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

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**SCHEDULE 14A**

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

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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:

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- 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:

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**INVITATION TO 2017 ANNUAL MEETING OF STOCKHOLDERS**

**DATE: Thursday, June 1, 2017**

**TIME: 9:00 a.m.**

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

April 19, 2017

Dear Stockholders:

Please join me at the Annual Meeting of Stockholders of Intersect ENT, Inc. on June 1, 2017. At the annual meeting, we will ask you to:

- (i) elect the Board's nominees Kieran T. Gallahue, Cynthia L. Lucchese, Dana G. Mead, Jr., Frederic H. Moll, M.D., Casey M. Tansey, W. Anthony Vernon and myself as directors of Intersect ENT to serve until the next annual meeting and their successors are duly elected and qualified;
- (ii) ratify the selection by the audit committee and the Board of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2017;
- (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. Eamhardt  
*President and Chief Executive Officer*

INTERSECT ENT, INC.

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 1, 2017**

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 Thursday, June 1, 2017, 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 and 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, 2017.
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 6, 2017. 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 19, 2016

**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.**

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[Table of Contents](#)

TABLE OF CONTENTS

	<u>Page</u>
<a href="#">Questions and Answers about these Proxy Materials and Voting</a>	1
<a href="#">Proposal 1 — Election of Directors</a>	6
<a href="#">Corporate Governance</a>	9
<a href="#">Board Committees and Meetings</a>	10
<a href="#">Report of the Audit Committee</a>	11
<a href="#">Compensation Committee Interlocks and Insider Participation</a>	15
<a href="#">Stockholder Communications with the Board of Directors</a>	16
<a href="#">Compensation of Non-Employee Board Members</a>	16
<a href="#">Proposal 2 — Ratification of Selection of Independent Registered Public Accounting Firm</a>	18
<a href="#">Principal Accountant Fees and Services</a>	18
<a href="#">Proposal 3 — Advisory Vote on Executive Compensation</a>	20
<a href="#">Management</a>	22
<a href="#">Executive Compensation</a>	22
<a href="#">Compensation Discussion and Analysis</a>	22
<a href="#">Security Ownership of Certain Beneficial Owners and Management</a>	41
<a href="#">Section 16(a) Beneficial Ownership Reporting Compliance</a>	43
<a href="#">Securities Authorized for Issuance under Equity Compensation Plans</a>	43
<a href="#">Certain Relationships and Related Party Transactions</a>	44
<a href="#">Certain Matters Relating to Proxy Materials And Available Information</a>	44
<a href="#">Other Matters</a>	45

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**INTERSECT ENT, INC.**

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**PROXY STATEMENT  
FOR ANNUAL MEETING OF STOCKHOLDERS  
TO BE HELD ON JUNE 1, 2017**

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**QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING**

**Why are these materials being made available to me?**

Intersect ENT, Inc. is making these proxy materials available to you because our Board of Directors is soliciting your proxy to vote at our 2017 annual meeting of stockholders to be held on Thursday, June 1, 2017 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 <http://propelopens.com/company/contact-us/>. 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 19, 2017. 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, 2017; 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 6, 2017, will be entitled to vote at the annual meeting. On this record date, there were 28,758,347 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.

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[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 28,758,347 shares outstanding and entitled to vote. Thus 14,379,174 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 6, 2017, 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 6, 2017, 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 matters 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](http://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 May 31, 2017, 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.**

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[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 6, 2017.

**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 6, 2017, 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.

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[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?**

To be considered for inclusion in the proxy materials for our 2018 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 20, 2017; 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

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[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 2018 annual meeting must do so no earlier than the close of business on February 1, 2018, and no later than the close of business on March 2, 2018; 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

**PROPOSAL 1**  
**ELECTION OF DIRECTORS**

Our Board of Directors currently consists of seven directors: Kieran T. Gallahue, Lisa D. Earnhardt, Cynthia L. Lucchese, Dana G. Mead, Jr., Frederic H. Moll, M.D., Casey M. Tansey 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 and until his or her successor is elected, or if 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)	53	Lead Director
Lisa D. Earnhardt	47	President, Chief Executive Officer and Director
Cynthia L. Lucchese (1c)(3)	56	Director
Dana G. Mead, Jr. (1)(2c)	57	Director
Frederic H. Moll, M.D. (3)	65	Director
Casey M. Tansey (2)	59	Director
W. Anthony Vernon (2)(3c)	61	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. Since February 2015, Mr. Gallahue has also served as a member of the Board of Directors of Edwards Lifesciences Corporation, a cardiovascular device company. 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.

**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 &

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## [Table of Contents](#)

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. 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 has been Chief Executive Officer and Chairman of Auris Surgical Robotics, Inc. since August 2012 and June 2011, respectively. Dr. Moll has served on the Board of Directors of Biolase, Inc., a dental laser company, since June 2013, 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.

**Casey M. Tansey** has served as a member of our Board of Directors since March 2006. Mr. Tansey has served as a General Partner of U.S. Venture Partners since April 2005. Mr. Tansey served as President and Chief Executive Officer of Epicor Medical, Inc. from 2001 to 2004. We believe Mr. Tansey's experience in the industry and his knowledge of our company enables 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 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 NovoCure Ltd., a medical device company, since 2006 and of Axovant Sciences Ltd., a clinical-stage biopharmaceutical company, since April 2017, and was a member of the Board of Directors of Medivation, Inc., a biopharmaceutical company, from July 2006 until October 2016, of 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.

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[Table of Contents](#)

**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 all of our Board of Directors except Ms. Eamhardt do 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.

**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.

**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 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 Governance Committee are also required to each conduct an annual self-evaluation. The Nominating and Governance Committee is responsible for overseeing this self-evaluation process. The Board, Audit Committee, Compensation Committee and Nominating and Governance Committee each conducted an annual self-evaluation process during 2016.

