
**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

INTERSECT ENT, 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:

INVITATION TO 2019 ANNUAL MEETING OF STOCKHOLDERS

DATE: Tuesday, June 4, 2019

TIME: 9:00 a.m.

**PLACE: Intersect ENT, Inc.'s Corporate Headquarters
1555 Adams Drive, Menlo Park, California 94025**

April 23, 2019

Dear Stockholders:

Please join me at the Annual Meeting of Stockholders of Intersect ENT, Inc. on June 4, 2019. At the annual meeting, we will ask you to:

(i) elect the Board of Directors' nominees Kieran T. Gallahue, Teresa L. Kline, Cynthia L. Lucchese, Dana G. Mead, Jr., Frederic H. Moll, M.D., W. Anthony Vernon and myself as directors of Intersect ENT, each to serve until the next annual meeting or a successor is duly elected and qualified;

(ii) ratify the selection by the Audit Committee and the Board of Directors of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019;

(iii) provide an advisory vote on Intersect ENT's executive compensation, as described in the Proxy Statement; and

(iv) conduct any other business properly brought before the meeting.

Members of the Board of Directors will also be present.

Whether or not you are able to attend the annual meeting in person, it is important that your shares be represented. We have provided in the accompanying proxy statement instructions on how to vote your shares. Please vote as soon as possible.

Sincerely yours,



Lisa D. Earnhardt
President and Chief Executive Officer

INTERSECT ENT, INC.

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 4, 2019**

To the Stockholders of Intersect ENT, Inc.:

The annual meeting of stockholders of Intersect ENT, Inc. will be held at our corporate headquarters located at 1555 Adams Drive, Menlo Park, California 94025, on Tuesday, June 4, 2019, at 9:00 a.m., local time, for the following purposes:

1. To elect the seven nominees for director named in the proxy statement accompanying this notice to serve until the next annual meeting or their successors are duly elected and qualified.
2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.
3. To provide an advisory vote on executive compensation, as described in the Proxy Statement accompanying this Notice.
4. To conduct any other business properly brought before the annual meeting.

These items of business are more fully described in the proxy statement accompanying this notice.

The record date for the annual meeting is April 9, 2019. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors,

/s/ David A. Lehman
David A. Lehman
Secretary

Menlo Park, California
April 23, 2019

IMPORTANT

YOU ARE CORDIALLY INVITED TO ATTEND THE MEETING IN PERSON. WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, PLEASE VOTE OVER THE TELEPHONE OR ON THE INTERNET AS INSTRUCTED IN THESE MATERIALS, OR, IF YOU REQUESTED AND RECEIVED A PRINTED COPY OF THIS PROXY STATEMENT, COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD USING THE ENCLOSED RETURN ENVELOPE OR VOTE OVER THE TELEPHONE OR ON THE INTERNET AS INSTRUCTED IN THESE MATERIALS, AS PROMPTLY AS POSSIBLE IN ORDER TO ENSURE YOUR REPRESENTATION AT THE MEETING. EVEN IF YOU HAVE VOTED BY PROXY, YOU MAY STILL VOTE IN PERSON IF YOU ATTEND THE MEETING. PLEASE NOTE, HOWEVER, THAT IF YOUR SHARES ARE HELD OF RECORD BY A BROKER, BANK OR OTHER NOMINEE AND YOU WISH TO VOTE AT THE MEETING, YOU MUST OBTAIN A PROXY CARD ISSUED IN YOUR NAME FROM THAT RECORD HOLDER.

THANK YOU FOR ACTING PROMPTLY.

TABLE OF CONTENTS

	<u>Page</u>
Questions and Answers about these Proxy Materials and Voting	1
Cautionary Information Regarding Forward-Looking Statements	6
Proposal 1 — Election of Directors	7
Corporate Governance	11
Board Committees and Meetings	12
Report of the Audit Committee	13
Compensation Committee Interlocks and Insider Participation	17
Stockholder Communications with the Board of Directors	18
Compensation of Non-Employee Board Members	18
Proposal 2 — Ratification of Selection of Independent Registered Public Accounting Firm	20
Principal Accountant Fees and Services	20
Proposal 3 — Advisory Vote on Executive Compensation	22
Management	24
Executive Compensation	25
Compensation Discussion and Analysis	25
Security Ownership of Certain Beneficial Owners and Management	43
Section 16(a) Beneficial Ownership Reporting Compliance	45
Securities Authorized for Issuance under Equity Compensation Plans	45
Certain Relationships and Related Party Transactions	46
Certain Matters Relating to Proxy Materials and Available Information	46
Other Matters	47

INTERSECT ENT, INC.

**PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 4, 2019**

QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why are these materials being made available to me?

Intersect ENT, Inc., or Intersect ENT or the Company, is making these proxy materials available to you because our Board of Directors, or Board, is soliciting your proxy to vote at our 2019 annual meeting of stockholders to be held on Tuesday, June 4, 2019 at 9:00 a.m., local time at our corporate headquarters located at 1555 Adams Drive, Menlo Park, California 94025. Directions to the annual meeting may be found at <https://www.intersectent.com/company/contact/>. You are invited to attend the annual meeting, and we request that you vote on the proposals described in this proxy statement. You do not need to attend the meeting to vote your shares. Instead, you may simply follow the instructions below to submit your proxy on the Internet or by telephone. Alternatively, if you requested and received a printed copy of these materials by mail, you may also complete, sign and return the accompanying proxy card.

We intend to mail a Notice Regarding the Availability of Proxy Materials (sometimes referred to as the “Notice”), to all stockholders of record entitled to vote at the annual meeting on or about April 23, 2019. The Notice will instruct you as to how you may access and review all of the important information contained in the proxy materials. The Notice will also instruct you as to how you may submit your proxy on the Internet. If you received a Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice. All stockholders will have the ability to access the proxy materials on the website referred to in the Notice or request to receive a printed set of the proxy materials.

What am I voting on?

There are three matters scheduled for a vote:

- Proposal 1, to elect the seven nominees for director named in Proposal 1;
- Proposal 2, to ratify the selection by the Audit Committee of the Board of Directors of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019; and
- Proposal 3, to provide an advisory vote on executive compensation, as described in this Proxy Statement.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on April 9, 2019, will be entitled to vote at the annual meeting. On this record date, there were 31,215,613 shares of our common stock outstanding and entitled to vote.

What if another matter is properly brought before the meeting?

The Board of Directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

[Table of Contents](#)

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid annual meeting. A quorum will be present if at least a majority of the outstanding shares are present at the annual meeting or represented by proxy. At the close of business on the record date for the annual meeting, there were 31,215,613 shares outstanding and entitled to vote. Thus 15,607,807 shares must be present at the annual meeting or represented by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the annual meeting. If there is no quorum, either the chairman of the annual meeting or a majority of the votes present at the meeting or represented by proxy may adjourn the annual meeting to another date.

Am I a stockholder of record?

If at the close of business on April 9, 2019, your shares were registered directly in your name with our transfer agent, Computershare, Inc., then you are a stockholder of record.

What if my Intersect ENT shares are not registered directly in my name but are held in street name?

If at the close of business on April 9, 2019, your shares were held in an account at a brokerage firm, bank or other nominee, then you are the beneficial owner of shares held in "street name" and the Notice is being forwarded to you by that broker, bank or other nominee. The broker, bank or other nominee holding your account is considered the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct the broker, bank or other nominee on how to vote the shares in your account.

If your shares are held in "street name" through a broker, certain rules applicable to brokers will affect how your shares are voted in connection with the election of directors. If you do not provide your broker with instructions on how to vote your shares, your broker may not vote your shares except in connection with routine matters. The election of directors and the advisory vote on executive compensation are not considered to be routine matters and your broker will not be able to vote on the election of directors or these advisory matter without your instructions. Accordingly, if your broker sends a request for instructions on how to vote, you are requested to provide those instructions to your broker so that your vote can be counted. If you do not instruct your broker as to how to vote your shares with respect to the ratification of our independent registered public accounting firm, this is a routine matter and your broker will be able to vote your shares with respect to this matter.

If I am a stockholder of record of Intersect ENT shares, how do I cast my vote?

If you are a stockholder of record, you may vote in person at the annual meeting. We will give you a ballot when you arrive. If you do not wish to vote in person or you will not be attending the annual meeting, you may vote by proxy over the Internet. To vote by proxy on the Internet, go to www.proxyvote.com to complete an electronic proxy card. Alternatively, if you request and receive a proxy card, you may complete, sign and return the proxy card using the envelope that will be provided with the proxy card, or you may vote by proxy over the phone by dialing the toll-free number shown on the Notice or proxy card and following the recorded instructions. If you vote by proxy over the phone or the Internet, you will be asked to provide the control number from the Notice. If you vote by proxy, your vote must be received by 11:59 p.m. Eastern Time on June 3, 2019, to be counted.

We provide Internet proxy voting to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

[Table of Contents](#)

If I am a beneficial owner of Intersect ENT shares, how do I vote?

If you are a beneficial owner of shares held in street name, you should have received the Notice from the broker, bank or other nominee that is the record owner of your shares rather than from us. Beneficial owners that received a Notice by mail from the record owner should follow the instructions included in the Notice to view the proxy statement and transmit their voting instructions to the broker, bank or other nominee or to request that a printed copy of these materials be mailed to them. If you are a beneficial owner of shares held in street name and you have requested hard copies of the proxy statement, you should have received the proxy statement and a voting instruction card from the broker, bank or other nominee that is the record owner of your shares, and follow the instructions on the voting instruction card. For a beneficial owner to vote in person at the annual meeting, you must obtain a valid proxy from the record owner. To request the requisite proxy form, follow the instructions provided by your broker, bank or other nominee or contact them.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of our common stock that you owned as of the close of business on April 9, 2019.

What happens if I do not vote?

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record and do not vote by completing your proxy card, by telephone, through the Internet or in person at the annual meeting, your shares will not be voted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If on April 9, 2019, your shares were held, not in your name, but in “street name,” only your broker will be able to vote your shares. A “broker non-vote” occurs when a broker or nominee holding shares for a beneficial owner does not vote on a particular “non-routine” proposal, including the election of directors, because the broker or nominee does not have discretionary voting power with respect to that proposal and has not received instructions with respect to that proposal from the beneficial owner (despite voting on at least one other proposal for which it does have discretionary authority or for which it has received instructions). Therefore, if you do not give your broker or nominee specific instructions, your shares will not be voted on with respect to “non-routine” proposals. Proposal 2 constitutes a “routine” management proposal, and thus, if you do not give your broker or nominee specific instructions, your broker or nominee will nevertheless have the authority to vote your shares with respect to this proposal; however, your broker or nominee will not have the authority to vote your shares with respect to Proposals 1 or 3, which are “non-routine” proposals.

How many votes are needed to approve each proposal?

The requisite number of votes to approve the three proposals are as follows:

- For the election of directors, Proposal 1, the seven nominees receiving the most “For” votes from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors will be elected. Only votes “For” will affect the outcome;
- To be approved, Proposal 2, the ratification of the selection of Ernst & Young LLP, must receive a “For” vote from the majority of the shares present in person or by proxy and entitled to vote at the annual meeting. If you “Abstain” from voting, it will have the same effect as an “Against” vote. Broker non-votes will have no effect on the outcome of the vote; and
- To be approved, Proposal 3, an advisory vote on executive compensation, must receive a “For” vote from the majority of the shares present in person or by proxy and entitled to vote at the annual meeting. If you “Abstain” from voting, it will have the same effect as an “Against” vote. Broker non-votes will have no effect on the outcome of the vote.

[Table of Contents](#)

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count: for the proposal to elect directors, votes “For,” “Withhold” and broker non-votes, and, with respect to other proposals, votes “For” and “Against,” abstentions and, if applicable, broker non-votes.

What if I vote by proxy but do not make specific choices?

If you complete the proxy voting procedures, but do not specify how you want to vote your shares, your shares will be voted “For” Proposal 1, the election of all nominees for director named therein, “For” Proposal 2, the ratification of the selection of Ernst & Young LLP, and “For” Proposal 3, an advisory vote approving executive compensation. Your proxy will vote your shares using his or her best judgment with respect to any other matters properly presented for a vote at the meeting.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the annual meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

- You may send a written notice that you are revoking your proxy to our Secretary (Intersect ENT, Inc., Attn: Investor Relations, 1555 Adams Drive, Menlo Park, California 94025).
- You may submit a properly completed proxy card with a later date.
- You may grant a subsequent proxy by telephone or through the Internet.
- You may attend the annual meeting and vote in person. Simply attending the annual meeting will not, by itself, revoke your proxy. Remember that if you are a beneficial owner of Intersect ENT shares and wish to vote in person at the annual meeting, you must obtain a valid proxy from the organization that is the record owner of your shares (such as your broker).
- If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

What does it mean if I receive more than one Notice?

If you received more than one Notice, your shares are registered in more than one name or are registered in different accounts. Please follow the voting instructions included in **each** Notice to ensure that all of your shares are voted.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the Annual Meeting. If final voting results are not available to us in time to file a Form 8-K within four business days after the meeting, we intend to file a Form 8-K to publish preliminary results and, within four business days after the final results are known to us, file an additional Form 8-K to publish the final results.

When are stockholder proposals due for the next annual meeting?¹

To be considered for inclusion in the proxy materials for our 2020 annual meeting, your proposal must be submitted in writing to our Secretary (Intersect ENT, Inc., Attn: Investor Relations, 1555 Adams Drive, Menlo Park, California 94025) by December 23, 2019; provided, however, that, in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the first anniversary of the preceding year’s annual meeting, for your notice to be timely, it must be so received by the

[Table of Contents](#)

Secretary a reasonable time before we begin to print and mail the proxy statement. Stockholders wishing to submit proposals or director nominations that are not to be included in our proxy materials for our 2020 annual meeting must do so no earlier than the close of business on February 4, 2020, and no later than the close of business on March 6, 2020; provided, however, that, in the event that the date of the annual meeting is advanced more than thirty (30) days prior to or delayed by more than thirty (30) days after the first anniversary of the preceding year's annual meeting, for your notice to be timely, it must be so received by the Secretary not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made.

You are advised to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

Whom should I contact if I have additional questions or would like additional copies of the proxy materials?

If you would like additional copies of this proxy statement (which copies will be provided to you without charge) or if you have questions, including the procedures for voting your shares, you should contact:

Intersect ENT, Inc.
Attn: Investor Relations
1555 Adams Drive
Menlo Park, CA 94025

CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement contains forward-looking statements concerning our business, operations, and financial performance and condition as well as our plans, objectives, and expectations for business operations and financial performance and condition, including, without limitation, —“Compensation Discussion and Analysis.” Any statements contained herein that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as “anticipate,” “assume,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “should,” “will,” “would,” and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements are based on current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and management’s beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this proxy statement may turn out to be inaccurate. Factors that could materially affect our business operations and financial performance and condition include, but are not limited to, those risks and uncertainties described in our Annual Report on Form 10-K for the year ended December 31, 2018 under “Item 1A—Risk Factors.” You are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements are based on information available to us as of the filing date of this proxy statement. Unless required by law, we do not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks we describe in the reports we will file from time to time with the Securities and Exchange Commission after the date of this proxy statement.

