohlin, Haines and Phelps and Drs. Birner, Freund, Kobzyev and O'Leary, other than Timothy Noyes, our President and Chief Executive Officer, has no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and is independent within the meaning of the director independence standards of the NASDAQ rules and the SEC. Our Board has also determined that each of the current members of our Audit Committee and our Compensation Committee satisfies the independence standards for such committee established by Rule 10A-3 and 10C-1 under the Exchange Act, the SEC rules and the NASDAQ rules, as applicable. In making such determination, our Board considered the relationships that each such non-employee director has with Proteon and all other facts and circumstances deemed relevant in determining their independence.

Certain members of our Board were elected in compliance with the provisions of a voting agreement among us and our major stockholders. The voting agreement terminated upon the closing of our initial public offering on October 27, 2014, and at present we do not have any contractual obligations regarding the election of our directors. See "Certain Relationships and Related Party Transactions." There are no family relationships among any of our directors or executive officers.

Board Meetings, Attendance and Executive Sessions

The Board held 12 meetings during the year ended December 31, 2014. Each of the directors attended at least 75% of the meetings of the Board and the committees of the Board on which he served during the year ended December 31, 2014 (in each case, which were held during the period for which he was a director and/or a member of the applicable committee).

Executive sessions, or meetings of the outside (non-management) directors without management present, are held regularly. The non-management directors met in executive session during each of the regularly scheduled Board meetings during the year ended December 31, 2014.

Proteon encourages its directors to attend the Annual Meeting of Stockholders.

Board of Directors Leadership Structure

The Board has no set policy with respect to the separation of the officers of Chairman and the Chief Executive Office. The Board believes that this issue is part of the succession planning process and will select the Chairman and Chief Executive Officer in the manner that it determines to be in the best interests of Proteon's stockholders.

Currently, the Board believes that the separation of these positions is the most appropriate structure for Proteon and has had a separate Chairman and Chief Executive Officer. Gregory D. Phelps is the Chairman of the Board. The independent members of the Board periodically review the Board's leadership structure and have determined that Proteon and our stockholders are well served with this structure.

The Board of Directors' Role in Risk Oversight

The Board plays an important role in risk oversight at Proteon through direct decision-making authority with respect to significant matters, as well as through the oversight of management by the Board and its committees. In particular, the Board administers its risk oversight function through (1) the review and discussion of regular periodic reports by the Board and its committees on topics relating to the risks that Proteon faces, (2) the required approval by the Board (or a committee of the Board) of significant transactions and other decisions, (3) the direct oversight of specific areas of Proteon's business by the Audit, Compensation and Governance and Nominating Committees, and (4) regular periodic reports from the auditors and other outside consultants regarding various areas of potential risk, including, among others, those relating to our internal control over financial reporting. The Board also relies on management to bring significant matters impacting Proteon to the attention of the Board.

Pursuant to the Audit Committee’s charter, the Audit Committee is responsible for reviewing and discussing with management and Proteon’s independent registered public accounting firm Proteon’s system of internal control, its critical accounting practices, and policies relating to risk assessment and management. As part of this process, the Audit Committee discusses Proteon’s major financial risk exposures and steps that management has taken to monitor and control such exposure. In addition the Audit Committee has established procedures for the receipt, retention and treatment of complaints received by Proteon regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or accounting matters. Because of these functions, the Board has delegated primary responsibility for reviewing Proteon’s policies with respect to risk assessment and risk management to the Audit Committee.

The Compensation Committee has primary responsibility for risk oversight related to compensation matters.

Because of the role of the Board and the Audit Committee in risk oversight, the Board believes that any leadership structure that it adopts must allow it to effectively oversee the management of the risks relating to Proteon’s operations. The Board acknowledges that there are different leadership structures that could allow it to effectively oversee the management of the risks relating to Proteon’s operations and believes its current leadership structure enables it to effectively provide oversight with respect to such risks.

Board Committees

The Board has a standing Audit, Compensation and Governance and Nominating Committee, each of which is comprised solely of independent directors, and is described more fully below. Each of the Audit, Compensation and Governance and Nominating Committee operates pursuant to a written charter and each committee reviews and assesses the adequacy of its charter annually and submits its charter to the Board for approval. The charters for the Audit, Compensation and Governance and Nominating Committees are all available on our website at www.proteontherapeutics.com under “Investors & Media” at “Corporate Governance.”

The following table describes which directors serve on each of the Board committees.

Name	Governance and Nominating Committee	Compensation Committee	Audit Committee
Hubert Birner, Ph.D.	Chair	X	
Garen Bohlin (1)			Chair
John G. Freund, M.D. (1)	X		
Tim Haines	X	X	
Dmitry Kobzyev, Ph.D.	X		X
Brendan M. O’Leary, Ph.D.		Chair	X
Gregory D. Phelps		X	

(1) Sitting for election in Proposal 1.

Audit Committee

Our Audit Committee is composed of Garen Bohlin, Dmitry Kobzyev, Ph.D. and Brendan O’Leary, Ph.D. with Garen Bohlin serving as chairman of the committee. Our Board has determined that each of Garen Bohlin, Dmitry Kobzyev, Ph.D. and Brendan O’Leary, Ph.D. satisfies the NASDAQ independence standards and the independence standards of Rule 10A-3(b)(1) of the Exchange Act. Our Board has determined that Garen Bohlin is an “audit committee financial expert” under applicable rules and regulations of the SEC and NASDAQ.

Our Audit Committee provides oversight of our accounting and financial reporting process, the audit of our financial statements and our internal control function. Among other things, our Audit Committee is responsible for the following:

- appointing, approving the compensation of, and assessing the qualifications, performance and independence of and overseeing our independent registered public accounting firm;
- pre-approving audit and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the internal audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the Audit Committee's review and discussions with management and the independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by the rules of the SEC to be included in our annual proxy statement;
- overseeing compliance with our code of business conduct and ethics;
- reviewing our anti-fraud controls and risk assessment and risk management policies; and
- reviewing and discussing with management and our independent registered public accounting firm our earnings releases and scripts.

During the year ended December 31, 2014, the Audit Committee met five times. The report of the Audit Committee is included in this Proxy Statement under "Report of the Audit Committee."

Compensation Committee

The members of our Compensation Committee are Hubert Birner, Ph.D., Tim Haines, Brendan O'Leary, Ph.D. and Gregory Phelps, with Brendan O'Leary, Ph.D. serving as chairman of the committee. Our Board has determined that each of Hubert Birner, Ph.D. Tim Haines, Brendan O'Leary, Ph.D. and Gregory Phelps satisfies the NASDAQ independence standards and Rule 10C-1 of the Exchange Act. Among other things, our Compensation Committee is responsible for the following:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer;

- evaluating the performance of our Chief Executive Officer in light of corporate goals and objectives and approving, or recommending to the Board for approval, the compensation of our Chief Executive Officer;
- reviewing and approving evaluation and the compensation of our other executive officers;
- appointing, compensating and overseeing the work of any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- conducting the independence assessment outlined in NASDAQ rules with respect to any compensation consultant, legal counsel or other advisor retained by the compensation committee;
- annually reviewing and reassessing the adequacy of the committee charter in its compliance with the listing requirements of NASDAQ;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our equity compensation and other compensatory plans;
- reviewing and approving our equity and incentive policies and procedures for the grant of equity-based awards and approving the grant of such equity-based awards;
- reviewing and making recommendations to the Board with respect to director compensation; and
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement.

During the year ended December 31, 2014, the Compensation Committee met four times.