### 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

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## [Table of Contents](#)

compliance activities except as related to healthcare compliance. The Committee discusses our major 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**

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](http://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](http://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, 2016, our Board of Directors held twelve meetings. Our audit committee met ten times, our compensation committee met eight times, and the nominating and corporate governance committee met four times during 2016. 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. 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

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## [Table of Contents](#)

“audit committee financial expert” as that term is defined under the SEC rules implementing Section 407 of the 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](http://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
- approving (or, as permitted, 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 the adequacy of its charter on an annual basis. The audit committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2016 with management of our company. The audit

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## [Table of Contents](#)

committee has discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 16, *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 as required by Rule 3526, *Communication with Audit Committees Concerning Independence*, of the PCAOB, 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, 2016.

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., Casey M. Tansey 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](http://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.

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## [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](http://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

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## [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;

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## [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, Mr. Tansey 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 \$35,000 and our lead director received an additional annual retainer of \$25,000. Beginning on January 1, 2017, the annual directors and lead director retainers will each increase by \$5,000. 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 was granted an annual stock option for 12,500 shares at each annual stockholders' meeting, provided the non-employee director has served since March 1<sup>st</sup> of the year the annual meeting was held and continued to serve. As of January 1, 2017, the annual non-employee directors' equity grant will be for a fair value of \$120,000, consisting of an equal amount of stock options and RSUs. The annual stock options will have an exercise price equal to the fair market value of our common stock on the date of grant and will vest monthly over one year from the date of grant. The RSUs will cliff vest 100%, one year from the date of grant. New non-employee directors received an initial stock option grant for 25,000 shares of common stock. As of January 1, 2017, the initial stock option grant will be for a fair value of \$180,000. The initial grant will have an exercise price equal to the fair market value of our common stock on the date of grant and will 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 will 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 will vest monthly over one year from the beginning of the year. The option will be 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 will not be 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.

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[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, 2016:

<u>Name</u>	<u>Fees Earned or Paid in Cash (1)</u>	<u>Options Granted (2)</u>	<u>Total</u>
Kieran T. Gallahue	\$ 70,000	\$ 70,492	\$140,492
Cynthia L. Lucchese	60,000	70,492	130,492
Dana G. Mead, Jr.	60,000	70,492	130,492
Frederic H. Moll, M.D.	40,000	70,492	110,492
Casey M. Tansey	42,500	70,492	112,992
W. Anthony Vernon	52,500	70,492	122,992

- (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 7 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016. Represents an option to purchase 12,500 shares of our common stock that was granted to each director on June 2, 2016 under our 2014 Equity Incentive Plan.

**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, 2017, and has further directed us to submit the selection of this firm for ratification by the stockholders at the annual meeting. Ernst & Young LLP has audited our financial statements since our fiscal year ended December 31, 2003. 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 for professional services rendered by our principal accountants, Ernst & Young LLP (in thousands):

Fees	Fiscal Years Ended December 31,	
	2016	2015
Audit (1)	\$1,106	\$1,226
Audit-Related	—	—
Tax	—	—
All Other (2)	2	2
	<u>\$1,108</u>	<u>\$1,228</u>

- (1) The Audit fees consist of professional services in connection with the audit of our annual financial statements, including 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 statement related to additional shares authorized for issuance under our 2014 Equity Incentive Plan, including delivery of consent and review of documents. In addition, fees in the fiscal year ended December 31, 2015 included professional services rendered in connection with our Form S-1 registration statements related to our follow-on offering of common stock completed in June 2015, including delivery of comfort letters, consents and review of documents filed with the SEC.
- (2) The All Other fees consist of a subscription to Ernst & Young Online, a proprietary knowledge management and research system.

All fees described above were pre-approved by the audit committee.

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[Table of Contents](#)

**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 & Young LLP. During the fiscal years ended 2016 and 2015, 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, 2016, is consistent with significant business achievements and financial performance.

In the fiscal year ended December 31, 2016, we achieved several positive business results including:

- Annual revenues of \$78.7 million, up 28% year over year;
- Gross Margins of 83% compared with 80% in 2015;
- Over 150,000 patients treated since our commercial launch in 2011; and
- Growth of our sales force to over 100 field representatives nationwide.

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

- Receipt of approval from the U.S. Food and Drug Administration, or FDA, to expand the indication of the PROPEL® Mini steroid releasing implant for the treatment of patients following frontal sinus surgery;
- Report of positive results of the second cohort of the PROGRESS study, an 80 patient, prospective, randomized, blinded, multi-center trial to assess the safety and efficacy of our investigational PROPEL Contour, a bioabsorbable steroid releasing sinus implant, when placed in the frontal sinuses following opening of the sinus, and subsequent submission of a supplemental premarket approval submission, or PMA-s, to the FDA seeking approval of this product for the treatment of patients with chronic sinusitis, for which we received FDA approval to market PROPEL Contour in February 2017;
- Report of positive results from RESOLVE II, a 300 patient, randomized, blinded, multi-center clinical trial designed to assess the safety and efficacy of our investigational RESOLVE steroid releasing implant, that met both primary efficacy endpoints, reduction in nasal congestion and polyp burden; and
- Work in process to prepare the FDA New Drug Approval, or NDA, submission for RESOLVE, which we submitted in March 2017.

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.

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[Table of Contents](#)

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 the Company approve, on an advisory basis, the compensation of the Company’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	47	President, Chief Executive Officer and Director
Jeryl L. Hilleman	59	Chief Financial Officer
Gwen R. Carscadden	55	Chief People Officer
Richard E. Kaufman	55	Senior Vice President, Chief Operating Officer
David A. Lehman	56	General Counsel

### 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., or Amyris, a multinational, renewable products company based in California and Brazil, where she was responsible for managing Amyris’ financial and accounting operations. 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.

**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** has served as our Senior Vice President of R&D and Operations and Chief Operating Officer since January 2007.

**David A. Lehman** has served as our General Counsel since February 2016. From May 2003 to October 2015, Mr. Lehman served most recently as Senior Vice President, General Counsel and Secretary of Thoratec Corporation, or Thoratec, a mechanical circulatory support company, where he was responsible for managing Thoratec’s internal legal and healthcare compliance functions.