PROPOSAL 1
ELECTION OF DIRECTORS

Our Board of Directors currently consists of seven directors: Kieran T. Gallahue, Lisa D. Earnhardt, Teresa L. Kline, Cynthia L. Lucchese, Dana G. Mead, Jr., Frederic H. Moll, M.D. and W. Anthony Vernon.

The nominees proposed for election as directors are listed below. Directors elected at the annual meeting will hold office until the next annual meeting or until his or her successor is elected, or until the director's death, resignation or removal.

Each individual nominated for election has agreed to serve if elected. We have no reason to believe that any nominee will be unable to serve if elected.

The Board of Directors does not have a formal policy regarding the attendance of directors at meetings of stockholders, but it encourages directors to attend each meeting of stockholders.

The following table sets forth the names and certain other information for the nominees for election as a director as of the date of this proxy statement. The following key biographical information for each of these individuals was provided by the nominees:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Kieran T. Gallahue (1)	55	Lead Director
Lisa D. Earnhardt	49	President, Chief Executive Officer and Director
Teresa L. Kline (2)	60	Director
Cynthia L. Lucchese (1c)(3)	58	Director
Dana G. Mead, Jr. (1)(2c)	60	Director
Frederic H. Moll, M.D. (3)	67	Director
W. Anthony Vernon (2)(3c)	63	Director

- (1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.
c Chair

Nominees

Kieran T. Gallahue has served as our Lead Director and a member of our Board of Directors since April 2015. Mr. Gallahue served as Chairman and Chief Executive Officer of CareFusion Corporation, a global healthcare company from February 2011 until its sale in March 2015. From January 2008 through January 2011, Mr. Gallahue served as Chief Executive Officer and as a Director of ResMed Inc., a medical device company. Mr. Gallahue has also served as a member of the Board of Directors of Arena Pharmaceuticals, Inc., a clinical stage biopharmaceutical company, since July 2018, and Edwards Lifesciences Corporation, a cardiovascular device company, since February 2015. We believe Mr. Gallahue's extensive executive management experience at medical device companies, including his most recent position as Chief Executive Officer of CareFusion, as well as leadership experience enable him to make valuable contributions to our Board of Directors.

Lisa D. Earnhardt has served as our President and Chief Executive Officer and as a member of our Board of Directors since March 2008. Ms. Earnhardt also has served on the Board of Directors of Nevro Corp. since June 2015, and Kensey Nash Corporation from September 2011 until June 2012, both medical device companies. We believe Ms. Earnhardt's experience in the industry, her role as our President and Chief Executive Officer and her knowledge of our company enable her to make valuable contributions to our Board of Directors.

[Table of Contents](#)

Teresa L. Kline has served as a member of our Board of Directors since August 2017. Since November 2016, Ms. Kline has been the Executive Vice President of Henry Ford Health System, or HFHS, a health care provider, and President and Chief Executive Officer of Health Alliance Plan, a health insurance company and subsidiary of HFHS. From July 2014 to November 2016, Ms. Kline provided health care consulting services. Ms. Kline served as Senior Vice President and Chief Health Care Management Officer of Health Care Service Corporation from March 2010 to March 2014, a health insurance company. Since April 2016, Ms. Kline has served as a member of the Board of Directors of LaunchPoint Ventures LLC, a health payment integrity company. Since October 2015, Ms. Kline has also served as a member of the Board of Directors of Presbyterian Health Plan, Inc., a health insurer, and as Vice Chairman since January 2017. We believe Ms. Kline's extensive experience in the healthcare and insurance industries, and experience as a chief executive officer, enable her to make valuable contributions to our Board of Directors.

Cynthia L. Lucchese has served as a member of our Board of Directors since July 2014. Since November 2014, Ms. Lucchese has been the Chief Administrative Officer and Chief Financial Officer of Hulman & Company, a diversified company primarily focused on sports, production and food manufacturing. From February 2008 to March 2014, Ms. Lucchese served as Senior Vice President and Chief Financial Officer of Hillenbrand, Inc., a manufacturing company. Ms. Lucchese served as Senior Vice President and Chief Financial Officer of Thoratec Corporation from 2005 to 2007, and in various senior financial roles for Guidant Corporation from 1995 to 2005. Since May 2015, Ms. Lucchese has served as a member of the Board of Directors of Hanger, Inc., a provider of orthotic and prosthetic services and products. From August 2009 to October 2012, Ms. Lucchese served as a member of the Board of Directors of Brightpoint Inc., a logistical services company. We believe Ms. Lucchese's extensive experience in the medical device industry and experience as a chief financial officer and other senior financial roles, enable her to make valuable contributions to our Board of Directors.

Dana G. Mead, Jr. has served as a member of our Board of Directors since June 2007. Since November 2016, Mr. Mead has served as the President and Chief Executive Officer of Beaver-Visitec International, a medical device company located in Waltham, MA. Previously, Mr. Mead was a Strategic Advisor and Partner at Kleiner Perkins Caufield & Byers, having joined the firm in May 2005. Mr. Mead was at Guidant Corporation from 1992 to 2005, most recently as President, Guidant Vascular Intervention. Since January 2008, Mr. Mead has also served as a member of the Board of Directors of Inspire Medical Systems, Inc., a medical technology company. Mr. Mead has served on the Board of Directors of Teladoc, Inc., a telehealth platform company, from August 2011 to December 2016. We believe Mr. Mead's experience with medical device companies and role in the venture capital industry enable him to make valuable contributions to our Board of Directors.

Frederic H. Moll, M.D. has served as a member of our Board of Directors since March 2006. Dr. Moll was the Chief Executive Officer and Chairman of Auris Surgical Robotics, Inc. from August 2012 and June 2011, respectively, through its acquisition by Ethicon, a Johnson & Johnson company, in April 2019, and Dr. Moll is now the Chief Development Officer of Johnson & Johnson. Since 2011, Dr. Moll has also served on the Board of Directors of ShockWave Medical, Inc., a medical device company. Dr. Moll has served on the Board of Directors of Biolase, Inc., a dental laser company, from June 2013 until November 2017, and on the Board of Directors of Hansen Medical, Inc., or Hansen, a surgical robotics company, from September 2002 until December 2011. Dr. Moll also served as Executive Chairman of the Board of Hansen from June 2010 until December 2011, as Chief Executive Officer from September 2002 until June 2010, and President from March 2009 until June 2010. Dr. Moll was a director of MAKO Surgical Corp. until its acquisition in December 2013. We believe Dr. Moll's experience as a physician, chief executive officer of medical technology companies and his knowledge of our company and the industry enable him to make valuable contributions to our Board of Directors.

W. Anthony Vernon has served as a member of our Board of Directors since April 2015. From October 2012 to December 2014, he served as Chief Executive Officer of Kraft Foods Group, Inc., a food company, and he previously served as Executive Vice President and President at Kraft Foods of North America since 2009, where he led its \$24 billion business in the United States and Canada. From 2006 to 2009, Mr. Vernon was the

[Table of Contents](#)

Healthcare Industry Partner at Ripplewood Holdings, Inc., a private equity firm. Mr. Vernon had previously led a number of Johnson & Johnson's largest franchises during his 23-year career at Johnson & Johnson, a company engaged in the research and development, manufacture and sale of products in the healthcare field. While with Johnson & Johnson, Mr. Vernon was most recently employed as Company Group Chairman of Depuy Inc., an orthopedics company which is a subsidiary of Johnson & Johnson, from 2004 until 2005, and from 2001 until 2004, he served as President and Chief Executive Officer of Centocor, Inc., a biomedicines company which is a division of Johnson & Johnson. Mr. Vernon has been a member of the Board of Directors of McCormick Foods Inc. since May 2017 and NovoCure Limited, a medical device company, since 2006, and was a member of the Board of Directors of Axovant Sciences Ltd., a clinical-stage biopharmaceutical company, from April 2017 until February 2018, Medivation, Inc., a biopharmaceutical company, from July 2006 until October 2016, Kraft Foods Group, Inc. from September 2012 until May 2015 and of WhiteWave Foods Company, a packaged food and beverage company, from January 2016 until April 2017. We believe Mr. Vernon's executive management, commercialization, business development and financial experience at a large, multinational pharmaceutical company enables him to make valuable contributions to our Board of Directors.

Board Independence

Under the listing requirements and rules of The Nasdaq Global Market, independent directors, as affirmatively determined by our Board of Directors, must compose a majority of our Board of Directors. Under the rules of The Nasdaq Global Market, 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. Our Board of Directors consults with the company's counsel to ensure that our Board of Directors' determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of The Nasdaq Global Market, as in effect from time to time.

In addition, the rules of The Nasdaq Global Market require that each member of a listed company's audit, compensation and nominating and corporate governance committee be independent. Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. To be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of our Audit Committee, our Board of Directors, or any other Board committee: (1) accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the listed company or any of its subsidiaries; or (2) be an affiliated person of the listed company or any of its subsidiaries.

Our Board of Directors has undertaken a review of its composition, the composition of its committees, and the independence of each director. Based upon information requested from and provided by each director concerning his or her background, employment, and affiliations, including family relationships, our Board of Directors has determined that each member of our Board of Directors, except Ms. Earnhardt, does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under the applicable rules and regulations of the Securities and Exchange Commission, or SEC, and the listing requirements and rules of The Nasdaq Global Market. In making this determination, our Board of Directors considered the current and prior relationships that each non-employee director has with our Company and all other facts and circumstances our Board of Directors deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director. Our Board of Directors also determined that each member of our Audit Committee satisfies the independence standards for the Audit Committee established by applicable SEC rules, the listing standards of The Nasdaq Global Market and Rule 10A-3 of the Exchange Act. Our Board of Directors also determined that each member of our Compensation Committee are "outside directors" as that term is defined in Section 162(m) of the Internal Revenue Code of 1986, as amended, or the Code. Our Board of Directors also determined that each member of the Nominating and Corporate Governance Committee is independent within the meaning of the applicable Nasdaq listing standards, is a non-employee director and is free from any relationship that would interfere with the exercise of his or her independent judgment.

[Table of Contents](#)

Required Vote and Board Recommendation

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote for the election of directors. Accordingly, the seven nominees receiving the highest number of “For” votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the seven nominees named above. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead will be voted for the election of a substitute nominee proposed by us. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

Director Resignation Policy

Although according to the Company’s bylaws all elections are determined by a plurality of the votes cast, it is the Company’s policy that any nominee for director in an uncontested election who does not receive a majority of the votes cast (i.e. receives a greater number of votes “withheld” from his or her election than votes “for” in such election) shall submit his or her offer of resignation for consideration by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee shall consider all of the relevant facts and circumstances and recommend to the Board of Directors the action to be taken with respect to such offer of resignation. The Board of Directors will then act on the Nominating and Corporate Governance Committee’s recommendation. Promptly following the Board of Directors’s decision, the Company will disclose that decision and an explanation of such decision in a filing with the Securities and Exchange Commission.

The Board of Directors believes that this process enhances accountability to stockholders, while permitting the Board of Directors appropriate discretion in considering whether a particular director’s resignation would be in the best interests of us and our stockholders.

**THE BOARD OF DIRECTORS
RECOMMENDS A VOTE “FOR” EACH NAMED NOMINEE.**

CORPORATE GOVERNANCE

We have a set of basic beliefs to guide our actions, including the belief that business should be conducted with the highest standards of ethical behavior. This belief governs our interaction with our customers, suppliers, employees and investors. We are committed to continuously improve our governance process to meet and exceed all regulatory requirements.

Board Composition

The primary responsibilities of our Board of Directors are to provide oversight, strategic guidance, counseling and direction to our management. Our Board of Directors meets on a regular basis and additionally as required. Our Board of Directors currently consists of seven directors. The members of our Board of Directors were elected in compliance with the provisions of our amended and restated certificate of incorporation. Each director serves until the next annual meeting. At each annual meeting of stockholders, directors will be elected to serve from the time of election and qualification until the next annual meeting following election. Our amended and restated certificate of incorporation provides that the authorized number of directors may be changed only by resolution of the Board of Directors.

Board Leadership Structure

Intersect ENT does not have a chairman of the board, and our Board determined that it was appropriate to have a lead independent director. The Board has appointed Mr. Gallahue as its Lead Independent Director. As Lead Independent Director, Mr. Gallahue: presides at all Board meetings, including executive sessions of the Board's independent directors; acts as a liaison to stockholders who request direct communication with the Board; consults with our Chief Executive Officer in setting the agenda for Board meetings and on matters relating to corporate governance and Board performance; and performs such other duties as the Board may delegate to him from time to time.

Periodic Performance Evaluations

Our Corporate Governance Guidelines provide that the Nominating and Corporate Governance Committee shall conduct periodic evaluations of the Board to determine, among other matters, whether the Board and the Committees are functioning effectively. The Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee are also required to each conduct an annual self-evaluation. The Nominating and Corporate Governance Committee is responsible for overseeing this self-evaluation process. The Board, Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee each conducted an annual self-evaluation process during 2018.

Role of the Board in Risk Oversight

Our Board of Directors, in exercising its overall responsibility to oversee the management of our business, considers risks when reviewing our strategic plan, financial results, merger and acquisition related activities, legal and regulatory matters and our public filings with the SEC. The Board is also engaged in our Enterprise Risk Management, or ERM, program and has received briefings on the outcomes of our ERM program and the steps we are taking to mitigate risks identified through the ERM program.

The Board's oversight of risk management includes full and open communications with management to review the adequacy and functionality of our risk management processes. In addition, the Board uses its committees to assist in its risk oversight responsibility as follows:

- The Audit Committee assists the Board in its oversight of the integrity of our financial reporting and compliance with applicable legal and regulatory requirements. It oversees our internal controls and compliance activities except as related to healthcare compliance. The Committee discusses our major

[Table of Contents](#)

financial risk exposures and certain contingent liabilities and the steps we have undertaken to monitor and control such exposures. It also meets privately with representatives from our independent registered public accounting firm;

- The Compensation Committee assists the Board in its oversight of risk relating to our assessment of our compensation policies and practices; and
- The Nominating and Corporate Governance Committee assists the Board in its oversight of compliance related to healthcare compliance rules and regulations. The Committee periodically discusses policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process.

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. The code of business conduct and ethics is available on our website at www.intersectent.com. We intend to disclose any amendments to the code, or any waivers of its requirements, on our website to the extent required by the applicable rules and exchange requirements. The inclusion of our website address in this proxy statement does not incorporate by reference the information on or accessible through our website into this proxy statement.

The Board of Directors documented the governance practices followed by the Company by adopting the Corporate Governance Guidelines to assure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed and to make decisions that are independent of the Company's management. The guidelines are also intended to align the interests of directors and management with those of the Company's stockholders. The Corporate Governance Guidelines set forth the practices the Board intends to follow with respect to Board composition and selection, Board meetings and involvement of senior management, Chief Executive Officer's performance evaluation and succession planning, and Board and committees' compensation. The Corporate Governance Guidelines, as well as the charters for each committee of the Board, may be viewed at www.intersectent.com.