Governance and Nominating Committee

Our Governance and Nominating Committee is composed of Hubert Birner, Ph.D., John G. Freund, M.D., Dmitry Kobzyev, Ph.D. and Tim Haines with Hubert Birner, Ph.D. serving as chairman of the committee. Our Board has determined that each of Hubert Birner, Ph.D., John G. Freund, M.D., Dmitry Kobzyev, Ph.D., and Tim Haines satisfies the NASDAQ independence standards.

Our Governance and Nominating Committee is responsible for, among other things, making recommendations regarding corporate governance, the composition of our Board, identification, evaluation and nomination of director candidates and the structure and composition of committees of our Board. In addition, our Governance and Nominating Committee is responsible for the following:

- developing and recommending to the Board our corporate governance guidelines and policies;
- providing general advice to the Board on corporate and governmental matters;
- contributing to succession planning;
- reviewing the policies relating to and transactions involving actual and potential conflicts of interest of our directors and officers including related party transactions;

- reviewing the policies and procedures with respect to insider trading and confidentiality pursuant to our insider trading policy; and
- overseeing the annual review of the performance of the Board.

During the year ended December 31, 2014, the Governance and Nominating Committee met four times.

Policies Governing Director Nominations

Director Nomination Process

Our Board is responsible for selecting its own members. The Board delegates the selection and nomination process to the Governance and Nominating Committee, with the expectation that other members of the Board and of management will be requested to take part in the process as appropriate. The Governance and Nominating Committee makes recommendations to the Board regarding the size and composition of the Board. The Committee reviews annually with the Board the composition of the Board as a whole and recommends, if necessary, measures to be taken so that the Board reflects the appropriate balance of knowledge, experience, skills, expertise and diversity required for the Board as a whole and contains at least the minimum number of independent directors required by applicable laws and regulations. The Governance and Nominating Committee is responsible for ensuring that the composition of the Board accurately reflects the needs of Proteon's business and, in furtherance of this goal, for proposing the addition of members and the necessary resignation of members for purposes of obtaining the appropriate members and skills. The Governance and Nominating Committee recommends, and the Board nominates, candidates to stand for election as directors.

Generally, our Governance and Nominating Committee identifies candidates for director nominees in consultation with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the Governance and Nominating Committee deems to be helpful to identify candidates. Once candidates have been identified, our Governance and Nominating Committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the Governance and Nominating Committee. The Governance and Nominating Committee may gather information about the candidates through interviews, detailed questionnaires, background checks or any other means that the Governance and Nominating Committee deems to be appropriate in the evaluation process. The Governance and Nominating Committee then meets as a group to discuss and evaluate the qualifications and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board. Based on the results of the evaluation process, the Governance and Nominating Committee recommends candidates as director nominees for election to the Board for the Board's approval.

Stockholders may also nominate persons to be elected as directors. The Governance and Nominating Committee will consider director candidates recommended by our stockholders, in accordance with Proteon's bylaws. If a stockholder wishes to nominate a person for election as director, he or she must follow the procedures contained in our bylaws. In evaluating candidates recommended by our stockholders, the Governance and Nominating Committee applies the same criteria set forth below under "Minimum Qualifications." To nominate a person to stand for election as a director at the 2016 Annual Meeting of Stockholders, a stockholder must provide our Secretary with timely notice of the nomination. To be timely, the stockholder's notice must be delivered to or mailed and received by us not earlier than the close of business on the 120th day nor later than the close of business on the 90th day prior to the anniversary date of the previous year's annual meeting, except that if the annual meeting is scheduled more than 30 days before or 70 days after such anniversary date, we must receive the notice not later than the close of business on the tenth day following the day on which we first provide notice or public disclosure of the date of the meeting. The notice must include the information required by Section 2.12(b) of our bylaws.

Additional information regarding requirements for stockholder nominations for next year's annual meeting is described in this Proxy Statement under "General Matters—Stockholder Proposals and Nominations."

Minimum Qualifications

Our Governance and Nominating Committee will consider, among other things, the following qualifications, skills and attributes when recommending candidates for the Board's selection as nominees for the Board and as candidates for appointment to the Board's committees. The nominee shall have the highest personal and professional integrity, shall have demonstrated exceptional ability and judgment, and shall be most effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the stockholders. Board members should possess such attributes and experience as are necessary to provide a broad range of personal characteristics including diversity, management skills and business experience. Directors should be able to commit the requisite time for preparation and attendance at regularly scheduled Board and committee meetings, as well as be able to participate in other matters necessary to ensure that good corporate governance is practiced.

In evaluating proposed director candidates, our Governance and Nominating Committee may consider, in addition to the minimum qualifications and other criteria for board membership approved by the Board from time to time, all facts and circumstances that it deems appropriate or advisable, including, among other things, diversity, not limited to race, gender or national origin, the skills of the proposed director candidate, his or her depth and breadth of professional experience or other background characteristics, his or her independence and the needs of the Board. We have no formal policy regarding board diversity. Our Governance and Nominating Committee's priority in selecting Board members is the identification of persons who will further the interests of Proteon through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, and professional and personal experiences and expertise relevant to our growth strategy. The Governance and Nominating Committee will consider candidates recommended by stockholders. The policy adopted by the Governance and Nominating Committee provides that candidates recommended by stockholders are given appropriate consideration in the same manner as other candidates.

Communication with the Board of Directors

Stockholders wishing to communicate with our Board may do so by writing to the Board or to the non-employee members of the Board as a group, at:

Proteon Therapeutics, Inc.
200 West Street
Waltham, MA 02451
Attention: Secretary

The communication must prominently display the legend "BOARD COMMUNICATION" in order to indicate to the Secretary that it is a communication for the Board. Upon receiving such a communication, the Secretary will promptly forward the communication to the relevant individual or group to which it is addressed. Certain items that are unrelated to the Board's duties and responsibilities may be excluded, such as spam, junk mail and mass mailings, resumes and other forms of job inquiries, surveys and business solicitations or advertisements. The Secretary will not forward any communication determined in his good faith belief to be frivolous, unduly hostile, threatening, illegal or similarly unsuitable.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee has at any time during the prior fiscal year been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or compensation committee. For a description of transactions between us and members of our Compensation Committee and affiliates of such members, please see "Certain Relationships and Related Party Transactions."

Code of Business Conduct and Ethics and Corporate Governance Guidelines

We have adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Our Code of Business Conduct and Ethics is available on our website at www.proteontherapeutics.com under "Investors & Media" at "Corporate Governance" or by requesting a copy, free of charge, in writing from our Secretary at Proteon Therapeutics, Inc., 200 West Street, Waltham, MA 02451. We intend to post on our website any amendment to, or waiver under, a provision of the Code of Business Conduct and Ethics that applies to certain of our executive officers within four business days following the date of such amendment or waiver.

A copy of the Corporate Governance Guidelines may also be accessed free of charge by visiting the website at www.proteontherapeutics.com under "Investors & Media" at "Corporate Governance" or by requesting a copy from our Secretary at our principal executive offices above.