## 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, 2016, as well as two additional individuals who served as executive officers during the year, referred to as the Named Executive Officers, or NEOs. For 2016, those NEOs were:

- Lisa D. Earnhardt, President and Chief Executive Officer;

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## [Table of Contents](#)

- Jeryl L. Hilleman, Chief Financial Officer;
- Gwen R. Carscadden, Chief People Officer;
- Richard E. Kaufman, Senior Vice President, Chief Operating Officer;
- David A. Lehman, General Counsel;
- James W. Stambaugh, our Vice President, Clinical Affairs, who was deemed to no longer be an executive officer in 2016; and
- Charles S. McKhann, former Chief Commercial Officer, resigned in July 2016.

### ***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.

### ***2016 Business Highlights***

Our mission is to provide solutions to improve the quality of life for patients with ear, nose and throat, or ENT, conditions. Our drug releasing bioabsorbable implant technology enables targeted and sustained release of therapeutic agents. Our currently approved products, PROPEL and PROPEL mini, and subsequently PROPEL Contour in February 2017, are designed to allow ENT physicians to improve patient care for patients undergoing sinus surgery. Through our approved and in-development products, we aspire to deliver treatments to address a spectrum of needs among the estimated 3.5 million U.S. patients who are managed by ENT physicians for chronic sinusitis. Chronic sinusitis is one of the most prevalent chronic diseases in the U.S. and one of the most costly conditions for U.S. employers.

Our 2016 performance highlights includes the following achievements:

- Annual revenues of \$78.7 million, up 28% year over year;
- Gross Margins of 83% compared with 80% in 2015;
- Over 150,000 patients treated since our commercial launch in 2011; and
- Growth of our sales force to over 100 field representatives nationwide.

In addition, we continued to drive innovation by advancing our clinical pipeline. Our 2016 milestones included:

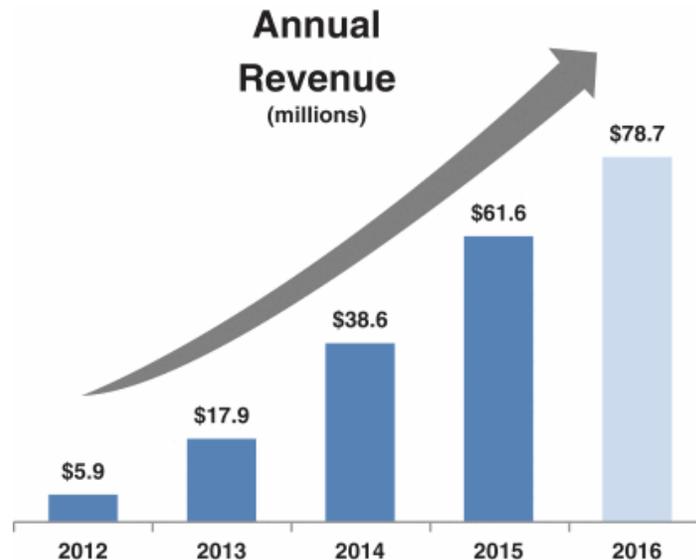
- Receipt of approval from the U.S. Food and Drug Administration, or FDA, to expand the indication of the PROPEL® Mini steroid releasing implant for the treatment of patients following frontal sinus surgery;
- Report of positive results of the second cohort of the PROGRESS study, an 80 patient, prospective, randomized, blinded, multi-center trial to assess the safety and efficacy of our investigational PROPEL Contour, a bioabsorbable steroid releasing sinus implant, when placed in the frontal sinuses following opening of the sinus, and subsequent submission of a supplemental premarket approval submission, or PMA-s, to the FDA seeking approval of this product for the treatment of patients with chronic sinusitis, for which we received FDA approval to market PROPEL Contour in February 2017;

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[Table of Contents](#)

- Report of positive results from RESOLVE II, a 300 patient, randomized, blinded, multi-center clinical trial designed to assess the safety and efficacy of our investigational RESOLVE steroid releasing implant, that met both primary efficacy endpoints, reduction in nasal congestion and polyp burden; and
- Work in process to prepare the FDA New Drug Approval, or NDA, submission for RESOLVE, which we submitted in March 2017.

The following chart shows the top line revenue growth we have achieved since fiscal 2012:



***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 2016 compensation actions and decisions reflect our financial results and business performance, and our executive officers' accomplishments that helped achieve these results and performance.

**Discussion of our 2016 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 2016.

The compensation provided to our NEOs for 2016 is set forth in detail in the Summary Compensation Table and other tables following this section as well as in the accompanying footnotes and narratives relating to those tables. This section also discusses our executive compensation philosophy, objectives and design and how and why the Compensation Committee of our Board of Directors arrived at the specific compensation policies and decisions involving our executive team, including our NEOs, during 2016.

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## [Table of Contents](#)

### ***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 is 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
- 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 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. We use peer group compensation data to aide our Compensation Committee's assessment of executive officer compensation.

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;

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## [Table of Contents](#)

- 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, to review and assess our current executive employee compensation practices relative to market compensation practices. For additional information on Radford’s engagement, 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 management assists the Compensation Committee by providing information on corporate and individual performance and management’s perspective and recommendations on compensation matters. Ms. Earnhardt makes recommendations 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. Our Compensation Committee engaged Radford to review our executive compensation policies and practices and to conduct an executive compensation market analysis. For 2016, 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

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## [Table of Contents](#)

- assisting in the risk assessment of our compensation program.

During 2016, 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, 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.