BOARD COMMITTEES AND MEETINGS

Our Board of Directors has established an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Our Board of Directors may establish other committees to facilitate the management of our business. The composition and functions of each committee are described below. Members serve on these committees until their resignation or until otherwise determined by our Board of Directors.

During the fiscal year ended December 31, 2018, our Board of Directors held seven meetings. Our Audit Committee met six times, our Compensation Committee met seven times, and our Nominating and Corporate Governance Committee met three times during 2018. Each of our directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the total number of meetings held by all committees of the Board on which such member served.

Audit Committee

Our Audit Committee consists of Cynthia L. Lucchese, Kieran T. Gallahue and Dana G. Mead, Jr. The Board of Directors has determined that each member of our Audit Committee meets the applicable Nasdaq Global Market rules and regulations regarding "independence" and each Audit Committee member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company. The Chair of our Audit Committee is Ms. Lucchese, who our Board of Directors has determined is an "audit committee financial expert" as that term is defined under the SEC rules implementing Section 407 of the

Table of Contents

Sarbanes-Oxley Act of 2002, and possesses financial sophistication, as defined under the listing standards of The Nasdaq Global Market. Our Board of Directors has also determined that each member of our Audit Committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, the Board of Directors has examined each Audit Committee member's scope of experience and the nature of their experience in the corporate finance sector. Our Board of Directors has adopted a written audit committee charter, which our Audit Committee reviews annually, that is available to stockholders on our website at www.intersectent.com.

The primary purpose of the Audit Committee is to discharge the responsibilities of our Board of Directors with respect to our accounting, financial and other reporting and internal control practices and to oversee our independent registered public accounting firm. Specific responsibilities of our Audit Committee include:

- selecting a qualified firm and lead partner to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our financial statements and critical accounting policies and estimates;
- reviewing the adequacy and effectiveness of our internal controls;
- reviewing our policies on risk assessment and risk management;
- reviewing related-party transactions;
- obtaining and reviewing a report by the independent registered public accounting firm, at least annually, that describes our internal quality-control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law; and
- pre-approving all audit and all permissible non-audit services and fees, other than de minimis non-audit services, to be performed by the independent registered public accounting firm.

Each year, the Audit Committee, along with our Company's management, reviews the audit firm's performance as part of the Audit Committee's consideration of whether or not to reappoint the audit firm as our independent auditors. As part of this review, the Audit Committee considers (i) the continued independence of the audit firm, (ii) evaluations of the audit firm by our management, (iii) the audit firm's effectiveness of communications and working relationships with the Audit Committee, our management and internal auditors, (iv) the length of time the audit firm has served as our independent auditors, (v) the quality and depth of the audit firm, lead partner and the audit team's expertise and experience in our industry in light of the breadth, complexity and global reach of our businesses, (vi) potential impact of selecting a different independent public accounting firm, and (vii) what is in the best interest of the Company and its stockholders.

Report of the Audit Committee of the Board of Directors

The Audit Committee is comprised solely of independent directors, in accordance with Nasdaq listing standards, and operates under a written charter, adopted by the Board of Directors, which it reviews and assesses on an annual basis. The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2018 with management of our Company. The Audit Committee has discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed

[Table of Contents](#)

by Auditing Standard No. 1301, *Communications with Audit Committees*, as adopted by the Public Company Accounting Oversight Board (the “PCAOB”). The Audit Committee has also received the written disclosures regarding the accounting firm’s independence from Ernst & Young LLP, and the applicable requirements of the PCAOB regarding the independent accountants’ communications with the Audit Committee concerning independence and has discussed with Ernst & Young LLP the accounting firm’s independence. Based on the foregoing, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Ms. Cynthia L. Lucchese (Chair)
Mr. Kieran T. Gallahue
Mr. Dana G. Mead Jr.

Compensation Committee

Our Compensation Committee consists of Dana G. Mead, Jr., Teresa L. Kline and W. Anthony Vernon. The Chair of our Compensation Committee is Mr. Mead. All members of our Compensation Committee are independent, as independence is currently defined in Nasdaq listing standards. Our Board of Directors has adopted a written compensation committee charter that is available to stockholders on our website at www.intersectent.com.

The primary purpose of our Compensation Committee is to discharge the responsibilities of our Board of Directors to oversee our compensation policies, plans and programs and to review and determine the compensation to be paid to our executive officers, directors and other senior management, as appropriate. Specific responsibilities of our Compensation Committee include:

- reviewing and approving, or recommending that our Board of Directors approve, the compensation of our executive officers;
- reviewing and recommending to our Board of Directors the compensation of our directors;
- administering our stock and equity incentive plans;
- selecting independent compensation consultants and assessing whether there are any conflicts of interest with any of the committee’s compensation advisers;
- reviewing management succession plans;
- reviewing and approving, or recommending that our Board of Directors approve, incentive compensation and equity plans, severance agreements, change-in-control protections and any other compensatory or terms of compensatory arrangements for our executive officers and other senior management, as appropriate; and
- reviewing and establishing general policies relating to compensation and benefits of our employees and reviewing our overall compensation philosophy.

Compensation Committee Processes and Procedures

Typically, the Compensation Committee meets at least four times annually and with greater frequency if necessary. The agenda for each meeting is usually developed by the Chair of the Compensation Committee. The Compensation Committee meets regularly in executive session. However, from time to time, various members of management and other employees as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide financial or other background information or advice or to otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding her compensation or individual performance objectives. The charter of the Compensation Committee grants the Compensation Committee full access to all our books, records, facilities and personnel.

Table of Contents

In addition, under the charter, the Compensation Committee has the authority to obtain, at the expense of Intersect ENT, advice and assistance from compensation consultants and internal and external legal, accounting or other advisors and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. The Compensation Committee takes into consideration factors prescribed by the SEC and Nasdaq that bear upon the adviser's independence; however, there is no requirement that any adviser be independent. The Compensation Committee has direct responsibility for the oversight of the work of such consultants or advisers.

During the past year, the Compensation Committee engaged Radford, an Aon Hewitt Consulting Company, as a compensation consultant. The Compensation Committee requested that Radford:

- evaluate the efficacy of our existing compensation strategy and practices in supporting and reinforcing our long-term strategic goals;
- assist in refining our compensation strategy and in developing and implementing an executive compensation program to execute that strategy; and
- assist in developing our non-employee director compensation plan.

In addition, as part of its engagement, Radford was requested by the Compensation Committee to develop a comparative group of companies and to perform analyses of competitive performance and compensation levels for that group. Although our Board and Compensation Committee consider the advice and recommendations of such independent compensation consultants as to our executive and non-employee director compensation program, the Board and Compensation Committee ultimately make their own decisions regarding these matters.

Nominating and Corporate Governance Committee

Our Nominating and Corporate Governance Committee consists of W. Anthony Vernon, Cynthia L. Lucchese and Frederic H. Moll. The Chair of our Nominating and Corporate Governance Committee is Mr. Vernon. Our Board of Directors has adopted a written nominating and corporate governance committee charter that is available to stockholders on our website at www.intersectent.com. Specific responsibilities of our Nominating and Corporate Governance Committee include:

- identifying, evaluating and selecting, or recommending that our Board of Directors approve, nominees for election to our Board of Directors;
- evaluating the performance of our Board of Directors and of individual directors;
- considering and making recommendations to our Board of Directors regarding the composition of the committees of the Board of Directors;
- reviewing developments in corporate governance practices;
- evaluating the adequacy of our corporate governance practices and reporting;
- developing and making recommendations to our Board of Directors regarding corporate governance guidelines and matters; and
- overseeing an annual evaluation of the Board of Directors' performance.

The Nominating and Corporate Governance Committee believes that candidates for director should have certain minimum qualifications, including the ability to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. The Nominating and Corporate Governance Committee also intends to consider such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of the Company's stockholders. However, the

[Table of Contents](#)

Nominating and Corporate Governance Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, the Nominating and Corporate Governance Committee typically considers diversity, skills and such other factors as it deems appropriate, given the current needs of the Board and the Company, to maintain a balance of knowledge, experience and capability.

In the case of incumbent directors whose terms of office are set to expire, the Nominating and Corporate Governance Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair the directors' independence. The committee also takes into account the results of the Board's self-evaluation, conducted annually on a group and individual basis. In the case of new director candidates, the Nominating and Corporate Governance Committee also determines whether the nominee is independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations and the advice of counsel, if necessary. The Nominating and Corporate Governance Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Nominating and Corporate Governance Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The Nominating and Corporate Governance Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board by majority vote.

Nomination Process

Our Nominating and Corporate Governance Committee is responsible for identifying, recruiting, evaluating and recommending to our Board of Directors nominees for membership on the Board of Directors and committees of our Board of Directors. The goal of this process is to maintain and further develop a highly qualified Board of Directors consisting of members with experience and expertise in areas of importance to our Company. Candidates may come to our attention through current members of our Board of Directors, professional search firms, stockholders or other persons.

The Nominating and Corporate Governance Committee recommends to the Board of Directors for selection all nominees to be proposed by the Board of Directors for election by the stockholders, including approval or recommendation of a slate of director nominees to be proposed by our Board of Directors for election at each annual or special meeting of stockholders, and recommends all director nominees to be appointed by our Board of Directors to fill director vacancies. Our Board of Directors is responsible for nominating members for election to the Board of Directors and for filling vacancies on the Board of Directors that may occur between annual meetings of stockholders.

Evaluation of Director Candidates

In its evaluation of director candidates, the Nominating and Corporate Governance Committee will consider a candidate's skills, characteristics and experience, taking into account a variety of factors, including the candidate's:

- understanding of our business, industry and technology;
- history with our Company;
- personal and professional integrity;
- general understanding of marketing, finance and other disciplines relevant to the success of a publicly traded company;
- ability and willingness to devote the time and effort necessary to be an effective director;

[Table of Contents](#)

- commitment to acting in the best interest of our Company and its stockholders; and
- educational and professional background.

The Nominating and Corporate Governance Committee will also consider the current size and composition of the Board of Directors, the needs of the Board of Directors, its committees, and the potential independence of director candidates under relevant Nasdaq and SEC rules.

Although the Board of Directors does not maintain a specific policy with respect to board diversity, the Nominating and Corporate Governance Committee considers each candidate in the context of the membership of the Board as a whole, with the objective of including an appropriate mix of viewpoints and experience among members of the Board reflecting differences in professional background, education, skill and other individual qualities and attributes. In making determinations regarding nominations of directors, the Nominating and Corporate Governance Committee may take into account the benefits of diverse viewpoints to the extent it deems appropriate.

Stockholder Recommendations for Nomination to the Board of Directors

The Nominating and Corporate Governance Committee will consider properly-submitted stockholder recommendations for candidates for our Board. The Nominating and Corporate Governance Committee does not intend to alter the manner in which it evaluates candidates, including the criteria described above, based on whether or not the candidate was recommended by a stockholder.

Any stockholder recommendations proposed for consideration by the Nominating and Corporate Governance Committee should be in writing and delivered to Intersect ENT, Inc., Attn: Investor Relations, 1555 Adams Drive, Menlo Park, CA 94025. Submissions must include the following information:

- full name and address of the proposed nominee;
- the number and class of our shares beneficially owned, directly or indirectly, by the proposed nominee;
- all information regarding the proposed nominee required to be disclosed in a proxy statement pursuant to Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder;
- the consent of the nominee to be named in the proxy statement and consent to serve as a director if elected; and
- a description of all material relationships, including (i) compensation and other material monetary agreements, arrangements and understandings during the past three years, between the proposed nominee and the stockholder making the proposal and (ii) any relationship between the proposing stockholder and the proposed nominee that would be required to be disclosed under the SEC's related party transactions disclosure rules if the proposing stockholder were a "registrant" under those rules.

In addition, any stockholder wishing to recommend a nominee to our Board of Directors must provide a questionnaire regarding the proposed nominee, information regarding any arrangement or agreement with respect to such nominee's voting while a member of our Board of Directors and information regarding equity ownership of the Company (including derivative ownership) by the proposing stockholder and the proposed nominee.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

As noted above, our Compensation Committee consists of Mr. Mead, Ms. Kline and Mr. Vernon. None of the members of our Compensation Committee has at any time during the past three years been one of our officers or employees. None of our executive officers currently serves or in the prior three years 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 of Directors or Compensation Committee.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

Stockholders wishing to communicate with our Board of Directors may send a written communication addressed to the Secretary at our principal executive offices. The Secretary will promptly forward the communication to the Board or member to whom it is addressed, as appropriate, unless it is unduly hostile, threatening, illegal or similarly unsuitable. Historically, we have not provided a formal process related to stockholder communications with the Board. Nevertheless, every effort has been made to ensure that the views of stockholders are heard by the Board or individual directors, as applicable, and that appropriate responses are provided to stockholders in a timely manner. The Company believes its responsiveness to stockholder communications to the Board has been excellent.

COMPENSATION OF NON-EMPLOYEE BOARD MEMBERS

Our non-employee directors received an annual retainer of \$40,000 and our lead director received an additional annual retainer of \$30,000. In addition, all non-employee directors who serve on one or more committees will receive the following annual committee fees:

<u>Committee</u>	<u>Chair</u>	<u>Member</u>
Audit	\$20,000	\$10,000
Compensation	15,000	7,500
Nominating and Corporate Governance	10,000	5,000

Other than the annual retainers and committee fees described above, non-employee directors are not entitled to receive any cash fees in connection with their service on our Board. Each non-employee director is granted an equity grant for a fair value of \$120,000, consisting of an equal amount of stock options and RSUs, at each annual stockholders' meeting, provided the non-employee director has served since March 1st of the year the annual meeting was held and continued to serve. The stock option grants have an exercise price equal to the fair market value of our common stock on the date of grant and vest monthly over one year from the date of grant. The RSU awards cliff vest 100%, one year from the date of grant. New non-employee directors receive an initial stock option grant for a fair value of \$180,000. The initial grants have an exercise price equal to the fair market value of our common stock on the date of grant and vest 25% in one year and monthly thereafter over the next three years, provided the non-employee director continues to serve. All of the Board stock options and RSUs described in this paragraph become fully vested upon a change in control.

Prior to the beginning of each year, each non-employee director may elect to receive their annual retainer for the following year in the form of a stock option that vests monthly over one year from the beginning of the year. The option is granted at the first Board or Compensation Committee meeting of the year for a fair value equivalent to their annual retainer with an exercise price equal to the fair market value of our common stock on the date of grant. These options are not subject to vesting acceleration upon a change in control.

We have a policy of reimbursing our directors for their reasonable out-of-pocket expenses in connection with attending Board of Directors and committee meetings.