EXECUTIVE OFFICERS

Below is a list of the names, ages as of April 15, 2015 and positions, and a brief account of the business experience of the individuals who serve as our executive officers.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Timothy P. Noyes	53	President, Chief Executive Officer and Director
Steven K. Burke, M.D.	54	Senior Vice President and Chief Medical Officer
George A. Eldridge	52	Senior Vice President, Chief Financial Officer, Treasurer and Secretary
Daniel P. Gottlieb	44	Vice President, Marketing and Business Development

Executive Officer Biographies

Timothy P. Noyes joined Proteon in April 2006 as our President and Chief Executive Officer and has also been a member of our Board since joining Proteon. From 2002 to 2006, Mr. Noyes served as Chief Operating Officer of Trine Pharmaceuticals, Inc. Before joining Trine, Mr. Noyes held several management positions with GelTex Pharmaceuticals from 1996 to 2001, prior to its acquisition by Genzyme Corporation. After the acquisition, from 2001 to 2002, he held the positions of President, Renal Division and President, GelTex Pharmaceuticals. Prior to GelTex, he worked for several years at Merck & Co. across multiple roles in its hypertension and heart failure group and managed care division, and on its Vasotec and Prilosec products. Mr. Noyes received an A.B. from Harvard College and an M.B.A. from Harvard Business School. We believe Mr. Noyes is qualified to serve as a member of our Board because of his role with us and his extensive operational knowledge of, and executive level management experience in, the biopharmaceutical industry.

Steven K. Burke, M.D. joined Proteon in August 2006 as our Senior Vice President and Chief Medical Officer. Prior to joining Proteon, Dr. Burke held various roles at Genzyme Corporation from 2000 to 2006, where he served most recently as Senior Vice President of Medical and Regulatory Affairs and Vice President of Clinical Research. From 1994 to 2000, Dr. Burke held roles at GelTex Pharmaceuticals, including Vice President of Clinical Research and Medical Director, and before that he held positions at Glaxo. Dr. Burke received an A.B. from Harvard College and an M.D. from Cornell University Medical College. He completed a medical residency and fellowship at Brigham and Women's Hospital and is certified by the American Board of Internal Medicine.

George A. Eldridge joined Proteon in September 2013 as our Senior Vice President and Chief Financial Officer. Prior to joining Proteon, from 2009 to 2013, Mr. Eldridge served as a consultant to companies in the biotechnology industry, acting as a chief financial officer and providing advisory services. From 2006 to 2009, Mr. Eldridge was Chief Financial Officer of Targanta Therapeutics Corporation until its acquisition in 2009 by The Medicines Company. Before working at Targanta, Mr. Eldridge served as Chief Financial Officer of Therion Biologics from 2002 to 2006. In the fourth quarter of 2006, Therion filed a petition under the federal bankruptcy laws, which was rejected. Prior to Therion Mr. Eldridge served as Chief Financial Officer of Curis, Inc. (previously Ontogeny, Inc.) and Boston Life Sciences, Inc. Prior to working in the biotechnology field, Mr. Eldridge was an investment banker at Kidder Peabody & Co, Inc. He holds a B.A. from Dartmouth College and an M.B.A. from the University of Chicago, Booth School of Business.

Daniel P. Gottlieb joined Proteon in September 2007 and has served as our Vice President, Marketing and Business Development since March 2013, prior to which he was the Senior Director of Marketing and Business Development from June 2010 until March 2013 and Director of Marketing and Business Development from 2007 until 2010. Prior to joining Proteon, Mr. Gottlieb served as Strategic Marketing Manager of Endovascular Products at Abbott Vascular from 2006 to 2007. Prior to that, Mr. Gottlieb spent seven years, from 1999 to 2006, at Guidant Corporation in a variety of roles, including marketing and market research, strategic planning, and business development and corporate venture investing as part of Guidant's Compass Group. Mr. Gottlieb holds a B.A. from the University of Pennsylvania and an M.B.A. from the Tuck School of Business at Dartmouth College.

EXECUTIVE COMPENSATION

Overview

The following discussion relates to the compensation of our Chief Executive Officer and President, Timothy P. Noyes, and our two most highly compensated persons serving as executive officers as of December 31, 2014. Each year, our Compensation Committee reviews and determines the compensation of our executive officers, including our named executive officers. Our executive compensation program is designed to attract and retain a highly skilled team of key executives and to align the compensation of our executives with the interests of our stockholders by rewarding the achievement of short- and long-term strategic financial goals, which we believe serves to enhance short- and long-term value creation for our stockholders.

Elements of Executive Compensation

The compensation of our named executive officers consists of base salary, annual cash bonuses, equity awards and employee benefits that are made available to all salaried employees. Our named executive officers are also entitled to certain compensation and benefits upon certain terminations of employment and certain change of control transactions pursuant to employment agreements. In addition to the factors discussed below, the Compensation Committee also considers information from Mr. Noyes, who as our Chief Executive Officer regularly discusses compensation issues with the chairman of the Compensation Committee and meets with our Compensation Committee to discuss these matters. Mr. Noyes also provides our Compensation Committee and Board with his evaluation of the performance of the named executive officers other than himself.

The following describes the material terms of the elements of our executive compensation program during fiscal year 2014.

Base Salaries. Base salaries for our named executive officers are determined based on the scope of each officer's responsibilities along with his respective experience and contributions to the Company. Base salaries for our named executive officers are determined annually by our Compensation Committee, subject to review and approval by our Board. When reviewing base salaries for increase, our Compensation Committee takes factors into account such as each officer's experience and individual performance, Proteon's performance as a whole, data from surveys of compensation paid by comparable companies, and general industry conditions, but does not assign any specific weight to any factor. The following table sets forth base salaries for our named executive officers beginning as of January 1, 2014 and through December 31, 2014.

Name	2014 Initial Base Salary (\$)	2014 After IPO Base Salary (\$)	2015 Base Salary (\$)
Timothy P. Noyes	401,590	437,280	473,000
Steven K. Burke, M.D.	367,070	378,100	378,100
George A. Eldridge	287,000	300,290	313,600

Annual Cash Bonuses. Our annual cash bonus program promotes and rewards the achievement of key strategic and business goals. At the beginning of fiscal year 2014, our Compensation Committee established corporate performance goals, each having a designated weighting that included key strategic and financial goals of Proteon relating to research, process development and manufacturing, business development and the achievement of financial objectives. At the end of the 2014 fiscal year, our Compensation Committee met and evaluated the performance of Proteon against the specified performance goals. Our Board approved the recommendations of our Compensation Committee and each named executive officer received a cash bonus as set forth below.

Name	2014 Initial Bonus Target	2014 After IPO Bonus Target	2014 Bonus \$(1)
Timothy P. Noyes	25%	50%	130,148
Steven K. Burke, M.D.	25%	35%	98,940
George A. Eldridge	25%	35%	80,839

(1) The bonus dollars in the above table were determined by a weighted average of the two bonus targets listed above.

Equity Awards. Our named executive officers participate in our Proteon Therapeutics, Inc. Amended and Restated 2006 Equity Incentive Plan, which we refer to as the “2006 Plan.” Our named executive officers also participate in our Proteon Therapeutics, Inc. 2014 Equity Incentive Plan, which we refer to as the “2014 Plan.” Grants under the 2006 Plan and the 2014 Plan, including those made to our named executive officers, generally consist of stock option awards subject to time-based vesting. Awards that are subject to time-based vesting generally vest either in quarterly installments over four years or vest as to 25% of the shares subject to the option after one year and thereafter continue to vest in quarterly installments over the following three years, generally subject to continued employment. During fiscal year 2014, each of Mr. Noyes, Dr. Burke and Mr. Eldridge was awarded stock options under the 2014 Plan to purchase shares of our common stock in each case vesting as to 25% of the shares subject to the option after one year and thereafter continue to vest in quarterly installments over the following three years. Stock option awards serve to align the interests of our named executive officers with our stockholders, because no value is created unless the value of our common stock appreciates after grant. They also encourage retention through the use of time-based vesting. Pursuant to agreements with certain members of senior management, including our named executive officers, a portion of the executive’s stock options will vest automatically as of the date of a change of control and all or a portion of the executives’ stock options may vest upon certain terminations of employment.

The following table sets forth the stock options awarded to our named executive officers for the 2014 fiscal year(1).