### ***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 2016 compensation decisions, which consists of 22 companies that operate in the medical device, drug delivery and diagnostics industries. In general, these companies had commercial product revenue of less than \$200 million and market capitalization from \$200 million to \$2 billion. Our peer group for 2015 consisted of 21 companies meeting the same criteria except that they had commercial product revenue of less than \$150 million and market capitalization from \$100 million to \$800 million. The Compensation Committee changed these metrics to better align with our market capitalization and the companies with whom we compete for employees. As a result, the Compensation Committee added Entellus Medical, Nevro and Ocular Therapeutics to the peer group and removed Hansen Medical and TriVascular Technologies from the peer group. The 2016 peer group comprised the following companies:

AtriCure	GenMark Diagnostics	Spectranetics
Cardiovascular Systems	Inogen	STAAR Surgical Company
Cerus Corporation	LDR Holding	SurModics
Cutera	LeMaitre Vascular	Tandem Diabetes Care
DURECT	Nevro	Vascular Solutions
Endologix	Ocular Therapeutix	Veracyte
Entellus Medical	Revanche Therapeutics	ZELTIQ Aesthetics
Foundation Medicine		

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 2016 Compensation**

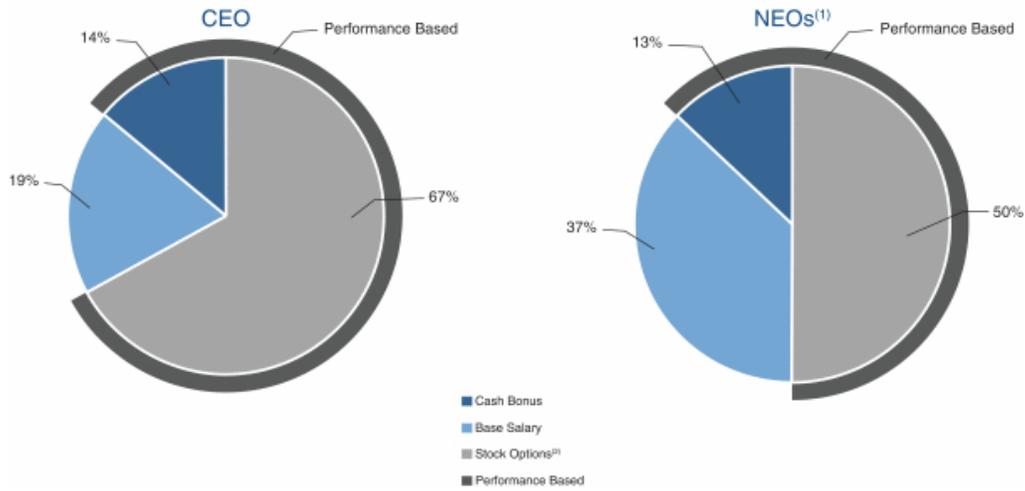
Our executive compensation program consists of the following primary components:

- 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 program 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 2016:



(1) Excludes CEO as well as Ms. Carscadden and Mr. Lehman who joined the company in 2016, and Mr. McKhann who resigned from the company in 2016.

(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.

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[Table of Contents](#)

**2016 Base Salaries**

At the beginning of 2016, our Compensation Committee reviewed and revised the base salaries of all of our NEOs. These changes were made in consultation with Ms. Earnhardt, other than with respect to her own salary, and after consideration of peer group data provided by Radford, an independent compensation consulting firm, as well as the long-term equity compensation and existing equity holdings of each NEO at that time. The table below sets forth the annual base salaries for our NEOs for 2016. Based on the recommendation from Radford, the Compensation Committee determined to adjust Ms. Earnhardt's, Mr. Kaufman's and Mr. Stambaugh's base salary, which were significantly below the 50<sup>th</sup> percentile for their respective positions, to align with the 50<sup>th</sup> percentile for their respective positions.

<u>Name</u>	<u>2016 Base Salary</u>	<u>Increase</u>
Lisa D. Earnhardt	\$ 525,000	22.1%
Jeryl L. Hilleman	355,500	3.0
Gwen R. Carscadden (1)	267,500	N/A
Richard E. Kaufman	331,300	6.0
David A. Lehman (1)	340,000	N/A
James W. Stambaugh	280,200	10.0
Charles S. McKhann (2)	329,600	3.0

(1) Joined the company in 2016.

(2) Resigned from the company in 2016.

**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 on achievement against corporate performance objectives.

At the end of 2015, our Board of Directors approved our 2016 operating plan, which included performance objectives that our Compensation Committee used to design our NEOs' cash bonus opportunity for 2016. 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. Earnhardt and our other NEOs to further grow and develop our business, established financial and clinical milestone objectives for 2016 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.

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[Table of Contents](#)**2016 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. At the beginning of 2016, our Compensation Committee, while taking the Radford market data into consideration increased the target bonus opportunity for Ms. Earnhardt, our CEO consistent with our compensation objectives. For 2016, the Compensation Committee sought to set the target bonus opportunity for our NEOs at or within ten percentage points of the 50<sup>th</sup> 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:

Name	2016 Target Bonus		2015 Target Bonus
	Annual Cash	Percent of Salary	Percent of Salary
Lisa D. Earnhardt	\$393,750	75.0%	50.0%
Jeryl L. Hilleman	142,200	40.0	40.0
Gwen R. Carscadden (1)	48,092	35.0	N/A
Richard E. Kaufman	115,955	35.0	35.0
David A. Lehman (1)	116,678	40.0	N/A
James W. Stambaugh	98,070	35.0	35.0
Charles S. McKhann (2)	131,840	40.0	40.0

- (1) Annual cash target bonus is prorated from date of hire in 2016.  
(2) Due to Mr. McKhann's resignation in 2016, he did not receive a bonus.

For 2016, we established goals regarding revenue (40% of target bonus), other financial performance measures (15% of target bonus), meeting primary endpoints in the RESOLVE II study and achieving a milestone in the preparation of the NDA submission for RESOLVE (30% of target bonus) and submission of the PMA-s to seek FDA approval of PROPEL Contour (15% of target bonus). Most of these targets had a minimum threshold below which a reduced bonus could not be earned for this component. Most components also had upside recognition, with the bonus increasing with overachievement. The target levels for the components were set to be aggressive, yet achievable with diligent effort.

Following the close of 2016, the Compensation Committee reviewed our performance against the goals set at the beginning of the year and determined that we had achieved 98.3% 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
PROPEL Sales	79.5%	31.8%
Other financial performance	116.7	17.5
RESOLVE II trial targets	106.7	32.0
PROPEL Contour PMA-s	113.3	17.0
		<u>98.3%</u>

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## [Table of Contents](#)

The chart below summarizes the total amount of cash bonuses awarded to our NEOs for 2016 performance, relative to the target award opportunity established for each executive officer at the beginning of the year.