[Table of Contents](#)**Non-Employee Director Compensation**

The following table sets forth information concerning the compensation earned by our non-employee directors during the fiscal year ended December 31, 2018:

<u>Name</u>	<u>Fees Earned or Paid in Cash (1)</u>	<u>Options in Lieu of Annual Retainer (2)(3)</u>	<u>Options Granted (2)(4)</u>	<u>RSUs Granted (2)(5)</u>	<u>Total</u>
Kieran T. Gallahue	\$ 80,000	\$ —	\$ 63,688	\$ 63,664	\$207,352
Teresa L. Kline	7,500	40,487	63,688	63,664	175,339
Cynthia L. Lucchese	25,000	40,487	63,688	63,664	192,839
Dana G. Mead, Jr.	65,000	—	63,688	63,664	192,352
Frederic H. Moll, M.D.	5,000	40,487	63,688	63,664	172,839
W. Anthony Vernon	57,500	—	63,688	63,664	184,852

- (1) Amounts are prorated for the periods of service.
- (2) The amounts in this column reflect the aggregate grant date fair value of each option award granted during the fiscal year, computed in accordance with FASB ASC Topic 718. The valuation assumptions used in determining such amounts are described in Note 6 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
- (3) Represents an option to purchase 2,797 shares of our common stock that was granted, on January 17, 2018 under our 2014 Equity Incentive Plan.
- (4) Represents an option to purchase 3,473 shares of our common stock that was granted to each director on June 5, 2018 under our 2014 Equity Incentive Plan.
- (5) Represents RSUs for 1,514 shares of our common stock that was granted to each director on June 5, 2018 under our 2014 Equity Incentive Plan.

Board Stock Ownership Guidelines

We adopted stock ownership guidelines, effective January 1, 2019, for the members of our Board of Directors. Our stock ownership guidelines provide that (i) the aggregate value of the total shares of Company stock held by each member of the Board of Directors shall be at least three (3) times the annual retainer for members of the Board of Directors, (ii) all members of the Board of Directors will have five (5) years from the effective date they join the Board to become compliant with the stock ownership guidelines, and (iii) newly elected or appointed members of the Board of Directors will have five (5) years from the effective date they join the Board of Directors to become compliant with the stock ownership guidelines.

PROPOSAL 2
RATIFICATION OF SELECTION OF
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee of the Board of Directors has selected Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019 and has further directed us to submit the selection of this firm for ratification by the stockholders at the annual meeting. We engaged Ernst & Young LLP in 2008 to audit our financial statements dating back to our inception, including the fiscal year ended December 31, 2003, and they have continued to audit our financial statements since then. Representatives of Ernst & Young LLP are expected to be present at the annual meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our Bylaws nor other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm. However, the Audit Committee is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the best interests of our stockholders.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following tables set forth the aggregate fees, including related expenses, for professional services rendered by our principal accountants, Ernst & Young LLP (in thousands):

Fees	Fiscal Years Ended	
	December 31,	
	2018	2017
Audit (1)	\$1,232	\$1,152
Audit-Related	—	—
Tax	—	—
All Other (2)	2	2
	<u>\$1,234</u>	<u>\$1,154</u>

- (1) The Audit fees consist of professional services in connection with the integrated audit of our annual financial statements, including the audit of internal control over financial reporting, review of our quarterly financial statements presented in our Quarterly Reports on Form 10-Q and review of audited financial statements presented in our Annual Report on Form 10-K, irrespective of the period in which the related services were rendered or billed. This category also includes technical advice on various accounting matters related to the financial statements. Fees also consisted of professional services rendered in connection with our Form S-8 registration statements related to additional shares authorized for issuance under our equity plans, including delivery of consent and review of documents.
- (2) The All Other fees consist of a subscription to Ernst & Young Atlas Online, a proprietary knowledge management and research system.

All fees described above were pre-approved by the Audit Committee.

Pre-Approval Policies and Procedures

Our Audit Committee has adopted a policy and procedures for the pre-approval and negotiation of all audit and non-audit services and fees to be rendered by our independent registered public accounting firm, Ernst &

[Table of Contents](#)

Young LLP. During the fiscal years ended 2018 and 2017, the Audit Committee pre-approved all audit and non-audit services performed by Ernst & Young LLP. Under the policy, the Audit Committee generally pre-approves specified services in defined categories up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of our independent registered public accounting firm or on a case-by-case basis for specific tasks before an engagement.

The Audit Committee has determined that the rendering of services other than audit services by Ernst & Young LLP is compatible with maintaining the principal accountant's independence.

Required Vote and Audit Committee and Board Recommendation

Approval of Proposal 2 requires the affirmative vote of a majority of the shares present or represented by proxy and entitled to vote at the annual meeting. Abstentions will be counted toward the tabulation of votes cast on the proposal and will have the same effect as "Against" votes. Broker non-votes will have no effect on the outcome of the vote.

**THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS
RECOMMENDS A VOTE "FOR" PROPOSAL 2.**

PROPOSAL 3
ADVISORY VOTE ON EXECUTIVE COMPENSATION

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), Intersect ENT’s stockholders are entitled to cast an advisory vote at the annual meeting to approve the compensation of our named executive officers, or NEOs, as disclosed in this proxy statement. Pursuant to the Dodd-Frank Act, the stockholder vote is an advisory vote only and is not binding on Intersect ENT or its Board of Directors.

Although the vote is non-binding, the Compensation Committee and the Board of Directors value your opinions and will consider the outcome of the vote in establishing compensation philosophy and making future compensation decisions.

Pay-for-Performance Philosophy

As described more fully in the Compensation Discussion & Analysis section and in the Summary Compensation Table, our executive officers are compensated in a manner consistent with our business strategy, competitive practice, sound compensation governance principles, and stockholder interests and concerns. Our compensation policies and decisions are focused on pay-for-performance.

Business Results

The compensation of our NEOs during the fiscal year ended December 31, 2018, is consistent with significant business achievements and financial performance.

In the fiscal year ended December 31, 2018, we achieved several positive business results including:

- Annual revenues of \$108.5 million, up 13% year over year;
- The commercial launch of our SINUVA Sinus Implant; and
- Over 280,000 patients treated with our PROPEL family of products since our commercial launch in 2011.

In addition, we continued to drive innovation by advancing our clinical pipeline including:

- In December 2018, we initiated enrollment in the ASCEND study to assess a new platform product, a drug coated balloon. The ASCEND study is a 70-patient prospective, randomized, blinded, multi-center trial that will assess sinus patency at multiple timepoints;
- In November 2018, the *International Forum of Allergy & Rhinology*, the official journal of the American Rhinologic Society, published a pooled analysis of the company’s PROPEL Contour and PROPEL Mini steroid releasing sinus implants showing improved outcomes of frontal sinus surgery. The pooled analysis showed that the PROPEL frontal steroid releasing implants significantly improve endoscopic outcomes of frontal sinus surgery compared to surgery alone. The use of implants resulted in a relative reduction in the need for postoperative interventions of 46.8% at Day 30. A significant reduction in postoperative interventions was also observed at Day 90. There were no implant-related adverse events;
- In January 2018, the *International Forum of Allergy & Rhinology* published the results of RESOLVE II, a randomized, blinded, sham-controlled pivotal phase III study evaluating the safety and efficacy of SINUVA. The study met the co-primary efficacy endpoints and four pre-specified secondary efficacy endpoints; and
- In January 2018, we completed enrollment of the ENCORE study, a 50-patient prospective, multicenter, open-label study focused on evaluation of the safety of repeat placement of SINUVA in chronic sinusitis patients with nasal polyps. Study findings showed zero serious adverse events related to the implants during the measurement period and zero serious adverse events related to repeat placement.

[Table of Contents](#)

We also have several compensation governance programs and policies in place as described in the Compensation Discussion and Analysis section to manage compensation risk and align our executive compensation with long-term stockholder interests.

In accordance with Section 14A of the Exchange Act, we are requesting your non-binding vote on the following resolution:

“RESOLVED, that the stockholders of Intersect ENT approve, on an advisory basis, the compensation of Intersect ENT’s NEOs, as disclosed pursuant to Item 402 of Regulation S-K, including the “Compensation Discussion and Analysis”, compensation tables and narrative discussion set forth in this Proxy Statement.”

Required Vote and Compensation Committee and Board Recommendation

The affirmative vote of a majority of the shares of Intersect ENT common stock present or represented by proxy and voting at the annual meeting, is required for approval of this proposal. If you own shares through a bank, broker or other holder of record, you must instruct your bank, broker or other holder of record how to vote in order for them to vote your shares so that your vote can be counted on this proposal.

**THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS
RECOMMENDS A VOTE “FOR” PROPOSAL 3.**

MANAGEMENT

The following table shows information for our current executive officers as of the date of this proxy statement. Biographical information for our President, Chief Executive Officer and Director Ms. Earnhardt is included above with the Director biographies under the caption “Nominees.”

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Lisa D. Earnhardt	49	President, Chief Executive Officer and Director
Jeryl L. Hilleman	61	Chief Financial Officer
Robert H. Binney, Jr.	49	Chief Commercial Officer
Gwen R. Carscadden	57	Chief People Officer
Richard E. Kaufman	57	Technical Advisor
Christine R. Kowalski	62	Chief Operations Officer
David A. Lehman	58	General Counsel
Susan P. Stimson	46	Chief Strategy Officer

Executive Officers

Jeryl L. Hilleman has served as our Chief Financial Officer since June 2014. From September 2013 to May 2014, Ms. Hilleman served as Chief Financial Officer and Secretary of Ocera Therapeutics, Inc., or Ocera, a biopharmaceutical company, where she was responsible for managing Ocera’s financial and accounting operations. From 2012 to 2013, Ms. Hilleman provided independent financial and strategic consulting for biotech and cleantech companies. From January 2008 to May 2012, she served as Chief Financial Officer of Amyris, Inc., a multinational, renewable products company based in California and Brazil, where she was responsible for managing Amyris’ financial and accounting operations. Since July 2018, Ms. Hilleman has served as a member of the Board of Directors and the Audit Committee of Minerva Neurosciences, Inc. and as a member of the Board of Directors and Chair of the Audit Committee of NovoCure Limited. From January 2005, Ms. Hilleman served as a member of the Board of Directors of Xenoport, Inc., a biopharmaceutical company, until it was acquired in July 2016.

Robert H. Binney, Jr. has served as our Chief Commercial Officer since January 2019, and as our Vice President of Sales and Marketing from April 2018 to January 2019 and as our Vice President of Sales from July 2011 to April 2018. From June 2007 to July 2011, Mr. Binney served as Director of Sales for AccessClosure, Inc., a privately-held medical device company, where he was responsible for eastern United States sales. From June 2004 to June 2007, Mr. Binney served as Peripheral Sales Representative at Boston Scientific’s Peripheral Division.

Gwen R. Carscadden has served as our Chief People Officer since June 2016. From August 2012 to June 2016, Ms. Carscadden served most recently as Senior Vice President of Human Resources and Facilities of CardioDx, Inc., a private cardiovascular genomic diagnostics company in California, where she was responsible for strategic human resources and facilities direction. From November 2010 to August 2012, she provided consulting services to various life sciences companies. From January 2008 to October 2010, Ms. Carscadden served as Vice President of Human Resources of Facet Biotech Corporation, a public biotechnology spin-off from PDL BioPharma, Inc. and subsequently acquired by Abbott Laboratories in April 2010.

Richard E. Kaufman served as our Technical Advisor from October 2018 until his resignation in March 2019, and as our Senior Vice President of R&D and Operations and Chief Operating Officer from January 2007 to October 2018. From 1998 to December 2006, Mr. Kaufman held several R&D and Operations leadership positions at Guidant, through its acquisition by Abbott Laboratories in 2006, where he was most recently the Vice President and General Manager of Abbott Bioabsorbable Vascular Solutions, a subsidiary of Abbott Laboratories.

[Table of Contents](#)

Christine R. Kowalski has served as our Chief Operations Officer since October 2018. From April 2015 to September 2015, Ms. Kowalski served as Vice President, Supply Chain Strategy for Johnson & Johnson, where she oversaw strategy and performance management for their collective supply chain. From December 2013 to February 2014, she served as Executive Vice President, Global Operations for RTI Surgical, Inc., a surgical implant company, where she delivered a series of strategic product launches. From December 2011 to June 2013, she served as Senior Vice President, Global Operations and Supply Chain of American Medical Systems Holdings, Inc., the medical devices business for Endo Healthcare Solutions, a urology implant company. Ms. Kowalski served as Senior Vice President, Operations for ev3 Inc., a peripheral and neurovascular company, from March 2010 until September 2010 through its acquisition by Covidien. From 1992 to 2010, Ms. Kowalski held a variety of operational leadership positions at Guidant Corporation, through its acquisition by Boston Scientific Corporation in 2006, where she was most recently the Group Vice President and General Manager, Operations for their Vascular Access business.

David A. Lehman has served as our General Counsel since February 2016. From May 2003 to October 2015, Mr. Lehman served as Senior Vice President, General Counsel and Secretary of Thoratec Corporation, or Thoratec, a cardiology-focused medical device company, where he was responsible for managing Thoratec's legal and healthcare compliance functions.

Susan P. Stimson has served as our Chief Strategy Officer since October 2018, as our General Manager of SINUVA from May 2017 to October 2018, as our Vice President of Marketing from March 2010 to April 2017 and as our Director of Marketing Development from April 2007 to March 2010. Prior to joining us, Ms. Stimson served as Director of Marketing and Clinical Research at Mitralign, Inc., from October 2003 to December 2006. From February 1997 to September 2003, Ms. Stimson worked within multiple areas and divisions of Guidant.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In this section we provide an explanation and analysis of the material elements of compensation provided to our President and Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers who were serving as of December 31, 2018, referred to as the Named Executive Officers, or NEOs. For 2018, those NEOs were:

- Lisa D. Earnhardt, President and Chief Executive Officer;
- Jeryl L. Hilleman, Chief Financial Officer;
- Richard E. Kaufman, Technical Advisor (former Chief Operating Officer);
- Christine R. Kowalski, Chief Operations Officer; and
- David A. Lehman, General Counsel.

Executive Summary

We align our executive compensation practices with the success of our business. We do this by providing short-term cash bonuses tied to our financial and operating performance and by granting long-term equity awards. Since our IPO in 2014, we have continued to update our executive compensation program to match the maturity, size, scale and growth of our business. We operate in a highly competitive and rapidly evolving market, and our ability to compete and succeed in this dynamic environment is directly correlated to our ability to recruit, incentivize and retain talented and seasoned medical technology leaders.

2018 Business Highlights

We are a commercial drug delivery company committed to improving the quality of life for patients with ear, nose and throat conditions. Our approved products are steroid releasing implants designed to treat the

[Table of Contents](#)

spectrum of needs among patients who are managed by ENT physicians for chronic sinusitis, one of the most prevalent chronic diseases in the United States and one of the costliest conditions for U.S. employers. We are currently marketing our PROPEL® family of products and our SINUVA® Sinus Implant. Our PROPEL family of products consists of PROPEL®, PROPEL® Mini and PROPEL® Contour, which are used following sinus surgery to deliver steroid locally to treat inflammation and improve surgical outcomes. In March 2018, we launched SINUVA®, a new targeted approach to treating nasal polyp disease in patients who have had previous ethmoid sinus surgery. Through our approved and in-development products, we aspire to deliver treatments to address a spectrum of needs for the estimated 3.5 million U.S. patients who are managed by ENT physicians for chronic sinusitis in the U.S. each year. Chronic sinusitis is one of the most prevalent chronic diseases in the U.S. and one of the costliest conditions for U.S. employers.