<u>Name</u>	<u>2014 Option Awards</u>
Timothy P. Noyes	204,841
Steven K. Burke, M.D.	81,914
George A. Eldridge	126,023

(1) Please see the “Outstanding Equity Awards at Fiscal Year-End” elsewhere in this section for information on the exercise price and vesting schedule of these awards.

In addition, our named executive officers are eligible to participate in our Proteon Therapeutics, Inc. 2014 Employee Stock Purchase Plan, which we refer to as the “ESPP.” The ESPP provides an incentive to, and encourages stock ownership by, all of our eligible employees and those of our participating subsidiaries so that they may share in our growth by acquiring or increasing their share ownership. Under the ESPP, eligible employees, including our named executive officers, may purchase shares of our common stock through payroll deductions.

Benefits. We provide modest benefits to our named executive officers. These benefits and perquisites, such as participation in our 401(k) plan and basic health and welfare benefit coverage, are available to all of our eligible employees.

Employment Agreements and Change of Control Agreements. Mr. Noyes, Dr. Burke and Mr. Eldridge have entered into employment agreements with us that include severance, change of control, and restrictive covenant provisions. We believe that change of control arrangements provide our executives with security that will likely reduce any reluctance that they may have to pursue a change of control transaction that could be in the best interests of our stockholders. We also believe that reasonable severance and change of control benefits are necessary in order to attract and retain high-quality executive officers.

Summary Compensation Table

The following table sets forth information about certain compensation awarded or paid to our named executive officers for the 2014 fiscal year.

Name and Principal Position	Year	Salary (\$)(1)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(3)	All Other Compensation (\$)(4)	Total (\$)
Timothy P. Noyes	2014	408,158	978,451	130,148	4,670	1,521,427
Chief Executive Officer and President	2013	393,710	-	73,830	4,595	472,135
Steven K. Burke, M.D.	2014	369,100	280,130	98,940	5,699	753,869
Senior Vice President and Chief Medical Officer	2013	359,870	-	80,980	5,624	446,474
George A. Eldridge	2014	289,446	417,986	80,839	2,519	790,790
Senior Vice President, Chief Financial Officer, Treasurer and Secretary	2013	85,673 (5)	-	17,560 (5)	576 (5)	103,809

- (1) Salaries include amounts contributed by the named executive officer to our 401(k) plan.
- (2) Amounts shown reflect the grant date fair value of options awarded during each of fiscal year 2013 and 2014 determined in accordance with the Financial Accounting Standards Board, Accounting Standards Codification Topic 718, *Compensation— Stock Compensation*. These amounts exclude the value of estimated forfeitures. Note that the amounts reported in this column reflect the accounting cost for these stock options, and do not correspond to the actual economic value that may be received by the named executive officers from the options.
- (3) Amounts shown reflect the cash bonus amount paid to the named executive officer for each of fiscal year 2013 and 2014 that was earned based on Proteon's performance.
- (4) This column reflects term life and disability insurance premiums paid by us on behalf of the named executive officers. All of these benefits are provided to the named executive officers on the same terms as provided to all of our regular full-time employees.
- (5) Mr. Eldridge began employment on September 9, 2013. His 2013 annualized salary was \$275,000 and his 2013 bonus was proportioned to reflect the portion of the year he was employed.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information regarding equity awards held by our named executive officers as of December 31, 2014.

OPTION AWARDS

Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable (6)	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)(4)	Option Expiration Date(5)	
Timothy P. Noyes	4/19/2006	83,742	(1)	-	\$1.91	4/18/2016
	9/10/2007	31,505	(2)	-	\$2.38	9/10/2017
	6/18/2009	55,829	(2)	-	\$3.17	6/18/2019
	12/15/2009	3,479	(2)	-	\$3.17	12/15/2019
	10/26/2011	85,388	(2)	-	\$1.27	10/26/2021
	6/24/2014	126,023	(1)	-	\$4.92	6/24/2024
	10/21/2014	-	-	78,818	(3)	\$10.00
Steven K. Burke, M.D.	9/10/2017	12,287	(2)	-	\$2.38	9/10/2017
	6/18/2009	14,898	(2)	-	\$3.17	6/18/2019
	10/26/2011	57,934	(2)	-	\$1.27	10/26/2021
	6/24/2014	81,914	(1)	-	\$4.92	6/24/2024
George A. Eldridge	6/24/2014	126,023	(1)	-	\$4.92	6/24/2024

- (1) Reflects time-based options to purchase shares of our common stock that vest as to 25% of the shares subject to the option on the first anniversary of the vesting commencement date and thereafter vesting in equal quarterly installments over the following three years, subject to the executive's continued employment.
- (2) Reflects time-based options to purchase shares of our common stock that vest in equal quarterly installments over four years generally subject to the executive's continued employment.
- (3) Reflects time-based options to purchase shares of our common stock that vest in equal annual installments over four years generally subject to the executive's continued employment. These option awards were granted under our 2014 Equity Incentive Plan and each option award is exercisable only upon vesting.
- (4) The exercise price of the stock options was not less than the fair market value of a share of our common stock on the date of grant, as determined by our Board, based, in part, on an independent third party valuation with respect to the period prior to our initial public offering. Stock options granted in fiscal year 2014 subsequent to us becoming a public company were granted with an exercise price equal to the closing price of a share of our common stock on the date the stock option was granted.
- (5) All stock options have a 10-year term measured from the date of grant.
- (6) Except as otherwise indicated all of the outstanding option awards were granted under and subject to the terms of our 2006 Equity Incentive plan. As further described in in our final prospectus filed with the SEC pursuant to Rule 424(b) of the Securities Act on October 22, 2014 "Prospectus" under "—Equity Benefit and Stock Plans." Except as otherwise indicated, as of December 31, 2014, each option award is immediately exercisable but is subject to repurchase by us until vested. All vesting is subject to the officer's continuous service with us through the vesting dates and the potential vesting acceleration under certain circumstances as further described below under "—Employment Agreements."

Retirement Benefits

We maintain a defined contribution employee retirement plan, or 401(k) plan, for our employees. Our named executive officers are also eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the Code. The plan provides that each participant may contribute up to the statutory limit, which was \$17,500 for calendar year 2014. Participants that are 50 years or older can also make “catch-up” contributions, which in calendar year 2014 may be up to an additional \$5,500 above the statutory limit. We may also elect to provide for discretionary profit sharing contributions, but we did not provide any such contributions in fiscal year 2014. In general, eligible compensation for purposes of the 401(k) plan includes an employee’s earnings reportable on IRS Form W-2 subject to certain adjustments and exclusions required under the Code. The 401(k) plan currently does not offer the ability to invest in our securities.

Employment Agreements

Below are written descriptions of our employment agreements with each of our named executive officers.

Timothy P. Noyes

We have entered into an amended and restated employment agreement with Mr. Noyes, which was effective upon the completion of our initial public offering, who serves as our President and Chief Executive Officer. Mr. Noyes’s employment with us is “at-will,” and the agreement does not include a specified term. The agreement provides that Mr. Noyes receives an annual base salary, initially established at \$437,280 in 2014, and that he is eligible for an annual incentive bonus, with his target bonus being 50% of his base salary. The Board determines his actual bonus amount based on its assessment of Proteon’s and his individual performance during the year. The agreement also provides for Mr. Noyes to participate in our benefit programs made available to our employees generally.