Name	2016 Annual Cash Bonus	
	Target	Earned
Lisa D. Earnhardt	\$ 393,750	\$ 385,988
Jeryl L. Hilleman	142,200	139,725
Gwen R. Carscadden (1)	48,092	44,602
Richard E. Kaufman	115,955	113,885
David A. Lehman (1)	116,678	109,013
James W. Stambaugh	98,070	96,274
Charles S. McKhann (2)	131,840	—

(1) Annual cash bonus is prorated from date of hire in 2016.

(2) Due to Mr. McKhann's resignation in 2016, he did not receive a 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 of our other employees. We believe that the use of stock-based awards, the value of which depends on our stock performance, is an important tool to achieve strong long-term performance. Since our IPO in 2014 and through the end of 2016, the only equity awards we have granted to our executive officers are stock options, which vest over four years. In 2017, we began granting a combination of stock options and restricted stock units to be consistent with market practice and to attract and retain top talent. We believe stock options and restricted stock units 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 retain our highly sought after NEOs since the value of the awards is delivered to our NEOs over a four-year period subject to continued service with us and will only have value if the stock price increases.

The value of the stock option awarded to each NEO in 2016 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. 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. The Compensation Committee believes that these goals serve to attract and retain top talent and at the same time provide that a significant proportion of our executives' compensation is aligned with the incentives of our stockholders.

After its analysis and review of these factors, our Compensation Committee approved grants of stock options to our NEOs for 2016 as set forth in the table below.

Name	2016 Stock Options Granted
	225,000
Lisa D. Earnhardt	75,000
Jeryl L. Hilleman	50,000
Gwen R. Carscadden (1)	50,000
Richard E. Kaufman	130,000
David A. Lehman (1)	35,000
James W. Stambaugh	55,000
Charles S. McKhann	

(1) Ms. Carscadden and Mr. Lehman's option awards were awards associated with their joining the company.

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[Table of Contents](#)

***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. 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, and transactions involving derivative securities relating to our common stock.

***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, and 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 have considered, but have not adopted, stock ownership guidelines for our NEOs or our directors, and this is consistent with the practice of a majority of our peer group companies. We do expect to consider adopting stock ownership guidelines again in the future.

***Compensation Recovery 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 its chief executive officer and the three other most highly paid executive officers, other than the chief financial officer, to \$1.0 million per executive per year, unless specified requirements are met. Under a transition rule that applies to newly-public companies, we are currently exempt from this limitation and expect to continue to be exempt until our 2018 annual meeting. As a result, our Compensation Committee did not consider the impact of Code Section 162(m) on compensation granted to our executive officers during 2016, including the NEOs, but it expects to do so in the future.

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## [Table of Contents](#)

### ***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.

### ***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 2016, 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 that 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 ends 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.

### ***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, 2016.

Mr. Dana G. Mead, Jr. (Chair)  
Mr. Casey M. Tansey  
Mr. W. Anthony Vernon

[Table of Contents](#)

**Summary Compensation Table**

The following table provides certain information concerning the compensation earned by each of the following individuals (the “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, 2016, as well as two additional individuals who served as executive officers during the year ended December 31, 2016:

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Stock Options (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>	2016	\$523,551	\$ —	\$1,861,256	\$ 385,988	\$ 2,030 (3)	\$2,772,825
	2015	442,436	—	1,498,469	229,845	1,559	2,172,309
	2014	332,447	—	—	122,989	505,494	960,930
Jeryl L. Hilleman <i>Chief Financial Officer</i>	2016	355,354	—	620,419	139,725	3,486 (4)	1,118,984
	2015	357,882	—	499,490	148,736	3,011	1,009,119
	2014	177,810	25,000	1,075,568	46,986	1,872	1,327,236
Gwen R. Carscadden (8) <i>Chief People Officer</i>	2016	129,639	—	263,265	44,602	1,296 (5)	438,802
Richard E. Kaufman <i>Senior Vice President and Chief Operating Officer</i>	2016	331,013	—	413,612	113,885	1,500 (5)	860,010
	2015	324,086	—	249,745	117,854	1,125	692,810
	2014	290,230	—	—	76,693	100,000	466,923
David A. Lehman (8) <i>General Counsel</i>	2016	277,245	—	1,021,086	109,013	1,500 (5)	1,408,844
James W. Stambaugh <i>Vice President, Clinical Affairs</i>	2016	279,825	—	289,529	96,274	1,761 (6)	667,389
	2015	263,655	—	249,745	95,878	1,362	610,640
	2014	227,201	—	—	60,038	221	287,460
Charles S. McKhann (9) <i>Chief Commercial Officer</i>	2016	218,588	—	454,974	—	64,970 (7)	738,532
	2015	289,238	30,000	1,006,209	120,207	92,485	1,538,139

- (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 7 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.
- (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) \$1,500 for 401(k) plan matching contribution and (b) \$530 for life insurance premiums paid by us.
- (4) Consists of (a) \$1,500 for 401(k) plan matching contribution and (b) \$1,986 for life insurance premiums paid by us.
- (5) Represents 401(k) plan matching contribution paid by us.
- (6) Consists of (a) \$1,500 for 401(k) plan matching contribution and (b) \$261 for life insurance premiums paid by us.
- (7) Consists of (a) \$1,500 for 401(k) plan matching contribution and (b) \$63,470 for long distance commuting reimbursements paid by us.
- (8) Joined the company in 2016.
- (9) Resigned from the company in 2016.