In the fiscal year ended December 31, 2018, we achieved several positive business results including:

- Annual revenues of \$108.5 million, up 13% year over year;
- The commercial launch of our SINUVA Sinus Implant; and
- Over 280,000 patients treated with our PROPEL family of products since our commercial launch in 2011.

In addition, we continued to drive innovation by advancing our clinical pipeline including:

- In December 2018, we initiated enrollment in the ASCEND study to assess a new platform product, a drug coated balloon. The ASCEND study is a 70-patient prospective, randomized, blinded, multi-center trial that will assess sinus patency at multiple timepoints;
- In November 2018, the *International Forum of Allergy & Rhinology*, the official journal of the American Rhinologic Society, published a pooled analysis of the company's PROPEL Contour and PROPEL Mini steroid releasing sinus implants showing improved outcomes of frontal sinus surgery. The pooled analysis showed that the PROPEL frontal steroid releasing implants significantly improve endoscopic outcomes of frontal sinus surgery compared to surgery alone. The use of implants resulted in a relative reduction in the need for postoperative interventions of 46.8% at Day 30. A significant reduction in postoperative interventions was also observed at Day 90. There were no implant-related adverse events;
- In January 2018, the *International Forum of Allergy & Rhinology* published the results of RESOLVE II, a randomized, blinded, sham-controlled pivotal phase III study evaluating the safety and efficacy of SINUVA. The study met the co-primary efficacy endpoints and four pre-specified secondary efficacy endpoints; and
- In January 2018, we completed enrollment of the ENCORE study, a 50-patient prospective, multicenter, open-label study focused on evaluation of the safety of repeat placement of SINUVA in chronic sinusitis patients with nasal polyps. Study findings showed zero serious adverse events related to the implants during the measurement period and zero serious adverse events related to repeat placement.

Executive Compensation Programs

Consistent with our general compensation philosophy throughout the Company, the Compensation Committee strives to provide a compensation package to each executive officer that is competitive, rewards achievement of our business objectives, drives the development of a successful and growing business, and aligns the interests of our executive officers with our stockholders through equity ownership in the Company. The Compensation Committee's 2018 compensation actions and decisions reflect our financial results and business performance, and our executive officers' accomplishments that helped achieve these results and performance.

[Table of Contents](#)

Stockholder Advisory Vote to Approve Executive Compensation

We conducted our third advisory vote on executive compensation, or say-on-pay vote, at our annual meeting of stockholders in 2018. Approximately 97% of the votes cast on the say-on-pay proposal supported the proposal. Our Board and our Compensation Committee value the opinions of our stockholders, and we believe that it is important for our stockholders to have an opportunity to vote on this proposal annually, which is consistent with the frequency preferred by our stockholders who voted on the preferred frequency in 2016. Our Compensation Committee's decisions regarding compensation for 2018 reflected our say-on-pay vote in 2017, which was supported by approximately 98% of the votes cast on the proposal.

Our Compensation Committee has considered the results of the advisory vote in the context of our overall compensation philosophy, policies and decisions. Our Compensation Committee believes that, similar to our 2017 say-on-pay vote, the 2018 stockholder vote endorsed our compensation philosophy and the decisions we made for 2017. After discussing the levels of support, our Compensation Committee decided to generally maintain a consistent course for 2018 compensation decisions.

Discussion of our 2018 Executive Compensation Program

This section provides an overview of our executive compensation philosophy, the overall objectives of our executive compensation program and each component of our executive compensation program. In addition, we explain how and why our Compensation Committee arrived at the specific compensation policies and decisions involving our executive officers during 2018.

Philosophy and Objectives

The goals of our executive compensation program are to align our executive officers' compensation with our business objectives, and to incentivize our executive officers to achieve these results. Our Compensation Committee believes that it is critical that our executive management team work together to achieve these goals and, as a result, our compensation philosophy also seeks to provide internal equity and promote cooperation among executives and across the Company. In addition, because our headquarters are located in the San Francisco Bay Area, our executive compensation program must also be highly competitive not only with our pharmaceutical, biotechnology and medical device peers, but also with other sectors, especially technology, with which we compete for executive talent.

To achieve these objectives, our Compensation Committee has designed our executive compensation program to contain short- and long-term components, cash and equity and fixed and contingent payments, in proportions that it believes are the most appropriate to incentivize and reward our executive officers for achieving our business objectives. By providing competitive compensation packages that will attract and retain talented executive officers, as well as highly-skilled employees at other levels, we believe that stockholder value will be enhanced over the long term.

The objectives of our executive compensation program include the following:

- Recruit, incentivize and retain highly qualified executive officers who possess the skills and leadership necessary to grow our business;
- Reward our executive officers for achieving or exceeding our strategic and financial goals;
- Align the interests of our executive officers with those of our stockholders;
- Reflect our long-term strategy;
- Promote a healthy approach to risk and be sensitive to underperformance as well as outperformance; and

[Table of Contents](#)

- Provide compensation packages that are competitive, reasonable and fair relative to peers and the overall market.

Decision-Making Process

Compensation decisions for our executive officers are made by our Compensation Committee, with input from Radford, our independent compensation consultant, as well as from Ms. Earnhardt (except with respect to her own compensation) and management. Our Compensation Committee reviews the cash and equity compensation of our executive officers to ensure that our executive officers are properly incentivized and makes adjustments as necessary.

We use compensation data from our peer group as general guidance, to aide our Compensation Committee's assessment of executive officer compensation and as one of several factors that inform our judgment of appropriate compensation parameters for target compensation levels. We generally seek to provide total targeted direct compensation that is competitive and, depending on Company and individual performance, may pay above or below median.

Our Compensation Committee makes compensation decisions after consideration of many different factors, including the following:

- The performance and experience of each executive officer;
- The scope and strategic impact of the executive officer's responsibilities;
- Our past business performance and future expectations;
- Our long-term goals and strategies;
- The performance of our executive team as a whole;
- For each executive officer, other than our CEO, the evaluation and recommendation of our CEO;
- The difficulty and cost of replacing high-performing leaders with in-demand skills;
- The past compensation levels of each individual;
- The relative compensation among the executive officers; and
- The competitiveness of compensation relative to data from our peer group.

Role of Compensation Committee

Pursuant to its charter, our Compensation Committee is primarily responsible for establishing, approving and adjusting compensation arrangements for our NEOs, including our CEO, and for reviewing and approving corporate goals and objectives relevant to these compensation arrangements, evaluating executive performance and considering factors related to the performance of the Company, including accomplishment of our long-term business and financial goals. For additional information about our Compensation Committee, see "Corporate Governance—Board Committees and Meetings—Compensation Committee" elsewhere in this proxy statement. Our Compensation Committee has the authority to engage its own advisors to assist it in carrying out its responsibilities. Our Compensation Committee has retained Radford, an AON Hewitt Company, or Radford, to review and assess our current executive employee compensation practices relative to market compensation practices. For additional information, see "Role of Compensation Consultant" below.

Role of Management

Our Compensation Committee works with members of our management, including Ms. Earnhardt (except with respect to her own compensation) and our human resources, finance and legal professionals. Typically, our

[Table of Contents](#)

management assists the Compensation Committee by providing information on corporate and individual performance and management's perspective and recommendations on compensation matters for each executive officer. Ms. Earnhardt makes recommendations, based on her assessment of performance for each executive officer, to our Compensation Committee regarding compensation matters, including the compensation of our NEOs (other than herself). While our Compensation Committee solicits and reviews Ms. Earnhardt's recommendations and proposals with respect to compensation-related matters, our Compensation Committee uses these recommendations and proposals as one of several factors in making compensation decisions.

Role of Compensation Consultant

Our Compensation Committee has the authority to retain the services and obtain the advice of external advisors, including compensation consultants, legal counsel or other advisors to assist in the evaluation of executive officer compensation. Annually, our Compensation Committee engages Radford, an Aon Hewitt company, to review our executive compensation policies and practices and to conduct an executive compensation market analysis. For 2018, Radford reviewed and advised on all principal aspects of our executive compensation program, including:

- assisting in developing a peer group of publicly traded companies to be used to help assess executive compensation;
- assisting in developing a competitive compensation strategy and consistent executive compensation assessment practices relevant to a public company, including review and recommendation of the equity strategy for the Company covering dilution, grant levels and type of equity;
- meeting regularly with the Compensation Committee to review all elements of executive compensation including the competitiveness of the executive compensation program against approved peer companies covering salary, incentives and equity; and
- assisting in the risk assessment of our compensation program.

During 2018, management also accessed the Radford survey database to gather reference points for non-executive compensation decisions.

Based on the consideration of the various factors as set forth in the rules of the SEC and Nasdaq, the Compensation Committee does not believe that its relationship with Radford and the work of Radford on behalf of the Compensation Committee and management has raised any conflict of interest. The Compensation Committee reviews these factors on an annual basis and receives written confirmation from Radford stating its belief that it remains an independent compensation consultant to the Compensation Committee.

[Table of Contents](#)

Peer Group Considerations

Our Compensation Committee reviews market data of companies that are comparable to us. With Radford's assistance, our Compensation Committee established our peer group for 2018 compensation decisions, which consists of 20 companies that operate in the medical device, drug delivery, pharmaceutical and diagnostics industries. In general, these companies had commercial product revenue of less than \$250 million and market capitalization ranging from \$250 million to \$2.3 billion. Our peer group for 2017 also consisted of 20 companies generally meeting the same criteria except that they had commercial product revenue of less than \$200 million and a market capitalization from \$200 million to \$1.5 billion. The Compensation Committee changed these metrics to align with our market capitalization and the companies with whom we compete for employees. As a result, the Compensation Committee added Antares Pharma, Corcept Therapeutics, Eagle Pharmaceuticals, Halozyme Therapeutics, Insys Therapeutics, Penumbra and Retrophin to the peer group and removed Cerus Corporation, GenMark Diagnostics, Spectranetics, Tandem Diabetes Care, Vascular Solutions, Veracyte and ZELTIQ from the peer group. The 2018 peer group comprised the following companies:

Antares Pharma	Foundation Medicine	Otonomy
AtriCure	Glaukos	Penumbra
Cardiovascular Systems	Halozyme Therapeutics	Retrophin
Corcept Therapeutics	Inogen	Revance Therapeutics
Eagle Pharmaceuticals	Insys Therapeutics	STAAR Surgical Company
Endologix	LeMaitre Vascular	SurModics
Entellus Medical	Nevro	

Our Compensation Committee believes that peer group comparisons are useful guidelines to measure the competitiveness of our compensation practices. Our Compensation Committee has not adopted any formal benchmarking guidelines and maintains discretion to set levels of executive compensation above or below peer levels. This determination is generally based upon distinguishing factors such as our internal pay equity and compensation budget, individual performance and contribution to the Company, an executive's level of experience and responsibilities and comparability of roles within other peer companies.

Components of Compensation Program and 2018 Compensation

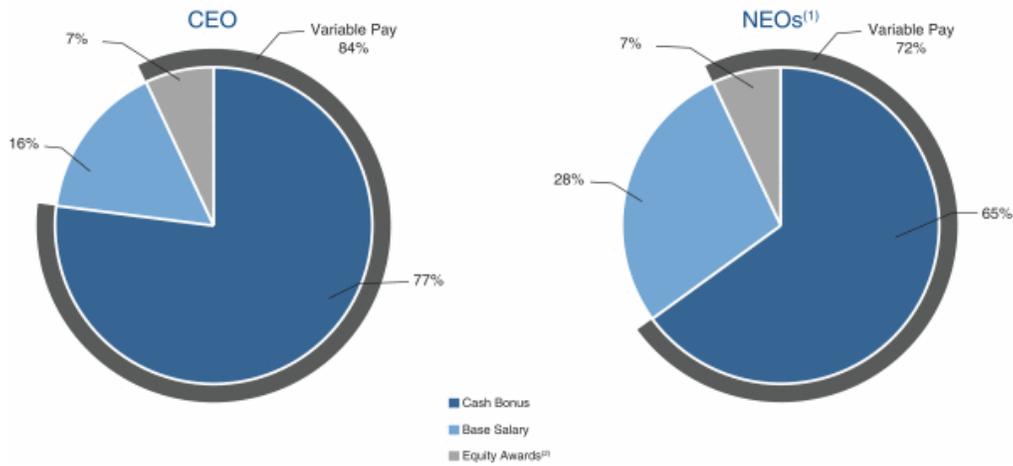
Our executive compensation program consists of the following primary components:

- base salary;
- cash bonuses;
- long-term equity compensation; and
- severance and change-in-control related benefits.

We also provide our executive officers, including our NEOs, comprehensive employee benefit programs such as medical, dental and vision insurance, a 401(k) plan, life and disability insurance, flexible spending accounts, an employee stock purchase plan and other plans and programs made available to eligible employees.

[Table of Contents](#)

We believe these elements provide a compensation package that helps attract and retain qualified individuals, links individual performance to Company performance, focuses the efforts of our executive officers, including our NEOs, on the achievement of both our short- and long-term objectives and aligns the interests of our executive officers, including our NEOs, with those of our stockholders. The chart below shows the pay mix of our CEO and NEOs who were employed during 2018:



- (1) Excludes CEO as well as Ms. Kowalski who joined the Company in October 2018
- (2) Service based vesting

Base Salaries

We pay base salaries to our NEOs to compensate them for their day-to-day services. The salaries typically are used to recognize the experience, skills, knowledge and responsibilities of each NEO, although competitive market conditions also play a role in setting salary levels. The salaries of our NEOs are reviewed on an annual basis by Ms. Earnhardt (other than with respect to her own salary which is reviewed and determined by our Compensation Committee) and our Compensation Committee. This review is supplemented by market data, as well as assessments of the performance of our executive officers, including our NEOs, by Ms. Earnhardt and our Compensation Committee.

Table of Contents**2018 Base Salaries**

At the beginning of 2018, our Compensation Committee reviewed and revised the base salaries of all our NEOs. These changes were made in consultation with Ms. Eamhardt, other than with respect to her own salary, and after consideration of peer group data provided by Radford as well as the long-term equity compensation and existing equity holdings of each NEO at that time, in order to be competitive with our peers and to properly motivate and incentivize our management team. The table below sets forth the annual base salaries for our NEOs for 2018. Based on the recommendation from Radford, the Compensation Committee determined to adjust the NEO's base salary to be generally consistent with the 50th percentile for their respective positions.

<u>Name</u>	<u>2018 Base Salary</u>	<u>Increase from 2017</u>
Lisa D. Eamhardt	\$ 556,210	3.0%
Jeryl L. Hilleman	378,000	2.7
Richard E. Kaufman	350,000	2.1
Christine R. Kowalski (1)	365,000	N/A
David A. Lehman	360,750	3.0

(1) Ms. Kowalski joined the Company in October 2018.