Under Mr. Noyes’s agreement, if his employment is terminated by us without cause or by reason of constructive termination (as such terms are defined in the agreement), he will be entitled to receive cash severance equal to 12 months of his base salary or, in the event constructive termination (as defined in the agreement) occurs within 30 days prior to or 365 days following a corporate transaction, 18 months plus, only following a corporation transaction (as defined in the agreement), an amount equal to his bonus prorated to reflect the number of days worked during that fiscal year; reimbursement of his COBRA premiums for up to 12 months or, in the event constructive termination occurs within 30 days prior to or 365 days following a corporate transaction (as defined in the agreement), 18 months; and 50% of any unvested stock options or unvested restricted shares (excluding certain grants) shall vest in full, accelerated to 100% if the termination occurs 30 days prior to or 365 days after a corporate transaction (as defined in the agreement). Mr. Noyes’s right to receive these severance benefits is subject to his providing a release of claims in favor of Proteon.

The agreement includes a noncompetition covenant during Mr. Noyes’s employment under the agreement and for 12 months thereafter or, in the event constructive termination (as defined in the agreement) occurs within 30 days prior to or 365 days following a corporate transaction (as defined in the agreement), 18 months thereafter. The agreement provides that we shall indemnify Mr. Noyes against all losses, damages, expenses and claims against him by reason of act or omission in connection with the performance of his duties to the fullest extent permitted by the law.

Steven K. Burke, M.D.

We have entered into an amended and restated employment agreement with Dr. Burke, which was effective upon the completion of our initial public offering, to serve as our Senior Vice President and Chief Medical Officer. Dr. Burke’s employment with us is “at-will,” and the agreement does not include a specified term. The agreement provides that Dr. Burke receives an annual base salary, initially established at \$378,100 in 2014, and that he is eligible for an annual incentive bonus, with his target bonus being 35% of his base salary. The Board determines his actual bonus amount based on its assessment of Proteon’s and his individual performance during the year. The agreement also provides for Dr. Burke to participate in our benefit programs made available to our employees generally.

Under Dr. Burke’s agreement, if his employment is terminated by us without cause or by reason of constructive termination (as these terms are defined in the agreement), he will be entitled to receive cash severance equal to 9 months of his base salary or, in the event constructive termination (as defined in the agreement) occurs within 30 days prior to or 365 days following a corporate transaction (as defined in the agreement), 12 months plus an amount equal to his bonus prorated to reflect the number of days worked during that fiscal year; reimbursement of his COBRA premiums for up to twelve months; and any unvested stock options or unvested restricted shares (excluding certain grants) shall vest in full if the termination occurs 30 days prior to or 365 days after a corporate transaction (as defined in the agreement). Dr. Burke’s right to receive these severance benefits is subject to his providing a release of claims in favor of Proteon.

The agreement includes a noncompetition covenant during Dr. Burke's employment under the agreement and for 12 months thereafter. The agreement provides that we shall indemnify Dr. Burke against all losses, damages, expenses and claims against him by reason of act or omission in connection with the performance of his duties to the fullest extent permitted by the law.

George A. Eldridge

We have entered into an amended and restated employment agreement with Mr. Eldridge, which was effective upon the completion of our initial public offering, to serve as our Senior Vice President and Chief Financial Officer. Mr. Eldridge's employment with us is "at-will," and the agreement does not include a specified term. The agreement provides that Mr. Eldridge receives an annual base salary, initially established at \$300,290 in 2014, and that he is eligible for an annual incentive bonus, with his target bonus being 35% of his base salary. The Board determines his actual bonus amount based on its assessment of Proteon's and his individual performance during the year. The agreement also provides for Mr. Eldridge to participate in our benefit programs made available to our employees generally.

Under Mr. Eldridge's agreement, if his employment is terminated by us without cause or by reason of constructive termination (as these terms are defined in the agreement), he will be entitled to receive cash severance equal to 9 months of his base salary or, in the event constructive termination (as defined in the agreement) occurs within 30 days prior to or 365 days following a corporate transaction (as defined in the agreement), 12 months plus an amount equal to his bonus prorated to reflect the number of days worked during that fiscal year; reimbursement of his COBRA premiums for up to twelve months; and any unvested stock options or unvested restricted shares (excluding certain grants) shall vest in full if the termination occurs 30 days prior to or 365 days after a corporate transaction (as defined in the agreement). Mr. Eldridge's right to receive these severance benefits is subject to his providing a release of claims in favor of Proteon.

The agreement includes a noncompetition covenant during Mr. Eldridge's employment under the agreement and for 9 or 12 months thereafter, as applicable. The agreement provides that we shall indemnify Mr. Eldridge against all losses, damages, expenses and claims against him by reason of act or omission in connection with the performance of his duties to the fullest extent permitted by the law.

Compensation Consultant

As a part of determining compensation for our named executive officers during fiscal year 2014, the Compensation Committee engaged Radford, an AON Hewitt Consulting company, as an independent compensation consultant. Radford provides analysis and recommendations to the Compensation Committee regarding:

- trends and emerging topics with respect to executive compensation;
- peer group selection for executive compensation benchmarking;
- compensation practices for our peer group;
- compensation programs for directors, executives and all of our employees; and
- stock utilization and related metrics.

When requested, Radford consultants attend meetings of the Compensation Committee, including executive sessions in which executive compensation issues are discussed. Radford reports to the Compensation Committee and not to management, although Radford meets with management for purposes of gathering information for its analyses and recommendations.

In determining to engage Radford, the Compensation Committee assessed the independence of Radford pursuant to the SEC and NASDAQ rules, taking into account the six independence factors enumerated by NASDAQ and in Rule 10C-1 under the Exchange Act, including the absence of other services provided to Proteon by Radford, the amount of fees Proteon paid to Radford as a percentage of Radford's total revenue, the policies and procedures of Radford that are designed to prevent conflicts of interest, any business or personal relationship of the individual compensation advisors employed by Radford with an executive officer of Proteon, any business or personal relationship the individual compensation advisors employed by Radford have with any member of the Compensation Committee, and any stock of Proteon owned by Radford or the individual compensation advisors employed by Radford. The Compensation Committee affirmatively determined, based on its analysis in light of all relevant factors, including the factors listed above, that the work of Radford and the individual compensation advisors employed by Radford as compensation consultants to the Compensation Committee has not raised a conflict of interest.

DIRECTOR COMPENSATION

Under our director compensation program, we pay our non-employee directors retainers in cash. We do not pay any compensation to our President and Chief Executive Officer in connection with his service on our Board and, consequently, he is not included in the table. The compensation that we pay to our President and Chief Executive Officer is discussed in the “Executive Compensation” section of this Proxy Statement. Each non-employee director receives a cash retainer for service on the Board and for service on each committee on which the director is a member. The chairmen of the Board and of each committee receive higher retainers for such service. These fees are payable semi-annually in arrears. The fees paid to non-employee directors for service on the Board and for service on each committee of the Board on which the director is a member are as follows:

	Member Annual Fee	Additional Annual Fee for Chairman
Board of Directors	\$ 35,000	\$ 25,000
Audit Committee	\$ 7,500	\$ 15,000
Compensation Committee	\$ 5,000	\$ 10,000
Governance and Nominating Committee	\$ 3,750	\$ 7,500

We also continue to reimburse our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending Board and committee meetings.

In addition, under our director compensation program, each non-employee director elected to our Board will receive an option to purchase 13,333 shares of our common stock, with each of these options vesting in equal quarterly installments over a three-year period measured from the date of grant, subject to the non-employee director’s continued service as a director, and becoming exercisable in full upon a change in control of our Company. Further, we expect to make a grant of options to purchase 6,666 shares of common stock around the time of Proteon’s 2015 Annual Meeting of the Stockholders. These option grants will be at an exercise price equal to the fair market value of Proteon’s common stock on the date of grant and will vest at Proteon’s next annual meeting of stockholders.