## [Table of Contents](#)

### 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, 2016:

Name	Grant Date	Estimated Future Payouts of Non-Equity Incentive Plan (1)			All Other Stock Options (2)	Exercise Price	Grant Date Fair Value (3)
		Threshold	Target	Maximum			
Lisa D. Earnhardt	1/15/2016	\$ —	\$393,750	\$ —	225,000	\$ 18.90	\$ 1,861,256
Jeryl L. Hilleman	1/15/2016	—	142,200	—	75,000	18.90	620,419
Gwen R. Carscadden (4)	6/27/2016	—	48,092	—	50,000	12.19	263,265
Richard E. Kaufman	1/15/2016	—	115,955	—	50,000	18.90	413,612
David A. Lehman (4)	2/22/2016	—	116,678	—	130,000	18.00	1,021,086
James W. Stambaugh	1/15/2016	—	98,070	—	35,000	18.90	289,529
Charles S. McKhann (5)	1/15/2016	—	131,840	—	55,000	18.90	454,974

- (1) The target incentive plan amounts represent the payouts that would have occurred based on the 100% achievement of 2016 performance goals. No minimum threshold amount or maximum amount beyond the target amount 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, 2016 in equal monthly installments over four years, except for Ms. Carscadden and Mr. Lehman’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 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 7 to our financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.
- (4) Target incentive plan amounts are prorated from date of hire in 2016.
- (5) Due to Mr. McKhann’s resignation in 2016, he did not receive a bonus and his options have expired.

### 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

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[Table of Contents](#)

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. Eamhardt shall accelerate in full.

***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.

***Gwen R. Carscadden***

In June 2016, we extended an offer letter to Ms. Carscadden to be our Chief People Officer. Pursuant to her offer letter, if Ms. Carscadden’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. Carscadden’s employment is terminated without “cause” or she resigns for “good reason,” in connection with or following a CIC, the vesting of all outstanding options held by Ms. Carscadden 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.

***Richard E. Kaufman***

In December 2006, we extended an offer letter to Mr. Kaufman to be our Vice President and Chief Operating Officer. The letter was subsequently amended in November 2013. Pursuant to his offer letter, as amended, upon the occurrence of a CIC, all outstanding stock options held by Mr. Kaufman shall be accelerated such that 50% of the unvested shares shall be fully vested. In addition, if, within 12 months following a CIC, Mr. Kaufman’s employment is terminated without “cause” or he resigns for “good reason,” and provided such termination is in connection with such CIC and constitutes a “separation from service,” (1) all unvested shares subject to his outstanding options shall accelerate in full, (2) he shall receive a prorated, lump sum payment equal to his annual target bonus and (3) he shall receive six months of his base salary, to be paid monthly. This letter was again amended in January 2015, pursuant to which Mr. Kaufman will also be entitled to six months of COBRA reimbursement if, within 12 months after a CIC, his employment is terminated by the company without “cause” or he resigns for “good reason.” If, other than in connection with a CIC, Mr. Kaufman’s employment is terminated by the company without “cause” or he resigns for “good reason,” he will also be entitled to six months of salary continuation and six months of COBRA reimbursement.

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[Table of Contents](#)

***James W. Stambaugh***

In September 2006, we extended an offer letter to Mr. Stambaugh to be our Vice President of Clinical and Regulatory Affairs. The letter was subsequently amended in November 2013. Pursuant to his offer letter, as amended, upon the occurrence of a CIC, all outstanding stock options held by Mr. Stambaugh shall be accelerated such that 50% of the unvested shares shall be fully vested. In addition, if, within 12 months following a CIC, Mr. Stambaugh's employment is terminated without "cause" or he resigns for "good reason," and provided such termination is in connection with such CIC and constitutes a "separation from service," (1) all unvested shares subject to his outstanding options shall accelerate in full, (2) he shall receive a prorated, lump sum payment equal to his annual target bonus and (3) he shall receive six months of his base salary, to be paid monthly. This letter was again amended in January 2015, pursuant to which Mr. Stambaugh will also be entitled to six months of COBRA reimbursement if, within 12 months after a CIC, his employment is terminated by the company without "cause" or he resigns for "good reason." If, other than in connection with a CIC, Mr. Stambaugh's employment is terminated by the company without "cause" or he resigns for "good reason," he will also be entitled to six months of salary continuation and six months of COBRA reimbursement.

***Charles S. McKhann***

In January 2015, we extended an offer letter to Mr. McKhann to be our Chief Commercial Officer. Pursuant to his offer letter, if Mr. McKhann'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. McKhann 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, 2016:

Name	Event	Salary Continuation (1)	Maximum Bonus (2)	COBRA Reimbursement (3)	Option Acceleration (4)	Total (5)
Lisa D. Earnhardt	At CIC (6)	\$ —	\$ —	\$ —	\$ 528,657	\$ 528,657
	Qualified termination (7)	525,000	393,750	22,743	528,657	1,470,150
	Qualified termination with CIC (8)	787,500	393,750	34,115	528,657	1,744,022
Jeryl L. Hilleman	At CIC (6)	—	—	—	64,313	64,313
	Qualified termination (7)	355,500	142,200	22,460	64,313	584,473
	Qualified termination with CIC (8)	355,500	142,200	22,460	64,313	584,473
Gwen R. Carscadden (9)	At CIC (6)	—	—	—	—	—
	Qualified termination (7)	267,500	48,092	15,032	—	330,624
	Qualified termination with CIC (8)	267,500	48,092	15,032	—	330,624
Richard E. Kaufman	At CIC (6)	—	—	—	27,853	27,853
	Qualified termination (7)	165,650	—	11,372	—	177,022
	Qualified termination with CIC (8)	165,650	115,955	11,372	55,707	348,684
David A. Lehman (9)	At CIC (6)	—	—	—	—	—
	Qualified termination (7)	340,000	116,678	22,743	—	479,421
	Qualified termination with CIC (8)	340,000	116,678	22,743	—	479,421
James W. Stambaugh	At CIC (6)	—	—	—	51,646	51,646
	Qualified termination (7)	140,100	—	11,372	—	151,472
	Qualified termination with CIC (8)	140,100	98,070	11,372	103,292	352,834
Charles S. McKhann (10)	At CIC (6)	—	—	—	—	—
	Qualified termination (7)	—	—	—	—	—
	Qualified termination with CIC (8)	—	—	—	—	—

- (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, 2016.
- (4) Pursuant to the NEOs' offer letters, as amended, the vesting of all outstanding options will be accelerated by their respective percentages. The dollar amounts represents the difference in the closing price of our common stock on December 31, 2016, \$12.10, with respect to the outstanding unvested options and shares issued upon the early exercise of stock options subject to repurchase as of December 31, 2016, minus the exercise price of the outstanding unvested options.
- (5) Total does not include amounts earned or benefits accrued due to continued service by the NEO through December 31, 2016, such as vested options. Total also does not include amounts the NEOs were eligible to receive under our annual bonus plan with respect to 2016 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) Maximum bonus amount is prorated from date of hire in 2016.
- (10) Due to Mr. McKhann's resignation in 2016, he was not eligible for severance benefits.