Cash Bonuses

A key compensation objective is to have a significant portion of each NEO's compensation tied to performance. To help accomplish this objective, we provide for performance-based cash bonus opportunities for our NEOs, based solely on achievement against annual corporate performance objectives.

At the end of 2017, our Board of Directors approved our 2018 operating plan, which included performance objectives that our Compensation Committee used to design our NEOs' cash bonus opportunity for 2018. Pursuant to our executive bonus plan, the Compensation Committee considered a number of factors in determining the performance objectives applicable to our NEOs' cash bonus opportunities and determined that, as in prior years, objectives for our NEOs related to sales and advancement of our clinical pipeline continued to be appropriate and aligned to the Company's growth strategy. Our Compensation Committee, in an effort to continue to motivate Ms. Eamhardt and our other NEOs to further grow and develop our business, established financial and clinical milestone objectives for 2018 that it considered aggressive and attainable only with focused effort and execution by our NEOs. These objectives were identified as those that our Compensation Committee felt would increase stockholder value consistent with our overall growth strategy.

2018 Target Cash Bonus

As in prior years, the target annual cash bonus opportunities for our NEOs were expressed as a percentage of their respective base salaries. For 2018, the Compensation Committee sought to set the target bonus opportunity for our NEOs to be generally consistent with the 50th percentile of our compensation peer group. The table below shows the target bonus amount for each NEO as a percentage of base salary and as a corresponding cash amount:

<u>Name</u>	<u>2018 Target Bonus</u>		<u>2017 Target Bonus Percent of Salary</u>
	<u>Annual Cash</u>	<u>Percent of Salary</u>	
Lisa D. Eamhardt	\$417,158	75.0%	75.0%
Jeryl L. Hilleman	189,000	50.0	45.0
Richard E. Kaufman	140,000	40.0	40.0
Christine R. Kowalski (1)	—	40.0	N/A
David A. Lehman	144,300	40.0	40.0

Table of Contents

(1) Ms. Kowalski joined the Company in October 2018 and was not eligible for a 2018 bonus.

For 2018, we established goals regarding revenue, other financial performance measures, SINUVA launch targets and meeting product pipeline milestones. These targets had a minimum threshold below which a reduced bonus could not be earned for a component. These components also had upside recognition, with the bonus increasing with overachievement to a total maximum bonus of 200%. The target levels for the components were set to be aggressive, yet achievable with diligent effort. The revenue related goals were to achieve \$109 million in revenue from our PROPEL family of products, which we were under. The other financial performance measures were to achieve an 82% or higher gross margin, which was not achieved, and to manage operating expenses to within 4% of plan, which we did achieve. The SINUVA launch targets were to treat a certain number of patients, which we partially achieved, and to have a certain number of physicians use at least a certain number of units of SINUVA, which we did not achieve. The product pipeline milestones were to complete a clinical readiness review for a product candidate by a certain date and to have the first patient treated with our product candidate by a certain date, both of which we achieved. In addition, we had a 20% outperform target goal to achieve a higher total revenue amount with a minimum revenue amount from SINUVA, which we did not achieve.

Following the close of 2018, the Compensation Committee reviewed our performance against the goals set at the beginning of the year and determined that we had achieved 61.3% of the established goals as set forth in the table below. The Compensation Committee then approved payment of the bonuses to our NEOs based on these results.

Goals	Percent Achieved		
	Goal	Bonus	Target
Revenue targets	90.6%	31.7%	35.0%
Other financial performance	50.0	5.0	10.0
SINUVA launch targets	11.7	4.1	35.0
Product candidates progress	102.5	20.5	20.0
		<u>61.3%</u>	<u>100.0%</u>

The chart below summarizes the total amount of cash bonuses awarded to our NEOs for 2018 performance, relative to the target award opportunity established for each executive officer at the beginning of the year.

Name	2018 Annual Cash Bonus	
	Target	Earned
Lisa D. Eamhardt	\$417,158	\$254,325
Jeryl L. Hilleman	189,000	115,237
Richard E. Kaufman	140,000	85,367
Christine R. Kowalski (1)	—	—
David A. Lehman	144,300	87,975

(1) Ms. Kowalski joined the Company in October 2018 and was not eligible for a 2018 bonus.

Long-Term Equity Compensation

We believe that strong, long-term corporate performance is achieved with a corporate culture that encourages a long-term focus by our executive officers, including our NEOs, as well as by all our other employees. We believe that the use of stock-based awards, the value of which is tied to our stock performance, is an important tool to achieve strong long-term performance, and to align the interests of our NEOs with our stockholders. Since our IPO in 2014 and through the end of 2016, the only equity awards we granted to our

[Table of Contents](#)

executive officers were stock options, which vest over four years. In 2017, we began granting a combination of stock options, which generally vest over four years subject to continued service with us, and restricted stock units, or RSUs, which generally vest over three years subject to continued service with us to be consistent with market practice and to attract, motivate and retain top talent. We believe stock options and RSUs promote alignment of the interests of our executive officers with the long-term interests of our stockholders and are consistent with market practices. Stock options provide an important tool for us to attract, motivate and retain our highly sought after NEOs since the value of the awards is delivered to our NEOs over a four-year period and will deliver value to our NEOs only if the stock price increases. Awards of restricted stock units align the interests of NEOs with the interests of stockholders through stock ownership, increase the reward to the NEOs when our stock price increases and serve as a retention tool for the NEOs.

The value of the stock options and restricted stock units awarded to each NEO in 2018 was determined based on the Compensation Committee's assessment of a number of factors, including the role and responsibility of the NEO, Company and individual performance, external market data and the expected contribution of the executive to future results, in order to be competitive with our peers and to properly motivate and incentivize our management team. The Compensation Committee also considered the value of the NEO's equity holdings and previously granted equity awards in determining these awards but did not directly increase or decrease awards based on these other holdings.

After its analysis and review of these factors, our Compensation Committee approved grants of stock options and restricted stock units to our NEOs for 2018 as set forth in the table below.

Name	2018	
	Stock Options Granted	RSUs Granted
Lisa D. Eamhardt	119,000	25,500
Jeryl L. Hilleman	49,000	10,500
Richard E. Kaufman	28,000	6,000
Christine R. Kowalski (1)	80,000	—
David A. Lehman	35,000	7,500

- (1) Ms. Kowalski's stock options granted were associated with her joining the Company in October 2018 and were granted in accordance with the Company's standard new hire stock option grant vesting terms.

Severance and Change-in-Control Related Benefits

We provide change-in-control, or CIC, severance benefits to each of our NEOs to provide protections in the event of their termination of employment following a CIC of our Company. The Compensation Committee believes that these protections serve our retention objectives by helping our NEOs maintain continued focus and dedication to their responsibilities to maximize stockholder value, including in the event of a transaction that could result in a CIC of our Company and a related termination of the NEO's services. For a summary of the material terms and conditions of these severance and CIC arrangements, see the section entitled "Potential Change-in-Control and Severance Benefits" in this proxy statement.

Other Compensation Policies and Information

Policy Against Speculative Transactions

We maintain an Insider Trading Policy that, among other things, prohibits our officers, including our NEOs, directors and employees from engaging in, among other things, short sales, hedging of stock ownership positions, pledges involving Company stock, and transactions involving derivative securities relating to our common stock.

[Table of Contents](#)

Equity Grant Timing

Our long-term equity incentive awards are granted from our 2014 Equity Incentive Plan. We generally grant stock options to newly hired employees shortly after the employee's start date, subject to prior approval of the Compensation Committee or our CEO pursuant to the authority delegated to her, as appropriate. We generally grant merit-based equity grants on an annual basis in the first quarter of each new year, with the grant date occurring at a regularly scheduled meeting of our Compensation Committee or a date agreed upon in advance with the Compensation Committee. We do not time the granting of equity awards to coordinate with the release of material non-public information.

Stock Ownership Guidelines

We adopted stock ownership guidelines, effective January 1, 2019, for our NEOs. Our stock ownership guidelines provide that (i) the CEO shall own Company stock in an amount equal to at least three times her base salary, and (ii) NEOs shall hold Company stock in an amount at least equal to one times their respective base salaries. For determining compliance with these stock ownership guidelines, the Company stock considered for the purpose of calculating ownership includes all of an individual's ownership of Company stock, restricted stock units and vested stock options, which shall be valued at a price equal to the average closing price of the Company's common stock for the last five trading days of the preceding calendar year. Each person subject to the stock ownership guidelines will have five years from January 1, 2019 to come into compliance with the guidelines and any person who subsequently becomes an NEO of the company will have five years from attaining such position to become compliant with the applicable ownership levels under the guidelines.

Compensation Recovery ("Clawback") Policy

As a public company subject to Section 304 of the Sarbanes-Oxley Act of 2002, if we are required to restate our financial results as the result of misconduct or due to our material noncompliance with any financial reporting requirements under the federal securities laws, our CEO and CFO may be legally required to reimburse us for any bonus or incentive-based or equity-based compensation they receive during the relevant period. In addition, we will comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and will evaluate adopting a compensation recovery policy once final regulations on the subject have been adopted.

Impact of Accounting and Tax Requirements on Compensation

Deductibility of Executive Compensation

Section 162(m) of the Code generally limits the deductibility of compensation paid by a public company to certain of its executive officers to \$1.0 million per executive per year, unless specified requirements are met. Under a transition rule that applies to newly-public companies, our exemption from this limitation during the reliance period ended at our 2018 annual meeting. As a result, our Compensation Committee considered the impact of Code Section 162(m) on compensation granted to our executive officers during 2018, including the NEOs. The exemption from the deduction limit under Section 162(m) of the Code for "performance-based compensation" has been repealed, effective for taxable years beginning after December 31, 2017, such that compensation paid to our "covered employees" in excess of \$1 million after the end of the reliance period following our IPO will not be deductible unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017. Our Compensation Committee monitors the applicability of Section 162(m) of the Code to its ongoing compensation arrangements. Because of ambiguities and uncertainties as to the application and interpretation of Section 162(m) of the Code and the regulations issued thereunder, including the uncertain scope of the transition relief under the legislation repealing the "performance-based compensation" exemption from the deduction limit, no assurance can be given that any compensation will be eligible for the exemption. In determining the form and amount of compensation for our NEOs, our Compensation Committee may continue to consider all elements of the cost of such compensation, including the potential impact of

[Table of Contents](#)

Section 162(m). While the Compensation Committee may consider the deductibility of awards as one factor in determining executive compensation, the Compensation Committee may also look at other factors in making its decisions and retains the flexibility to award compensation that it determines to be consistent with the goals of our executive compensation program, even if the awards are not deductible by us for tax purposes.

Accounting Considerations

The accounting impact of our executive compensation program is one of many factors that the Compensation Committee considers in determining the size and structure of that program. Under Financial Accounting Standard Board ASC Topic 718, or ASC 718, we are required to estimate and record an expense for each award of equity compensation over the vesting period of the award. We record share-based compensation expense on an ongoing basis according to ASC 718. The Compensation Committee has considered, and may in the future consider, the grant of performance-based or other types of stock awards to executive officers in lieu of or in addition to stock option and restricted stock unit award grants in light of the accounting impact of ASC 718 and other considerations.

Taxation of “Parachute” Payments and Deferred Compensation

We did not provide any executive officer, including any NEO, with a “gross-up” or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999, or 409A of the Code during 2018, and we have not agreed and are not otherwise obligated to provide any NEO with such a “gross-up” or other reimbursement. Sections 280G and 4999 of the Code provide that executive officers and directors who hold significant equity interests and certain other service providers may be subject to an excise tax if they receive payments or benefits in connection with a CIC that exceeds certain prescribed limits, and that the Company, or a successor, may forfeit a deduction on the amounts subject to this additional tax. Section 409A also imposes additional significant taxes on the individual in the event an executive officer, director or other service provider receives “deferred compensation” that does not meet the requirements of Section 409A of the Code.

Compensation Risk Assessment

Our Compensation Committee assesses and considers potential risks when reviewing and approving our compensation policies and practices for our executive officers and our employees. We have designed our compensation programs, including our incentive compensation plans, with features to address potential risks while rewarding employees for achieving financial and strategic objectives through prudent business judgment and appropriate risk taking. Based upon its assessment, our Compensation Committee believes that any risks arising from our compensation programs do not create disproportionate incentives for our NEOs to take risks that could have a material adverse effect on us in the future.

Insider Trading Policy

We recognize that our employees and directors may sell shares from time to time in the open market, particularly in connection with exercises of stock options. All such transactions are required to comply with our insider trading policy. Under our insider trading policy, employees and directors may only purchase or sell our securities during “window” periods, which begin on the third business day following the date of each annual or quarterly earnings announcement and end two weeks before the end of the next fiscal quarter. The only exceptions to this are for purchases under our Employee Stock Purchase Plan, automatic sell-to-cover provisions of restricted stock units where the insider has no discretion in directing the sale, and for employees and directors who have entered into a trading plan pursuant to Rule 10b5-1 of the Exchange Act. Our insider trading policy also prohibits our employees and directors from engaging in hedging transactions in our common stock or from holding our common stock in a margin account or pledging it as collateral for a loan.

[Table of Contents](#)

Report of the Compensation Committee

The Compensation Committee of the Board of Directors has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Mr. Dana G. Mead, Jr. (Chair)
 Ms. Teresa L. Kline
 Mr. W. Anthony Vernon

Summary Compensation Table

The following table provides certain information concerning the compensation earned by each of the following individuals, or NEOs: our President and Chief Executive Officer, our Chief Financial Officer and our three other most highly compensated executive officers who were serving as of December 31, 2018:

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Stock Options (1)</u>	<u>RSUs (1)</u>	<u>Non-Equity Incentive Plan Compensation (2)</u>	<u>All Other Compensation</u>	<u>Total</u>
Lisa D. Earnhardt <i>President and Chief Executive Officer</i>	2018	\$555,901	\$ —	\$1,840,847	\$865,725	\$ 254,325	\$ 3,062 (3)	\$3,519,860
	2017	539,721	—	1,483,701	704,700	534,729	2,045	3,264,896
	2016	523,551	—	1,861,256	—	385,988	2,030	2,772,825
Jeryl L. Hilleman <i>Chief Financial Officer</i>	2018	377,826	—	757,996	356,475	115,237	4,386 (4)	1,611,920
	2017	367,713	—	412,139	195,750	218,587	3,386	1,197,575
	2016	355,354	—	620,419	—	139,725	3,486	1,118,984
Richard E. Kaufman <i>Technical Advisor and former Chief Operating Officer</i>	2018	349,865	—	433,140	203,700	85,367	2,500 (5)	1,074,572
	2017	342,686	—	247,284	117,450	173,634	1,500	882,554
	2016	331,013	—	413,612	—	113,885	1,500	860,010
Christine R. Kowalski (7) <i>Chief Operations Officer</i>	2018	54,753	20,000	1,157,312	—	—	31,174 (6)	1,263,239
David A. Lehman <i>General Counsel</i>	2018	360,552	—	541,425	254,625	87,975	2,500 (5)	1,247,077
	2017	350,014	—	247,284	117,450	184,947	1,500	901,195
	2016	277,245	—	1,021,086	—	109,013	1,500	1,408,844

- (1) The amounts represent the grant date fair value of stock options granted, calculated in accordance with ASC Topic 718. The valuation assumptions used in determining such amounts are described in Note 6 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
- (2) Represents payments pursuant to our corporate bonus plan. At the beginning of each year, the Compensation Committee approves specific Company performance milestones. Bonuses are determined at year-end based upon the level of achievement of the milestones. Approved bonuses are paid by March of the following year.
- (3) Consists of (a) \$2,500 for 401(k) plan matching contribution and (b) \$562 for life insurance premiums paid by us.
- (4) Consists of (a) \$2,500 for 401(k) plan matching contribution and (b) \$1,886 for life insurance premiums paid by us.
- (5) Represents 401(k) plan matching contribution paid by us.
- (6) Consists of (a) \$2,500 for 401(k) plan matching contribution and (b) \$28,674 for long distance commuting reimbursements paid by us.
- (7) Ms. Kowalski joined the Company in October 2018 and in connection with her offer of employment, she received a \$20,000 sign-on bonus which is reflected in the Bonus column.