This policy is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors’ interests with those of our stockholders.

Our current director compensation arrangements have been in effect since the time of our initial public offering in October 2014. Prior to that time, we did not have a formal non-employee director compensation policy. We reimbursed our non-employee directors for reasonable travel and out-of-pocket expenses incurred in connection with attending board of director and committee meetings.

The following table sets forth information regarding compensation earned by our non-employee directors during fiscal year 2014.

Name	Fees earned or paid in cash (\$)	Option awards (\$) (2)(3)	Total (\$)
Hubert Birner, Ph.D	\$ 9,618	\$ 42,201	\$ 51,818
Garen Bohlin	\$ 11,085	\$ 91,254	\$ 102,339
John G. Freund, M.D.	\$ 7,278	\$ 42,201	\$ 49,479
Tim Haines	\$ 8,441	\$ 42,201	\$ 50,641
Dmitry Kobyzhev, Ph.D.	\$ 8,923	\$ 42,201	\$ 51,124
Brendan M. O’Leary, Ph.D.	\$ 10,129	\$ 42,201	\$ 52,330
Gregory D. Phelps	\$ 27,541	\$ 85,297	\$ 112,837

- (1) Amounts represent annual cash compensation for services rendered by each member of the Board.
- (2) The options granted to our Board during fiscal year 2014 and vest upon the 2015 Annual Meeting with the exception of (i) Mr. Bohlin's grant which vests in equal annual installments over three years and (ii) Mr. Phelps's June 23, 2014 grant which vests 25% on the first anniversary of the vesting commencement date and thereafter vests in equal quarterly installments over the following three years. These grants have a weighted average exercise price of \$9.03 per option.
- (3) Amounts shown reflect the grant date fair value of options awarded during fiscal year 2014 determined in accordance with the Financial Accounting Standards Board, Accounting Standards Codification Topic 718, *Compensation—Stock Compensation*. These amounts exclude the value of estimated forfeitures.

The following table sets forth, as of December 31, 2014, the aggregate number of exercisable and unexercisable option awards outstanding held by our non-employee directors at that time.

<u>Name</u>	<u>Option Awards</u>	
	<u>Exercisable</u>	<u>Unexercisable (#)</u>
Hubert Birner, Ph.D.	-	6,666
Garen Bohlin	-	13,333
John G. Freund, M.D.	-	6,666
Tim Haines	-	6,666
Dmitry Kobyzhev, Ph.D.	-	6,666
Brendan M. O'Leary, Ph.D.	-	6,666
Gregory D. Phelps	31,670	6,666

PROPOSAL NO. 2—RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We are asking our stockholders to ratify the Audit Committee's selection of Ernst & Young LLP, or Ernst & Young, as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Ernst & Young has served as our independent registered public accounting firm since 2006.

The Audit Committee annually reviews the independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firms performance.

Although stockholder ratification is not required by our bylaws or otherwise, the Board believes it is advisable to provide stockholders an opportunity to ratify this section and is submitting the selection of Ernst & Young to our stockholders for ratification as a matter of good corporate practice. If the selection is not ratified, the Audit Committee will consider whether it is appropriate to select another independent registered public accounting firm, but is not required to do so. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the year if the committee determines that such a change would be in the best interests of Proteon and its stockholders.

We expect that a representative of Ernst & Young will attend the Annual Meeting and the representative will have an opportunity to make a statement if he or she so chooses. The representative will also be available to respond to appropriate questions from stockholders.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

The Audit Committee pre-approves all auditing services, internal control related services and permitted non-audit services (including the fees and terms thereof) to be performed by Ernst & Young, subject to the de minimis exception for non-audit services that are approved by the Audit Committee prior to the completion of an audit. The Audit Committee may delegate pre-approval authority to one or more members of the Audit Committee consistent with applicable law and listing standards, provided that the decisions of such Audit Committee member or members must be presented to the full Audit Committee at its next scheduled meeting.

Principal Accountant Fees and Services

We regularly review the services and fees of our independent accountants. These services and fees are also reviewed by the Audit Committee on an annual basis. The aggregate fees billed for the fiscal years ended December 31, 2014 and 2013 for each of the following categories of services are as follows:

Fee Category	2013	2014
Audit Fees	\$ 66,500	\$ 1,151,750
Audit Related Fees	—	—
Tax Fees	\$ 14,300	\$ 17,250
All Other Fees	—	\$ 10,500
Total Fees	\$ 80,800	\$ 1,179,500

Audit Fees. Consist of aggregate fees for professional services provided in connection with the annual audit of our consolidated financial statements, the review of our quarterly condensed consolidated financial statements, consultations on accounting matters directly related to the audit, and comfort letters, consents and assistance with and review of documents filed with the SEC. Audit fees for the year ended December 31, 2014 included fees incurred in connection with our initial public offering.

Audit-Related Fees. Consist of aggregate fees for accounting consultations and other services that were reasonably related to the performance of audits or reviews of our consolidated financial statements and were not reported above under “Audit Fees.” There were no audit-related fees for the years ended December 31, 2013 or 2014.

Tax Fees. Consist of aggregate fees for tax compliance, tax advice and tax planning services including the review and preparation of our federal and state income tax returns.

All Other Fees. Consist of aggregate fees billed for products and services provided by the independent registered public accounting firm other than those fees disclosed above. Other fees incurred for the year ended December 31, 2014 consisted of due diligence efforts for our Series D financing which closed in May 2014. There were no other fees for the year ended December 31, 2013.

The Audit Committee pre-approved all services performed since the pre-approval policy was adopted.

VOTE REQUIRED

The affirmative vote of a majority of shares of our common stock, present in person or represented by proxy at the Annual Meeting and entitled to vote, is required to ratify the selection of our independent auditors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG AS THE COMPANY’S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.

(PROPOSAL NO. 2 ON YOUR PROXY CARD)

AUDIT COMMITTEE REPORT

The report of the Audit Committee is not “soliciting material,” is not deemed “filed” with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended.

The Audit Committee has reviewed the Proteon audited consolidated financial statements for the year ended December 31, 2014 and has discussed these statements with management and Ernst & Young LLP, or Ernst & Young, the Company’s independent registered public accounting firm. Proteon management is responsible for the preparation of the Company’s financial statements and for maintaining an adequate system of disclosure controls and procedures and internal control over financial reporting for that purpose. The independent registered public accounting firm audits the annual consolidated financial statements prepared by management, expresses an opinion as to whether those consolidated financial statements present fairly the consolidated financial position, results of operations and cash flows of Proteon Therapeutics, Inc. in conformity with U.S. generally accepted accounting principles and discusses any issues they believe should be raised with us. The Audit Committee is responsible for providing independent, objective oversight of the Company’s accounting functions and internal controls.

The Audit Committee also received from, and discussed with, Ernst & Young the written disclosures and other communications that the Company’s independent registered public accounting firm is required to provide to the Audit Committee, including the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (Communication with Audit Committees), as adopted by the Public Company Accounting Oversight Board, or PCAOB, in Rule 3200T.

Ernst & Young also provided the Audit Committee with the written disclosures and the letter required by Rule 3526 of the PCAOB requiring independent registered public accounting firms to annually disclose in writing all relationships that, in their professional opinion may reasonably be thought to bear on independence, to confirm their perceived independence and to engage in a discussion of independence. The Audit Committee has reviewed this disclosure and has discussed with Ernst & Young their independence from Proteon.

Based on its discussions with management and our independent registered public accounting firm as outlined above, and its review of the representations and information provided by management and our independent registered public accounting firm, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Proteon Annual Report on Form 10-K for the year ended December 31, 2014, for filing with the Securities and Exchange Commission.