[Table of Contents](#)

**Outstanding Equity Awards**

The following table provides information regarding outstanding equity awards held by the NEOs as of December 31, 2016:

Name	Grant Date	Vesting Commencement Date	Number of Securities Underlying Unexercised Options (1)		Exercise Price	Expiration Date
			Exercisable	Unexercisable		
Lisa D. Earnhardt	1/15/2016	1/1/2016	51,563	173,437	\$ 18.90	1/14/2026
	1/21/2015	1/1/2015	71,875	78,125	21.06	1/20/2025
	4/23/2013	4/23/2013	57,375 (2)	—	1.20	4/22/2023
	4/23/2013	11/30/2013	143,974 (3)	—	1.20	4/22/2023
Jeryl L. Hilleman	1/15/2016	1/1/2016	17,188	57,812	18.90	1/14/2026
	1/21/2015	1/1/2015	23,958	26,042	21.06	1/20/2025
	6/11/2014	6/4/2014	175,000 (4)	—	11.12	6/10/2024
Gwen R. Carscadden	6/27/2016	6/27/2016	—	50,000	12.19	6/26/2026
Richard E. Kaufman	1/15/2016	1/1/2016	11,458	38,542	18.90	1/14/2026
	1/21/2015	1/1/2015	11,979	13,021	21.06	1/20/2025
	4/23/2013	4/23/2013	14,250 (5)	—	1.20	4/22/2023
	4/23/2013	11/30/2013	14,250 (3)	—	1.20	4/22/2023
David A. Lehman	2/22/2016	2/22/2016	—	130,000	18.00	2/21/2026
James W. Stambaugh	1/15/2016	1/1/2016	8,021	26,979	18.90	1/14/2026
	1/21/2015	1/1/2015	11,979	13,021	21.06	1/20/2025
	4/23/2013	4/23/2013	28,625 (5)	—	1.20	4/22/2023
	4/23/2013	11/30/2013	28,625 (3)	—	1.20	4/22/2023
	2/1/2011	2/1/2011	24,375 (6)	—	0.72	1/31/2021
	8/22/2007	8/22/2007	8,523	—	0.48	8/21/2017
Charles S. McKhann (7)	—	—	—	—	—	—

- (1) The outstanding stock options granted prior to 2015 are exercisable prior to vesting. Stock issued upon exercise of unvested options will be subject to repurchase by the company until vested.
- (2) Approximately 79% of the shares subject to this option were vested as of December 31, 2016, and the remainder vest in equal increments on a monthly basis thereafter through April 23, 2017. This option was granted for 144,374 shares, of which 54,999 shares were exercised prior to vesting.
- (3) Approximately 77% of the shares subject to this option were vested as of December 31, 2016, and the remainder vest in equal increments on a monthly basis thereafter through November 30, 2017.
- (4) Approximately 63% of the shares subject to this option were vested as of December 31, 2016, and the remainder vest in equal increments on a monthly basis thereafter through June 4, 2018.
- (5) Approximately 92% of the shares subject to this option were vested as of December 31, 2016, and the remainder vest in equal increments on a monthly basis thereafter through April 23, 2017.
- (6) Approximately 98% of the shares subject to this option were vested as of December 31, 2016, and the remainder vest in equal increments on a monthly basis thereafter through January 30, 2017.
- (7) Due to Mr. McKhann's resignation in 2016, his options have expired.

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[Table of Contents](#)

**Option Exercises**

The following table provides information regarding shares of our common stock acquired by the NEOs pursuant to exercises of stock options during the fiscal year ended December 31, 2016:

<u>Name</u>	<u>Shares Acquired on Exercise</u>	<u>Value Realized on Exercise (1)</u>
Lisa D. Earnhardt	32,400	\$ 567,112
Jeryl L. Hilleman	—	—
Gwen R. Carscadden	—	—
Richard E. Kaufman	—	—
David A. Lehman	—	—
James W. Stambaugh	43,045	615,353
Charles S. McKhann	—	—

- (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.

**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, 2017, 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, 2017, 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 28,677,943 shares of common stock issued and outstanding on January 31, 2017. 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	
<b>5% and Greater Shareholders:</b>				
Wellington Management Goup LLP (2) c/o Wellington Management Company LLP 280 Congress Street Boston, MA 02210	2,910,329	—	2,910,329	10.1%
Prudential Financial, Inc. (3) 751 Broad Street Newark, New Jersey 07102-3777	2,450,474	—	2,450,474	8.5%
U.S. Venture Partners IX, L.P. (4) U.S. Venture Partners 1460 El Camino Real, Suite #100 Menlo Park, CA 94025	1,995,433	—	1,995,433	7.0%
BlackRock Inc. (5) 55 East 52nd Street New York, NY 10055	1,535,487	—	1,535,487	5.4%

[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
<b>Directors and Executive Officers:</b>				
Kieran T. Gallahue	8,000	24,667	32,667	*
Cynthia L. Lucchese	5,000	48,768	53,768	*
Dana G. Mead Jr.	5,696	34,375	40,071	*
Frederic H. Moll, M.D.	252,078	48,768	300,846	1.0%
Casey M. Tansey (6)	1,995,433	36,268	2,031,701	7.1%
W. Anthony Vernon	—	23,247	23,247	*
Lisa D. Earnhardt (7)	583,050	352,911	935,961	3.2%
Jeryl L. Hilleman	—	225,520	225,520	*
Gwen R. Carscadden (8)	—	—	—	*
Richard E. Kaufman	194,571	57,667	252,238	*
David A. Lehman (8)	—	35,208	35,208	*
James W. Stambaugh	20,500	114,627	135,127	*
Charles S. McKhann (9)	—	—	—	*
<b>All directors and executive officers as a group (13 persons) (10)</b>	<b>3,064,328</b>	<b>1,002,026</b>	<b>4,066,354</b>	<b>13.7%</b>