Grants of Plan-Based Awards

The following table provides information regarding grants of plan-based awards to the NEOs during the fiscal year ended December 31, 2018:

Name	Grant Date	Estimated Future Payouts of Non-Equity Incentive Plan (1)			Stock Options (2)	Exercise Price	RSUs (3)	Grant Date Fair Value of Options and RSUs (4)
		Threshold	Target	Maximum				
Lisa D. Earnhardt	1/17/2018	\$ —	\$417,158	\$834,315	119,000	\$ 33.95	25,500	\$ 2,706,572
Jeryl L. Hilleman	1/17/2018	—	189,000	378,000	49,000	33.95	10,500	1,114,471
Richard E. Kaufman	1/17/2018	—	140,000	280,000	28,000	33.95	6,000	636,840
Christine R. Kowalski (5)	11/1/2018	—	—	—	80,000	29.28	—	1,157,312
David A. Lehman	1/17/2018	—	144,300	288,600	35,000	33.95	7,500	796,050

- (1) The target incentive plan amounts represent the payouts that would have occurred based on the 100% achievement of 2018 performance goals. In the aggregate, no minimum threshold amount was established and a maximum amount of 200% of target was established. Actual cash incentive bonus plan payouts are reflected in the Non-Equity Incentive Plan Compensation column of the “Summary Compensation Table.”
- (2) The shares subject to each option vest commencing January 1, 2018 in equal monthly installments over four years following a six-month cliff vesting period, except for Ms. Kowalski’s, of which 25% of the shares subject to the option will vest on the one-year anniversary from the grant date and 1/48th of the shares subject to the option vest monthly thereafter over the remaining three years.
- (3) The shares subject to each RSU vest commencing January 1, 2018 in equal annual installments over three years.
- (4) The amounts represent the grant date fair value of stock options granted, calculated in accordance with ASC Topic 718. The valuation assumptions used in determining such amounts are described in Note 6 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.
- (5) Ms. Kowalski joined the Company in October 2018 and was not eligible for a 2018 bonus.

Offer Letters

We extended offer letters to each of our NEOs in connection with their employment. The letters generally provide for at-will employment and set forth the NEO’s initial base salary, initial equity grant amount and eligibility for employee benefits. In addition, each of our NEOs has executed a form of our standard confidential information and invention assignment agreement. The key terms of the offer letters extended to our NEOs that continue to be in effect are described below.

Lisa D. Earnhardt

In January 2008, we extended an offer letter to Ms. Earnhardt to be our President and Chief Executive Officer. The letter was subsequently amended in July 2013. Pursuant to her offer letter, as amended, if, within 12 months following a CIC, Ms. Earnhardt’s employment is terminated without “cause” or she resigns for “good reason,” all unvested shares subject to her outstanding options shall accelerate in full. In addition, in the event of Ms. Earnhardt’s death, permanent disability, resignation for “good reason” or termination without “cause,” (1) all unvested shares subject to her outstanding options shall accelerate in full, (2) she shall receive a lump sum payment equal to her annual target bonus and (3) she shall receive 12 months of her base salary, to be paid monthly. This letter was again amended in January 2015, pursuant to which Ms. Earnhardt will be entitled to 18 months of salary continuation and 18 months of COBRA reimbursement if, within 12 months after a CIC, her employment is terminated by the Company without “cause” or she resigns for “good reason.” The amendment also provides that if, other than in connection with a CIC, Ms. Earnhardt’s employment is terminated by the Company without “cause” or she resigns for “good reason,” she will also be entitled to 12 months of COBRA reimbursement. In addition, the amendment provides that, upon a CIC, the vesting of all outstanding options held by Ms. Earnhardt shall accelerate in full.

[Table of Contents](#)

Jeryl L. Hilleman

In May 2014, we extended an offer letter to Ms. Hilleman to be our Chief Financial Officer. Pursuant to her offer letter, as amended, upon her death, permanent disability, termination or in connection with a CIC, Ms. Hilleman's employment is terminated without "cause" or she resigns for "good reason," and provided such termination constitutes a "separation from service," (1) all unvested shares subject to her outstanding options shall accelerate in full, (2) she shall receive a prorated, lump sum payment equal to her annual target bonus and (3) she shall receive 12 months of her base salary, to be paid monthly. This letter was subsequently amended in January 2015, pursuant to which Ms. Hilleman will also be entitled to 12 months of COBRA reimbursement if her employment is terminated by the Company without "cause" or she resigns for "good reason," whether or not such termination is in connection with or following a CIC. In addition, the amendment provides that, upon a CIC, the vesting of all outstanding options held by Ms. Hilleman shall accelerate in full.

Christine R. Kowalski

In October 2018, we extended an offer letter to Ms. Kowalski to be our Chief Operations Officer. Pursuant to her offer letter, if Ms. Kowalski's employment is terminated without "cause" or she resigns for "good reason," whether or not such termination is in connection with or following a CIC, and provided such termination constitutes a "separation from service," (1) she shall receive 12 months of her base salary, to be paid monthly, (2) she shall receive a prorated, lump sum payment equal to her annual target bonus, and (3) she shall be entitled to 12 months of COBRA reimbursement. In addition, if Ms. Kowalski's employment is terminated without "cause", or if Ms. Kowalski resigns for "good reason" one month before or within 12 months after a CIC, in exchange for a release in favor of the Company, the vesting of all outstanding options and RSUs held by Ms. Kowalski shall accelerate in full.

David A. Lehman

In February 2016, we extended an offer letter to Mr. Lehman to be our General Counsel. Pursuant to his offer letter, if Mr. Lehman's employment is terminated without "cause" or he resigns for "good reason," whether or not such termination is in connection with or following a CIC, and provided such termination constitutes a "separation from service," (1) he shall receive 12 months of his base salary, to be paid monthly, (2) he shall receive a prorated, lump sum payment equal to his annual target bonus, (3) all unvested shares subject to his outstanding options shall accelerate in full, and (4) he shall be entitled to 12 months of COBRA reimbursement. In addition, upon a CIC, the vesting of all outstanding options held by Mr. Lehman shall accelerate in full.

As set forth in these offer letters: (1) "cause" includes commissions of crimes or other material acts of dishonesty, engagement in any activity the executive officer knows could materially harm our business or reputation, material failure to adhere to our corporate codes, policies or procedures, material violation of any statutory, contractual, or common law duty or obligation to us or material breach of the executive officer's confidentiality agreement with us, or the failure to substantially perform assigned duties or responsibilities after notice and opportunity to cure; and (2) "good reason" includes a relocation of the office where the executive officer is assigned to a location of more than 35 miles away (50 miles in the case of Ms. Eamhardt), a material decrease in base salary (except for salary decreases generally applicable to our other executive employees), or a material reduction in the scope of duties or responsibilities, in each case without the executive officer's written consent; *provided, however*, with the exception of Ms. Eamhardt, to resign for Good Reason the executive officer must provide notice to us and give us 30 days to cure the event giving rise to Good Reason, and if not cured then must resign within 90 days of the expiration of the cure period.

[Table of Contents](#)

Potential Change-in-Control and Severance Benefits

The following table provides information regarding the approximate amount of the benefits to which each of our NEOs would have been entitled to, had their employment terminated under the circumstances described in the preceding paragraphs on December 31, 2018:

Name	Event	Salary	Maximum	COBRA	Option and	Total (5)
		Continuation (1)	Bonus (2)	Reimbursement (3)	RSU Acceleration (4)	
Lisa D. Earnhardt	At CIC (6)	\$ —	\$ —	\$ —	\$ 4,306,628	\$4,306,628
	Qualified termination (7)	556,210	417,158	29,937	4,306,628	5,309,933
	Qualified termination with CIC (8)	834,315	417,158	44,905	4,306,628	5,603,006
Jeryl L. Hilleman	At CIC (6)	—	—	—	1,325,214	1,325,214
	Qualified termination (7)	378,000	189,000	29,654	1,325,214	1,921,868
	Qualified termination with CIC (8)	378,000	189,000	29,654	1,325,214	1,921,868
Richard E. Kaufman (9)	At CIC (6)	—	—	—	399,254	399,254
	Qualified termination (7)	—	—	—	399,254	399,254
	Qualified termination with CIC (8)	—	—	—	399,254	399,254
Christine R. Kowalski (10)	At CIC (6)	—	—	—	—	—
	Qualified termination (7)	365,000	—	10,680	—	375,680
	Qualified termination with CIC (8)	365,000	—	10,680	798,508	1,174,188
David A. Lehman	At CIC (6)	—	—	—	1,097,394	1,097,394
	Qualified termination (7)	360,750	144,300	29,937	1,097,394	1,632,381
	Qualified termination with CIC (8)	360,750	144,300	29,937	1,097,394	1,632,381

- (1) Pursuant to the NEOs' offer letters, as amended, to be paid monthly over their respective number of months.
- (2) Pursuant to the NEOs' offer letters, as amended, to be prorated over the portion of the year, except for Ms. Earnhardt who will receive her full annual bonus.
- (3) Pursuant to the NEOs' offer letters, as amended, to be reimbursed over their respective number of months, based on health plan(s) the NEO is participating in at December 31, 2018.
- (4) Pursuant to the NEOs' offer letters, as amended, the vesting of all outstanding options and RSUs will be accelerated by their respective percentages. The dollar amounts represent the difference in the closing price of our common stock on December 31, 2018, \$28.18, with respect to the outstanding unvested options, minus the exercise price of the outstanding unvested options, and closing price multiplied by the unvested RSUs.
- (5) Total does not include amounts earned or benefits accrued due to continued service by the NEO through December 31, 2018, such as vested options and RSUs. Total also does not include amounts the NEOs were eligible to receive under our annual bonus plan with respect to 2018 performance.
- (6) Upon the occurrence of a CIC transaction.
- (7) If, other than in connection with a CIC transaction, employment is terminated without cause or for good reason.
- (8) If, in connection with a CIC transaction or within twelve (12) months after a CIC transaction, a separation from service occurs.
- (9) The amounts in this table are as of December 31, 2018. Effective March 31, 2019, Mr. Kaufman is no longer an executive of the Company and has no on-going severance or CIC benefits.
- (10) Ms. Kowalski joined the Company in October 2018 and was not eligible for a 2018 bonus.

[Table of Contents](#)

Outstanding Equity Awards

The following table provides information regarding outstanding equity awards held by the NEOs as of December 31, 2018:

Name	Grant Date	Vesting Commencement Date	Options				RSUs	
			Number of Securities		Exercise Price	Expiration Date	Shares	Market Value (1)
			Underlying	Unexercised Options				
Lisa D. Earnhardt	1/17/2018	1/1/2018	27,271	91,729	\$ 33.95	1/16/2028	25,500	\$ 718,590
	1/18/2017	1/1/2017	25,750	131,250	13.05	1/17/2027	36,000	1,014,480
	1/15/2016	1/1/2016	164,063	60,937	18.90	1/14/2026	—	—
	1/21/2015	1/1/2015	146,875	3,125	21.06	1/20/2025	—	—
	4/23/2013	11/30/2013	54,349	—	1.20	4/22/2023	—	—
Jeryl L. Hilleman	1/17/2018	1/1/2018	11,229	37,771	33.95	1/16/2028	10,500	295,890
	1/18/2017	1/1/2017	28,876	36,458	13.05	1/17/2027	10,000	281,800
	1/15/2016	1/1/2016	54,688	20,312	18.90	1/14/2026	—	—
	1/21/2015	1/1/2015	48,958	1,042	21.06	1/20/2025	—	—
Richard E. Kaufman	1/17/2018	1/1/2018	6,417	21,583	33.95	1/16/2028	6,000	169,080
	1/18/2017	1/1/2017	13,125	21,875	13.05	1/17/2027	6,000	169,080
	1/15/2016	1/1/2016	36,458	13,542	18.90	1/14/2026	—	—
	1/21/2015	1/1/2015	24,479	521	21.06	1/20/2025	—	—
	4/23/2013	4/23/2013	14,250	—	1.20	4/22/2023	—	—
	4/23/2013	11/30/2013	14,250	—	1.20	4/22/2023	—	—
Christine R. Kowalski	11/1/2018	10/29/2018	—	80,000	29.28	10/31/2028	—	—
David A. Lehman	1/17/2018	1/1/2018	8,021	26,979	33.95	1/16/2028	7,500	211,350
	1/18/2017	1/1/2017	20,125	21,875	13.05	1/17/2027	6,000	169,080
	2/22/2016	2/22/2016	56,083	37,917	18.00	2/21/2026	—	—

(1) These awards were valued at \$28.18 per share subject to each RSU, the closing price of our common stock on December 31, 2018.

Option Exercises

The following table provides information regarding shares of our common stock acquired by the NEOs pursuant to exercises of stock options and vesting of RSUs during the fiscal year ended December 31, 2018:

Name	Options		Stock Awards	
	Shares Acquired on Exercise	Value Realized on Exercise (1)	Shares Acquired on Vesting	Value Realized on Vesting
Lisa D. Earnhardt	130,000	\$3,058,829	18,000	\$ 583,200
Jeryl L. Hilleman	102,666	2,464,978	5,000	162,000
Richard E. Kaufman	7,000	153,776	3,000	97,200
Christine R. Kowalski (2)	—	—	—	—
David A. Lehman	—	—	3,000	97,200

- (1) The value realized on exercise is calculated by multiplying the excess of the market price of our common stock at exercise over the exercise price for the stock options by the number of shares acquired upon exercise.
- (2) Ms. Kowalski joined the Company in October 2018 and did not exercise any options or vest in any RSUs during the fiscal year ended December 31, 2018.

Pay Ratio

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act and the related SEC rule, we are required to provide to our stockholders specified disclosure regarding the relationship of our CEO's total compensation to the total compensation of our median employee, referred to as "pay-ratio" disclosure.

