

PROTEON THERAPEUTICS, INC.

POLICY ON COMPLAINTS OF ACCOUNTING, INTERNAL ACCOUNTING CONTROLS AND AUDITING MATTERS

Introduction

It is the policy of Proteon Therapeutics, Inc. ("Proteon" together with its subsidiaries, the "Company") to comply with all applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters and to require its employees, officers, directors and others acting on behalf of the Company (each, a "Company Party" and collectively, the "Company Parties") to do likewise. Each Company Party has the responsibility to assist the Company in meeting these legal and regulatory requirements. Persons outside the Company, including stockholders, may also submit reports involving accounting matters in accordance with the procedures detailed below.

It is the policy of the Company to encourage all Company Parties, when they, in good faith, reasonably believe that an alleged accounting, internal accounting controls or auditing violation has occurred, is occurring or is about to occur, to immediately report those concerns. The Company strictly prohibits discrimination, retaliation or harassment of any kind, including termination, by any Company officer, director, employee or agent against any employee or contractor who in good faith reports or participates in an investigation of reported complaints.

The Company's internal controls and operating procedures are intended to prevent, deter and remedy any violation of applicable laws and regulations that relate to accounting, internal accounting controls and auditing matters. Even the best systems of control, however, cannot provide absolute safeguards against such violations. The Company has a responsibility to investigate and report to appropriate governmental authorities, as required, any violations of applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters and the actions taken by the Company to remedy such violations.

This policy governs the process through which a Company Party or other persons, either directly or anonymously, can notify the audit committee (the "Audit Committee") of the Board of Directors (the "Board") of the Company of alleged accounting, internal accounting controls or auditing violations or concerns, including, without limitation:

- Fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
- Fraud or deliberate error in the recording and maintaining of financial records of the Company;
- Deficiencies in, or noncompliance with, the Company's internal accounting controls;
- Misrepresentation or false statements made to or by a senior officer or accountant regarding a matter contained in the financial records, financial reports or audit reports of the Company; and

- Deviation from full and fair reporting of the Company's financial condition.

In addition, this policy establishes a mechanism for responding to, and keeping records of, such allegations.

1. Reporting Alleged Accounting, Internal Accounting Controls or Auditing Violations or Concerns.

If a Company Party believes that the Company or any other Company Party has, or might have, violated any accounting rules, internal accounting controls procedures or auditing rules, such Company Party must immediately report any such violation or concern (such report, a "Statement").

The procedures to make a Statement are as follows:

- 1) Statements can be made in writing to the chairperson of the Audit Committee of the Board of Directors. The party making the complaint should provide sufficient information to allow the initiation of an investigation. Statements sent to the chairperson of the Audit Committee may be made anonymously.

In accordance with the rules of the Securities and Exchange Commission ("SEC"), employees can also submit Statements on a **confidential and anonymous** basis through a telephone messaging hotline or web submission system, as described in greater detail below. If an employee does provide his or her name when submitting a Statement, we will endeavor to protect the confidentiality of the reporting employee's identity to the extent possible, consistent with our need to investigate the complaint and the best interests of our stockholders. Vendors, customers, business partners and other parties external to Proteon may also submit Statements; however, we are not obligated to keep Statements from non-employees confidential or to maintain the anonymity of non-employees. We will make a good faith effort to do so if requested by the reporting person.

Persons who contact the corporate governance hotline or the web submission system have the option of remaining anonymous. Statements should indicate that they are pursuant to the Company's Accounting Complaints Policy and may be submitted in any of the following ways:

- a) by mail:

Proteon Therapeutics, Inc.
Attn: Chairman of the Audit Committee
200 West Street
Waltham, MA 02451

- b) through the corporate governance hotline:

U.S. call: (877) 865-3195 (Toll Free)

The hotline is available 24 hours a day, seven days a week.

- c) through the web submission system:

Website: <http://www.openboard.info/PRTO/>

Email: PRTO@openboard.info

The web submission system is available 24 hours a day, seven days a week.

d) directly to the Chief Financial Officer or General Counsel, if any:

Proteon Therapeutics, Inc.

200 West Street

Waltham, MA 02451

(781) 890-0102

investor@proteontherapeutics.com

- 2) If any person wants to communicate directly with the Audit Committee he or she may do so by submitting the report directly through the corporate governance telephonic hotline (as described in paragraph 1(b) above) or by the web submission system (as described in paragraph 1(c) above) which will be routed by the chairperson of the Audit Committee as requested.

Individuals are encouraged to provide as much specific information as possible, including names, dates, places and events that took place along with a description of why the incident/issue is a concern.

Statements should be candid and set forth all of the information that a Company Party knows regarding the allegation or concern. In addition, Statements should contain sufficient corroborating information to support the commencement of an investigation. The Company is not required to commence an investigation if a Statement contains only unspecified wrongdoing or broad allegations without appropriate informational support.

2. Investigation of Alleged Accounting, Internal Accounting Controls or Auditing Violations or Concerns.

Upon receipt of a Statement, the chairperson of the Audit Committee will immediately notify the full Audit Committee or its designee. All complaints under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct, conclude, and, if appropriate, prosecute the investigation.

The Audit Committee will determine whether such Statement should be investigated by the Company's internal audit department, led by the CFO, or by the chairperson or CEO.

The person conducting the investigation will prepare and distribute a report to the Audit Committee for use in its next meeting stating the nature of any Statement that has been referred for investigation, whether or not any such Statement was determined to be material and the status of any investigation relating thereto.

The Audit Committee will ensure coordination of each investigation and will have overall responsibility for implementation of this policy. In accordance with its charter, the Audit Committee will have the authority to retain such independent counsel and other advisors in any investigation, as it deems necessary or advisable to conduct the investigation.

3. No Retaliation for Submitting Statements of Alleged Violations or Concerns.

The Company will not retaliate, and will not knowingly permit any Company Party to retaliate, against any Company Party who submits a Statement pursuant to this policy even if after investigation the Company determines that no violation has occurred. Retaliation is also prohibited against anyone who provides information in connection with an investigation or provides assistance in connection with a proceeding related to the same types of alleged conduct. This includes reports made to or investigated by the Company, a government body or a government official.

4. Corrective Action.

It is the responsibility of the Company and each Company Party, with the oversight of the Audit Committee, to prevent or correct noncompliance with applicable legal and regulatory requirements relating to accounting, internal accounting controls and auditing matters. This is the Company's legal obligation. A violation can subject the Company and Company Party to legal liability, regulatory investigation and adverse publicity, which can damage the Company's reputation and business.

5. Retention of Statements by Employees.

All Statements submitted pursuant to this policy will remain confidential to the extent practicable and legally possible. In addition, all written Statements, along with the results of any investigations relating thereto, will be retained by the Company according to the Company's record retention policy.

6. Adherence to this Policy.

All Company Parties are strongly encouraged to follow the procedures outlined herein. We encourage each Company Party to give the Company the opportunity to investigate and remedy any alleged violations or concerns reported by Company Parties and give the Company the opportunity to undertake such an investigation. This policy is intended to encourage and enable employees or contractors to raise good faith concerns about accounting and auditing violations or concerns to designated Company personnel prior to providing any notification outside the Company. However, nothing in this policy is intended to prevent an employee or a contractor from reporting information to the appropriate governmental agency when the employee has reasonable cause to believe that a violation of law has occurred.

Revised and approved: January 27, 2016