- (1) The percentages are based on 28,677,943 shares of common stock outstanding on January 31, 2017.
- (2) According to the Schedule 13G filed with the SEC on February 9, 2017, Wellington Management Group LLP, or Wellington, reported shares of common stock beneficially owned as of December 31, 2016 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 2,510,372 shares and shared dispositive power over 2,910,329 shares.
- (3) According to the Schedule 13G filed with the SEC on January 24, 2017, Prudential Financial, Inc., or Prudential, reporting shares of common stock beneficially owned as of December 31, 2016, consist of (a) 2,443,964 shares held by Jennison Associates LLC, or Jennison and (b) 6,510 shares held by Quantitative Management Associates LLC. Prudential is a parent holding company and the indirect parent of Jennison, which is the beneficial owner of the shares. Jennison filed a separate Schedule 13G with the SEC on February 3, 2017, reporting sole voting and investment power over these shares. Jennison furnishes investment advice to several investment companies, insurance separate accounts, and institutional clients (“Managed Portfolios”). As a result of its role as investment adviser of the Managed Portfolios, Jennison may be deemed to be the beneficial owner of the shares of common stock held by such Managed Portfolios. Prudential indirectly owns 100% of equity interests of Jennison. As a result, Prudential may be deemed to have shared power to exercise or to direct the exercise of such voting and/or dispositive power that Jennison may have with respect to common stock held by the Managed Portfolios.
- (4) According to the Schedule 13G filed with the SEC on February 13, 2017, Presidio Management Group IX, L.L.C., or PMG IX, is the general partner of U.S. Venture Partners IX, L.P., or USVP IX, and may be deemed to have sole voting and dispositive power over the shares held by USVP IX. Casey M. Tansey, one of our directors, and each of Irwin Federman, Steven M. Krausz, David E. Liddle, Paul A. Matteucci, Jonathan D. Root, and Philip M. Young are managing members of PMG IX, and may be deemed to share voting and dispositive power over the shares held by USVP IX.
- (5) According to the Schedule 13G filed with the SEC on January 30, 2017, BlackRock Inc., or BlackRock, reported shares of common stock beneficially owned as of December 31, 2016 by each of BlackRock, BlackRock (Netherlands) B.V., BlackRock Advisors, LLC, BlackRock Asset Management Canada Limited, BlackRock Asset Management Ireland Limited, BlackRock Asset Management Schweiz AG, BlackRock Financial Management, Inc., BlackRock Fund Advisors, BlackRock Institutional Trust Company, N.A., BlackRock Investment Management, LLC and BlackRock Japan Co Ltd, and that these entities have sole voting power over 1,491,416 shares and sole dispositive power over 1,535,487 shares.
- (6) Includes shares beneficially owned by U.S. Venture Partners IX, L.P. See footnote 4.

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[Table of Contents](#)

- (7) Shares beneficially owned consist of (a) 556,868 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.
- (8) Ms. Carscadden joined the company in June 2016 and Mr. Lehman joined the company in February 2016.
- (9) Mr. McKhann resigned from the company in 2016.
- (10) Consists of (a) 1,068,895 shares held by the current directors and executive officers and (b) 1,995,433 shares held by entities affiliated with certain of our directors. See footnote 4.

**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, 2016, all Section 16(a) filing requirements applicable to our reporting persons were made and made timely.

**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, 2016:

<b>Equity Compensation Plans</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted-Average Exercise Price of Outstanding Options</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Approved by Stockholders (1)	3,584,631	\$ 14.81	4,132,861
Not Approved by Stockholders	—	—	—
	<u>3,584,631</u>	<u>14.81</u>	<u>4,132,861</u>

- (1) The number of shares remaining available for future issuance includes 3,823,340 shares available under our 2014 Equity Incentive Plan, or 2014 Plan, and 309,521 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, 2016, 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.

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[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., 211 Quality Circle, Suite 210, College Station, TX 77845, 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 19, 2017

**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, 2016, is available without charge upon written request to: Intersect ENT, Inc., Attn: Investor Relations, 1555 Adams Drive, Menlo Park, CA 94025.**

[Table of Contents](#)

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

**VOTE BY INTERNET - [www.proxyvote.com](http://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:

E27602-P84962 KEEP THIS PORTION FOR YOUR RECORDS  
 -----  
 DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

<b>INTERSECT ENT, INC.</b>		<b>For All</b>	<b>Withhold All</b>	<b>For All Except</b>	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.	
<b>The Board of Directors recommends you vote FOR proposal 1.</b>						
1.	Election of Directors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	
<b>Nominees:</b>						
01)	Kieran T. Gallahue	05)	Frederic H. Moll, M.D.			
02)	Lisa D. Earnhardt	06)	Casey M. Tansey			
03)	Cynthia L. Lucchese	07)	W. Anthony Vernon			
04)	Dana G. Mead, Jr.					
<b>The Board of Directors recommends you vote "FOR" proposals 2 and 3.</b>						<b>For    Against    Abstain</b>
2.	To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2017.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3.	To provide an advisory vote on executive compensation, as described in the Proxy Statement accompanying this Proxy Card.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
4.	Such other business as may properly come before the meeting or any adjournment thereof.					
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.						
<div style="border: 1px solid black; width: 250px; height: 20px; margin: 0 auto;"></div>		<div style="border: 1px solid black; width: 250px; height: 20px; margin: 0 auto;"></div>				
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](http://www.proxyvote.com).

E27603-P84962

**INTERSECT ENT, INC.  
Annual Meeting of Stockholders  
June 1, 2017 9:00 AM local time  
This proxy is solicited by the Board of Directors**

The stockholder(s) hereby appoints Lisa D. Earnhardt and Jeryl L. Hilleman, or either of them, as proxies, each with the power to appoint their substitute, and hereby authorizes 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 1, 2017, 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**