[Table of Contents](#)

In accordance with SEC rules, we have identified the median employee as of November 1, 2018 by (i) aggregating for each applicable employee (a) annual base salary for salaried employees (or annual scheduled wages plus overtime for hourly employees), (b) the target incentive pay and/or commissions paid for fiscal year 2018, and (c) the estimated grant date fair value of any equity awards granted during fiscal year 2018, and (ii) ranking this compensation measure for our employees from lowest to highest. This calculation was performed for all employees, excluding Ms. Earnhardt, whether employed on a full-time, part-time or seasonal basis. In making this determination, we annualized the compensation of employees who were employed by the Company for less than the entire fiscal year. This compensation measure was consistently applied to all employees included in the calculation and reasonably reflects the annual compensation of employees. To determine our total population of employees as of November 1, 2018, we included all full-time, part-time and seasonal employees. This method of determining the median employee differs from the method disclosed to identify the median employee for 2017, in that we did not include the value of 401(k) matching contributions to determine the median employee for 2018. We determined that excluding 401(k) matching contributions from our median employee determination had no impact on the selection of the median employee, and reduced the time and resources required to produce this disclosure.

Because the SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices, the pay ratio reported by other companies may not be comparable to the pay ratio reported below, as other companies have different employee populations and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios, and therefore the estimated ratio reported should not be used as a basis for comparison between companies.

The intended purpose of this new disclosure is to provide a means for stockholders to better understand and assess each particular company's compensation practices and pay ratio disclosures. We believe our compensation philosophy and process yield an equitable result for all of our employees. During fiscal year 2018, the principal executive officer of Intersect ENT was our Chief Executive Officer, Ms. Earnhardt. For fiscal year 2018, the combined annual total compensation for Ms. Earnhardt was \$3,519,860, and for our median employee was \$183,131, resulting in a pay ratio of approximately 19 to 1. The pay ratio reported is a reasonable estimate prepared under applicable SEC rules based on the methodology described above and on our internal records. Neither the Compensation Committee nor our management used our CEO Pay Ratio measure in making compensation decisions.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table presents information as to the beneficial ownership of our common stock as of January 31, 2019, for:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each NEO;
- each of our directors; and
- all executive officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares beneficially owned, subject to community property laws where applicable. Common stock subject to options that are currently exercisable or exercisable within 60 days of January 31, 2019, are deemed to be outstanding and to be beneficially owned by the person holding the options for the purpose of computing the percentage ownership of that person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Percentages of beneficial ownership of our common stock in the table are based on 30,802,638 shares of common stock issued and outstanding on January 31, 2019. Unless otherwise indicated, the address of each of the individuals and entities named below is c/o Intersect ENT, Inc., 1555 Adams Drive, Menlo Park, California 94025:

Name of Beneficial Owners	Beneficial Ownership (1)			Percentage of Beneficial Ownership
	Shares Beneficially Owned	Shares Exercisable Within 60 days	Total Shares Beneficially Owned	
5% and Greater Shareholders:				
Wellington Management Goup LLP (2) c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210	3,008,862	—	3,008,862	9.8%
HealthCor Management, L.P. (3) 55 Hudson Yards, 28th Floor New York, NY 10001	2,490,110	—	2,490,110	8.1%
BlackRock Inc. (4) 55 East 52nd Street New York, NY 10055	2,461,086	—	2,461,086	8.0%
Deerfield Mgmt, L.P. (5) 780 Third Avenue, 37th Floor New York, NY 10017	2,078,375	—	2,078,375	6.7%
Invesco Ltd. (6) 1555 Peachtree Street NE, Suite 1800 Atlanta, GA 30309	1,753,846	—	1,753,846	5.7%
Integrated Core Strategies (US) LLC (7) c/o Millennium Management LLC 666 Fifth Avenue New York, New York 10103	1,637,358	—	1,637,358	5.3%

[Table of Contents](#)

Name of Beneficial Owners	Beneficial Ownership (1)			
	Shares Beneficially Owned	Shares Exercisable Within 60 days	Total Shares Beneficially Owned	Percentage of Beneficial Ownership
Directors and Executive Officers:				
Kieran T. Gallahue	10,546	58,867	69,413	*
Teresa L. Kline	—	11,952	11,952	*
Cynthia L. Lucchese	7,546	69,812	77,358	*
Dana G. Mead Jr.	12,053	46,140	58,193	*
Frederic H. Moll, M.D.	239,624	69,812	309,436	1.0%
W. Anthony Vernon	2,546	53,994	56,540	*
Lisa D. Earnhardt (8)	395,437	471,100	866,537	2.8%
Jeryl L. Hilleman	7,884	160,960	168,844	*
Richard E. Kaufman	78,280	119,500	197,780	*
Christine R. Kowalski (9)	—	—	—	—
David A. Lehman	4,795	98,771	103,566	*
All directors and executive officers as a group (14 persons) (10)	799,973	1,299,237	2,099,210	6.5%

* Represents beneficial ownership of less than one percent.

- (1) The percentages are based on 30,802,638 shares of common stock outstanding on January 31, 2019.
- (2) According to the Schedule 13G filed with the SEC on February 12, 2019, Wellington Management Group LLP, or Wellington, reported shares of common stock beneficially owned as of December 31, 2018 by each of Wellington, Wellington Group Holdings LLP, Wellington Investment Advisors Holdings LLP and Wellington Management Company LLP, and that these entities have shared voting power over 2,708,932 shares and shared dispositive power over 3,008,862 shares.
- (3) According to the Schedule 13G filed with the SEC on February 14, 2019, HealthCor Management LP, or HealthCor, reported shares of common stock beneficially owned as of December 31, 2018 by each of HealthCor, HealthCor Associates, LLC, HealthCor Offshore Masterfund, LP, HealthCor Offshore GP, LLC, Healthcor Group, LLC, Arthur Cohen, Joseph Healey, HealthCor Sanatate Offshore Master fund, LP and HealthCor Offshore II GP, LLC, and that these entities have shared voting power over 2,490,110 shares and shared dispositive power over 2,490,110 shares.
- (4) According to the Schedule 13G filed with the SEC on February 4, 2019, BlackRock Inc., or BlackRock, reported shares of common stock beneficially owned as of December 31, 2018 by each of BlackRock, BlackRock International Limited, BlackRock Advisors, LLC, BlackRock Investment Management (UK) Limited, BlackRock Asset Management Canada Limited, BlackRock (Netherlands) B.V., BlackRock Fund Advisors, BlackRock Asset Management Ireland Limited, BlackRock Institutional Trust Company, N.A., BlackRock Financial Management, Inc., BlackRock Japan Co., Ltd., BlackRock Asset Management Schweiz AG and BlackRock Investment Management, LLC, and that these entities have sole voting power over 2,336,759 shares and sole dispositive power over 2,461,086 shares.
- (5) According to the Schedule 13G filed with the SEC on February 12, 2019, Deerfield Management, LP, or Deerfield, reported shares of common stock beneficially owned as of December 31, 2018 by each of Deerfield, Deerfield Partners, LP and James E. Flynn and that these entities have shared voting power over 2,078,375 shares and shared dispositive power over 2,078,375 shares.
- (6) According to the Schedule 13G filed with the SEC on February 12, 2019, Invesco Ltd., or Invesco, reported shares of common stock beneficially owned as of December 31, 2018 by Invesco. Invesco is an investment advisor and parent company of Invesco Advisors, Inc. and Invesco Capital Management, LLC. Invesco has sole voting power over 1,728,677 shares and sole dispositive power over 1,753,846 shares.
- (7) According to the Schedule 13G filed with the SEC on February 7, 2019, Integrated Core Strategies LLC, or Integrated Core Strategies, reported shares of common stock beneficially owned as of December 31, 2018 by each of Integrated Core Strategies, Integrated Assets II LLC, ICS Opportunities, Ltd., Millenium International Management LP, Millenium Management LLC, Millenium Group Management LLC and Israel A. Englander and that these entities have shared voting power over 1,637,358 shares and shared dispositive power over 1,637,358 shares.

[Table of Contents](#)

- (8) Shares beneficially owned consist of (a) 369,255 shares of common stock held directly by Ms. Earnhardt and (b) 26,182 shares of common stock held by Ms. Earnhardt as custodian for her son.
- (9) Ms. Kowalski joined the Company in October 2018 and does not beneficially own any shares.
- (10) Consists of shares beneficially held by the current directors and executive officers.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the 1934 Act requires our directors and executive officers, and persons who own more than ten percent (10%) of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our Common Stock and other equity securities. Officers, directors and greater than ten percent (10%) stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required during the fiscal year ended December 31, 2018, all Section 16(a) filing requirements applicable to our reporting persons were made and made timely, with the exception of a Form 4 for Dana Mead reflecting an open market purchase of 3,811 shares of our common stock on August 6, 2018.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides certain information regarding our equity compensation plans in effect as of December 31, 2018:

Equity Compensation Plans	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights	Weighted-Average Exercise Price of Outstanding Options and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
	(a)	(b)	(c)
Approved by Stockholders (1)	4,037,961	\$ 20.84	4,552,303
Not Approved by Stockholders	—	—	—
	<u>4,037,961</u>	<u>20.84</u>	<u>4,552,303</u>

- (1) The weighted average exercise price does not include restricted stock units. The number of shares remaining available for future issuance includes 3,370,565 shares available under our 2014 Equity Incentive Plan, or 2014 Plan, and 1,181,738 shares available under our 2014 Employee Stock Purchase Plan, or 2014 ESPP.

The number of shares of common stock reserved for issuance under the 2014 Plan will automatically increase on January 1 of each year, beginning on January 1, 2015, and continuing through and including January 1, 2024, by 3% of the total number of shares of our capital stock outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our Board of Directors.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions since January 1, 2018, to which we have been a party, in which the amount involved exceeds \$120,000, and in which any of our directors, executive officers or beneficial holders of more than 5% of our common stock, or an affiliate or immediate family member thereof, had or will have a direct or indirect material interest:

Director and Executive Compensation Arrangements

Compensation arrangements for our directors and NEOs are described in this proxy statement under the sections titled “Compensation of Non-Employee Board Members” and “Executive Compensation.”

Indemnification Agreements

We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and certain employees. With certain exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys’ fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors’ and officers’ liability insurance.

Employment Arrangements

We have extended offer letters to our executive officers in connection with their employment as described in greater detail in the section of this proxy statement titled “Executive Compensation.”

Policies and Procedures for Related Party Transactions

Our Board of Directors has adopted a written related-person transaction policy setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy covers, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar or related transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds \$120,000 and a related person had or will have a direct or indirect material interest, including, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person.

In considering related-person transactions, our Audit Committee (or other independent body of our Board of Directors) will take into account the relevant available facts and circumstances including, but not limited to, the risks, costs and benefits to us, the terms of the transaction, the availability of other sources for comparable services or products and, if applicable the impact on a director’s independence in the event that the related person is a director, immediate family member of a director or an entity with which a director is affiliated.

CERTAIN MATTERS RELATING TO PROXY MATERIALS AND AVAILABLE INFORMATION

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for proxy materials and annual reports with respect to two or more stockholders sharing the same address by delivering a single set of proxy materials addressed to those stockholders. This process, which is commonly referred to as “householding,” potentially means extra convenience for stockholders and cost savings for companies.

[Table of Contents](#)

This year, a number of brokers with account holders who are Intersect ENT stockholders will be “householding” our proxy materials, including the Notice. A single Notice and, if applicable, a single set of proxy materials will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that it will be “householding” communications to your address, “householding” will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in “householding” and would prefer to receive a separate Notice and, if applicable, other proxy materials, please notify your broker, or if you are holding a physical stock certificate, direct your written or oral request to Computershare, Inc., P.O. Box 505000, Louisville, KY 40233, telephone number 800-736-3001. You may also direct a written or oral request for the separate Notice and, if applicable, other proxy materials to: Intersect ENT, Inc., Attn: Investor Relations, 1555 Adams Drive, Menlo Park, CA 94025, telephone number (650) 641-2105. Upon receipt of a written or oral request as set forth above, we will promptly deliver to you a separate Notice and if applicable, other proxy materials. Stockholders who currently receive multiple copies of the Notice and, if applicable, other proxy materials at their address and would like to request “householding” of their communications should contact their broker or Computershare Investor Services.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the annual meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

/s/ David A. Lehman
David A. Lehman
Secretary

April 23, 2019

A copy of Intersect ENT’s Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2018, is available without charge upon written request to: Intersect ENT, Inc., Attn: Investor Relations, 1555 Adams Drive, Menlo Park, CA 94025

**INTERSECT ENT, INC.
ATTN: INVESTOR RELATIONS
1555 ADAMS DRIVE
MENLO PARK, CA 94025**

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E74346-P18489

KEEP THIS PORTION FOR YOUR RECORDS

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

DETACH AND RETURN THIS PORTION ONLY

<p>INTERSECT ENT, INC. The Board of Directors recommends you vote "FOR ALL" of the nominees for director in proposal 1.</p> <p>1. Election of Directors. Nominees:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">01) Kieran T. Gallahue</td> <td style="width: 50%;">05) Dana G. Mead, Jr.</td> </tr> <tr> <td>02) Lisa D. Eamhardt</td> <td>06) Frederic H. Moll, M.D.</td> </tr> <tr> <td>03) Teresa L. Kline</td> <td>07) W. Anthony Vernon</td> </tr> <tr> <td>04) Cynthia L. Lucchese</td> <td></td> </tr> </table>	01) Kieran T. Gallahue	05) Dana G. Mead, Jr.	02) Lisa D. Eamhardt	06) Frederic H. Moll, M.D.	03) Teresa L. Kline	07) W. Anthony Vernon	04) Cynthia L. Lucchese		<p>For All</p> <p>Withhold All</p> <p>For All Except</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p>To withhold authority to vote for any individual nominee(s), mark "For All Except" and write the number(s) of the nominee(s) on the line below.</p> <p>_____</p>
01) Kieran T. Gallahue	05) Dana G. Mead, Jr.										
02) Lisa D. Eamhardt	06) Frederic H. Moll, M.D.										
03) Teresa L. Kline	07) W. Anthony Vernon										
04) Cynthia L. Lucchese											
<p>The Board of Directors recommends you vote "FOR" proposals 2 and 3.</p>											
	For	Against	Abstain								
<p>2. To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2019.</p> <p>3. To provide an advisory vote on executive compensation, as described in the Proxy Statement accompanying this Proxy Card.</p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>	<p><input type="checkbox"/></p> <p><input type="checkbox"/></p>								
<p>NOTE: To transact such other business as may properly come before the meeting or any adjournment thereof.</p>											
<p>Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.</p>											
Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date								

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

E74347-P18489

**INTERSECT ENT, INC.
Annual Meeting of Stockholders
June 4, 2019 9:00 AM PDT
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoint(s) Lisa D. Earnhardt and Jeryl L. Hilleman, or either of them, as proxies, each with the power to appoint their substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of common stock of INTERSECT ENT, INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 9:00 AM, PDT on June 4, 2019, at our corporate headquarters located at 1555 Adams Drive, Menlo Park, California 94025, and any adjournment or postponement thereof.

This proxy, when properly executed, will be voted in the manner directed herein. If no such direction is made, this proxy will be voted in accordance with the Board of Directors' recommendations.

Continued and to be signed on reverse side