Respectfully submitted by the Audit Committee,

Garen Bohlin, Chair
Dmitry Kobzyev, Ph.D.
Brendan M. O’Leary, Ph.D.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, we describe below transactions and series of similar transactions, since January 1, 2014, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed \$120,000; and
- any of the directors, executive officers or holders of more than 5% of the capital stock of Proteon, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation arrangements for our directors and named executive officers are described elsewhere in this Proxy Statement.

Debt Financing

In April 2013, we entered into a convertible note purchase agreement with beneficial owners of more than 5% of our capital stock, pursuant to which, in September 2013, we issued secured convertible promissory notes. The notes carried interest at 8% per annum. In May 2014, these notes were converted and the aggregate amount of outstanding principal and unpaid accrued interest thereon was exchanged for shares of our Series D convertible preferred stock, as described below under “—Series D Preferred Stock Financing.” The following table sets forth the aggregate principal amount of promissory notes that we issued to our directors, executive officers and 5% stockholders, and their affiliates or immediate family members.

<u>Investor</u>	<u>Aggregate Principal Amount of Notes</u>
TVM Capital and related funds	\$ 1,172,529
Prism Venture Partners and related funds	\$ 937,000
Skyline Venture Partners Qualified Purchaser Fund IV, LP	\$ 921,241
Intersouth Partners VI, L.P.	\$ 653,950

Series D Preferred Stock Financing

On May 13, 2014, we issued and sold to investors an aggregate of 52,813,827 shares of our Series D convertible preferred stock, at a purchase price of \$0.588656 per share, for aggregate consideration of \$25,000,000. This included 10,344,201 shares of our Series D preferred stock that was paid for by converting approximately \$4.5 million of principal indebtedness and unpaid accrued interest thereon under the promissory notes described above under “—Debt Financing,” at a conversion price of \$0.4414 per share, which represented a 25% discount on the purchase price per share of our Series D convertible preferred stock issued and sold in the offering.

The following table sets forth the aggregate amount of securities that we issued to our directors, executive officers and 5% stockholders, and their affiliates or immediate family members in this transaction.

Investor	Shares of Series D Preferred Stock Issued	Purchase Price
Abingworth Bioventures VI, LP	16,044,081	\$ 9,444,445
Pharmstandard International S.A.	8,493,925	\$ 5,000,000
Deerfield and related funds	8,493,925	\$ 5,000,000
TVM Capital and related funds	5,005,486	\$ 2,534,850
Skyline Venture Partners Qualified Purchaser Fund IV, L.P.	3,932,747	\$ 1,991,600
Prism Venture Partners and related funds	4,000,070	\$ 2,025,698
Intersouth Partners VI, L.P.	2,319,806	\$ 1,135,974
MPM Bio IV NVS Strategic Fund, LP	1,765,137	\$ 1,039,058

Participation in our Initial Public Offering

Certain of our 5% stockholders and their affiliates purchased an aggregate of 5,086,920 shares of our common stock in our initial public offering at our initial public offering price. The underwriters received the same underwriting discount from the sale of the shares of our common stock to these security holders as they did from other shares of our common stock sold to the public in that offering. The following table sets forth the aggregate number of shares of our common stock that these 5% stockholders and their affiliates purchased in our initial public offering:

Purchaser	Shares of Common Stock
Abingworth Bioventures VI, LP	950,000
Pharmstandard International S.A.	600,000
Deerfield and related funds	650,000
TVM Capital and related funds	300,000
Skyline Venture Partners Qualified Purchaser Fund IV, L.P.	200,000
Prism Venture Partners and related funds	83,170
Intersouth Partners VI, L.P.	53,750
MPM Bio IV NVS Strategic Fund, LP	150,000

Investors' Rights Agreement

In connection with our Series D convertible preferred stock financing, on May 13, 2014, we entered into the Fourth Amended and Restated Investors' Rights Agreement with the holders of all of our then-outstanding shares of preferred stock including certain of our executive officers and entities with which certain of our directors are affiliated. The agreement provides that these holders have the right to demand that we file a registration statement with respect to the common stock issued upon conversion of our preferred stock. These holders may also request that shares of common stock held by them be included in certain registration statements that we are otherwise filing. Certain portions of this agreement, unrelated to the registration rights, terminated upon completion of our initial public offering in October 2014.

Right of First Refusal and Co-Sale Agreement

In connection with our Series D convertible preferred stock financing, on May 13, 2014, we entered into the Fourth Amended and Restated Right of First Refusal and Co-Sale Agreement with the holders of all of our then-outstanding shares of preferred stock including certain of our executive officers and entities with which certain of our directors are affiliated. Pursuant to the terms of this agreement, in the event of a proposed sale of shares of our common or preferred stock, the seller is required to first offer such shares to the company and to the other investors, subject to certain conditions and restrictions. This agreement terminated upon the completion of our initial public offering in October 2014.

Voting Agreement

In connection with our Series D convertible preferred stock financing on May 13, 2014, we entered into the Fourth Amended and Restated Voting Agreement with the holders of all of our then outstanding shares of preferred stock including certain of our executive officers and entities with which certain of our directors are affiliated, with respect to the election of directors and certain other matters. All of our current directors were elected pursuant to the terms of this agreement. This agreement terminated upon the completion of our initial public offering in October 2014.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. These agreements require us to indemnify these individuals and, in certain cases, affiliates of such individuals, to the fullest extent permissible under Delaware law against liabilities that may arise by reason of their service to us or at our direction, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Related Party Transactions Policy

Our written Related Party Transactions Policy requires the approval or ratification by the Governance and Nominating for any transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) that will or may be expected to exceed \$120,000 in any calendar year in which the Company, or any of its subsidiary companies, is a participant, and any related person has a direct or indirect interest, and of which disclosure is required under SEC rules. Related persons include our officers, directors, director nominees, any of their immediate family members or affiliates, and any stockholders owning 5% or more of Proteon's common stock.

Company personnel are responsible for identifying potential related party transactions from information solicited annually in questionnaires submitted by directors and officers, and also from any person newly nominated or appointed as a director or as an executive officer. In addition, directors and executive officers are responsible for notifying the chairman of the Governance and Nominating Committee of any transaction, arrangement or relationship that they propose to enter into, or of which they become aware, that might reasonably be expected to be a related party transaction. If the chairman of the Governance and Nominating Committee determines that an existing or proposed transaction constitutes a related party transaction requiring Governance and Nominating Committee approval under the policy, he will provide relevant details and analysis of the related party transaction to the Governance and Nominating Committee for consideration. If the chairman of the Governance and Nominating Committee has an interest in a potential related party transaction, he will provide all relevant information to the Chief Executive Officer, who will review the potential transaction or relationship with either outside counsel or a member of Proteon's legal team and provide the information to the Governance and Nominating Committee as appropriate.

The Governance and Nominating Committee will review the material facts of all related party transactions that require its approval and either approve or disapprove the related party transaction. If advance approval is not feasible, then the chairman shall consider an approve in accordance with this policy and, if appropriate, the Governance and Nominating Committee will ratify the related party transaction at its next regularly scheduled meeting. In determining whether to approve or ratify a related party transaction, the Governance and Nominating Committee will take into account, among other factors it deems appropriate, whether the related party transaction is on terms no more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the transaction.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our executive officers and directors and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership with the SEC. Such persons are required by regulation of the SEC to furnish us with copies of all Section 16(a) forms they file. Based solely on our review of the copies of such forms or written representations from certain reporting persons received by us with respect to fiscal year 2014, two individuals failed to file on a timely basis a report required by Section 16(a) of the Exchange Act. Dr. Steven Burke, an executive officer of the Company, reported on an amended Form 3 that he directly owns 30,411 shares of common stock, which amount was inadvertently left off the original Form 3 filing. Dr. Brendan O'Leary, a director of the Company, inadvertently failed to file his grant on October 21, 2014 of 6,666 options to purchase common stock on his Form 3 filed on October 21, 2014 with the SEC and subsequently filed an amended Form 3 to disclose this grant. We believe that our other executive officers and directors and persons who own more than 10% of a registered class of our equity securities have complied with all applicable filing requirements.

GENERAL MATTERS

Availability of Certain Documents

A copy of our 2014 Annual Report on Form 10-K has been posted on our website along with this Proxy Statement at www.investorvote.com/PRTO or www.proteontherapeutics.com under "Investors & Media" at "Financial Information." We will mail without charge, upon written request, a copy of our 2014 Annual Report on Form 10-K excluding exhibits. Please send a written request to our Secretary at:

Proteon Therapeutics, Inc.
200 West Street
Waltham, MA 02451
Attention: Secretary

You may also find a copy of this Proxy Statement and our Annual Report (with exhibits) on the SEC website at www.sec.gov.

Stockholders Sharing an Address / Householding

Only one copy of our Annual Report on Form 10-K and this Proxy Statement is being delivered to multiple stockholders sharing an address, unless we have received contrary instructions from one or more of the stockholders.

We will undertake to deliver promptly, upon written or oral request, a separate copy to a stockholder at a shared address to which a single copy of the Annual Report on Form 10-K and this Proxy Statement was delivered. To receive a separate copy of our Annual Report on Form 10-K or Proxy Statement, or to receive separate copies in the future, or if two stockholders sharing an address have received two copies of any of these documents and desire to only receive one, you may write the Secretary of Proteon Therapeutics, Inc. at our principal executive offices at 200 West Street, Waltham, MA 02451 or call the Secretary at (781) 890-0102.

Stockholder Proposals and Nominations

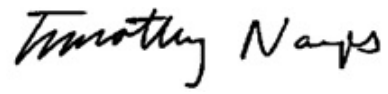
Requirements for Stockholder Proposals to be Considered for Inclusion in our Proxy Materials. Under Rule 14a-8 of the Exchange Act, to submit a proposal for inclusion in our Proxy Statement for the 2016 annual meeting, stockholder proposals must be received no later than close of business on Wednesday, December 23, 2015, by our Secretary at our principal executive offices at 200 West Street, Waltham, MA 02451.

Requirements for Stockholder to bring Business and Nominations Before an Annual Meeting. Our bylaws provide that, for stockholder nominations to the Board or other business to be considered at the 2016 annual meeting, the stockholder must have given timely notice thereof in writing to the Secretary at Proteon Therapeutics, Inc., 200 West Street, Waltham, MA 02451 between February 3, 2016 and March 4, 2016 (assuming the date of our 2016 Annual Meeting is not so advanced or delayed as described in our bylaws). To be timely for the 2016 Annual Meeting, the stockholder's notice must be delivered to or mailed and received by us not earlier than the close of business on the 120th day nor later than the close of business on the 90th day prior to the anniversary date of the previous year's annual meeting, except that if the annual meeting is scheduled more than 30 days before or 70 days after such anniversary date, we must receive the notice not later than the close of business on the tenth day following the day on which we first provide notice or public disclosure of the date of the meeting. Such notice must provide the information required by Section 2.12 of the bylaws with respect to each nomination or matter the stockholder proposes to bring before the 2016 Annual Meeting.

Other Matters

As of the date of this Proxy Statement, the Board does not intend to present any matters other than those described herein at the Annual Meeting and is unaware of any matters to be presented by other parties. If other matters are properly brought before the meeting for action by the stockholders, proxies will be voted in accordance with the recommendation of the Board or, in the absence of such a recommendation, in accordance with the judgment of the proxy holder.

By Order of the Board of Directors

Handwritten signature of Timothy Noyes in black ink.

Timothy P. Noyes
Chief Executive Officer, President and Director
April 21, 2015

**2015 Annual Meeting of
Proteon Therapeutics, Inc. Stockholders
June 2, 2015, at 10:00 a.m. local time
Morgan, Lewis & Bockius LLP
One Federal Street, Boston, MA 02110**

DIRECTIONS TO ANNUAL MEETING

From the North: From the North: From I-93 South and the Tobin Bridge, take Exit 23 (Purchase Street/South Station). Upon exiting, proceed on Purchase Street and turn right onto Pearl Street. Turn left onto Franklin Street, then turn right onto Federal Street. Proceed to One Federal Street.

From the South: Take I-93 north to Exit 20 (Mass. Turnpike/South Station). Stay in left lane. While on this long ramp, follow the sign for South Station/Chinatown. Continue straight (Lincoln Street) and at the 3rd traffic light turn right onto Summer Street. Take next left onto High Street then take first left onto Federal Street. Proceed to One Federal Street.

From the West: Take the Mass. Turnpike (I-90) to Exit 24-A (South Station), following signs for Atlantic Avenue. At the 3rd traffic light, turn left onto Summer Street. Continue on Summer Street through 2 traffic lights, turning right onto High Street then take first left onto Federal Street. Proceed to One Federal Street.

From Logan Airport: Follow the "Exit" signs from the airport to the Summer Tunnel. Stay in the left lane of the tunnel. At the end of the tunnel, bear left and follow signs for Government Center. Turn left onto Congress Street. Follow Congress Street to Purchase Street. Turn right onto Purchase Street. Follow Purchase Street to Summer Street. Turn right onto Summer Street. Turn right at the next set of lights (High Street). On High Street take first left onto Federal Street. Proceed to One Federal Street.

From the MBTA Red Line, Amtrak, and Commuter Rail (South Station): Coming out of South Station onto Summer Street, cross Surface Road and walk straight on to Federal Street. Continue on Federal Street, eventually crossing over Franklin Street. One Federal Street is on the left side of the street.

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:
The Proxy Statement and Form 10-K are available at
www.edocumentview.com/PRTO**

▼ IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. KEEP THIS PORTION FOR YOUR RECORDS. ▼

Proxy Card — Proteon Therapeutics, Inc.

Proxy for 2015 Annual Meeting of Stockholders

This Proxy is Solicited on Behalf of the Board of Directors for Annual Meeting — June 2, 2015

The undersigned stockholder of Proteon Therapeutics, Inc. (the "Company" or "Proteon"), hereby acknowledges receipt of the Proxy Statement dated April 21, 2015, and hereby appoints Timothy P. Noyes and George A. Eldridge, or any of them, as proxies and attorneys-in-fact, each with the power of substitution, on behalf and in the name of the undersigned, and hereby authorizes them to represent and vote, as designated on the reverse side of this ballot (with discretionary authority as to any and all other business that may properly come before the meeting), all of the shares of common stock that the undersigned is entitled to vote, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Proteon to be held on June 2, 2015, at 10:00 am, local time, or at any postponement or adjournment thereof.

This proxy is revocable and the undersigned may revoke it at any time prior to the Annual Meeting by giving written notice of such revocation to the Secretary prior to the Annual meeting or by transmitting a subsequent vote over the Internet or by phone prior to the Annual Meeting, or by attending the Annual Meeting and voting in person.

This proxy will be voted as directed, or if no such directions are indicated, the Proxies will have authority to vote FOR each of the nominees for Class I director in Proposal 1 and FOR Proposal 2.

In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

If you are not voting on the internet or by telephone, please mark, sign, date and return this Proxy Card promptly using the enclosed reply envelope.

(Items to be voted appear on reverse side.)