

Inogen Inc
Form DEF 14A
March 26, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

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

Inogen, Inc.

(Name of Registrant as Specified In Its Charter)

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Dear Stockholder:

I am pleased to invite you to attend the Annual Meeting of Stockholders (the “Annual Meeting”) of Inogen, Inc. (“Inogen”), which will be held at our headquarters, located at 326 Bollay Drive, Goleta, California 93117 on May 9, 2019 at 10:00 a.m. Pacific Time. Doors open at 9:00 a.m. Pacific Time.

At the Annual Meeting, we will ask you to consider the following proposals:

- To elect three Class II directors from the nominees described in this proxy statement;
 - To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year ending December 31, 2019;
- To approve, on an advisory and non-binding basis, executive compensation as described in this proxy statement;
- To transact such other business as may properly come before the Annual Meeting or any adjournments or postponements thereof.

Our Board of Directors has fixed the close of business on March 15, 2019 as the record date for the Annual Meeting. Only stockholders of record on March 15, 2019 are entitled to notice of and to vote at the Annual Meeting. Further information regarding voting rights and the matters to be voted upon is presented in the accompanying proxy statement.

We are pleased to be furnishing proxy materials to stockholders primarily over the Internet for our Annual Meeting. Consequently, most stockholders will not receive paper copies of our proxy materials. We will instead send to our stockholders a Notice of Internet Availability of Proxy Materials. We believe that this process expedites stockholders’ receipt of proxy materials, lowers the costs of our Annual Meeting, and conserves natural resources.

On or about March 26, 2019 we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement for our Annual Meeting and our annual report to stockholders (“Annual Report”). The Notice of Internet Availability of Proxy Materials also includes instructions on how you can vote using the Internet, and how you can request and receive, free of charge, a printed copy of our proxy materials. Our proxy statement and our 2018 Annual Report can be accessed directly at the following Internet address: <http://www.proxyvote.com>. All you have to do is enter the control number located on your proxy card. All stockholders who do not receive a Notice of Internet Availability of Proxy Materials will receive a paper copy of the proxy materials by mail.

YOUR VOTE IS IMPORTANT. Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to submit your vote via the Internet, telephone or mail.

On behalf of the Board of Directors, I would like to express our appreciation for your interest in Inogen.

Sincerely,

Scott Wilkinson

Chief Executive Officer and President

Goleta, California

March 26, 2019

The Notice of Internet Availability of Proxy Materials is first being mailed to our stockholders on or about March 26, 2019. The proxy materials are first being posted on <http://www.proxyvote.com> on or about March 26, 2019.

INOGEN, INC.

326 Bollay Drive

Goleta, CA 93117

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Time and Date	Thursday, May 9, 2019 at 10:00 a.m. Pacific Time.
Place	Inogen, Inc.'s headquarters, located at 326 Bollay Drive, Goleta, CA 93117.
Items of Business	<ul style="list-style-type: none">•To elect three Class II directors from the nominees described in the proxy statement (Proposal No. 1);•To ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year ending December 31, 2019 (Proposal No. 2);•To approve, on an advisory and non-binding basis, executive compensation as described in this proxy statement (Proposal No. 3); and•To transact other business that may properly come before the Annual Meeting, or any adjournments or postponements thereof.
Record Date	March 15, 2019 (the "Record Date"). Only stockholders of record at the close of business on the Record Date are entitled to receive notice of, and to vote at, the Annual Meeting.
Notice of Internet Availability of Proxy Materials	On or about March 26, 2019 we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy statement for our annual meeting and our annual report to stockholders ("Annual Report"). This Notice provides instructions on how to vote online or by telephone and includes instructions on how to receive a paper copy of proxy materials by mail. The proxy statement and our Annual Report can be accessed directly at the following Internet address: http://www.proxyvote.com . All you have to do is enter the control number located on your proxy card.
Voting	<p>IMPORTANT</p> <p>Your vote is very important. Whether or not you plan to attend the Annual Meeting, we encourage you to read the proxy statement and submit your proxy or voting instructions as soon as possible. For specific instructions on how to vote your shares, please refer to the instructions in the section entitled "Questions and Answers About the Annual Meeting" beginning on page 1 of the proxy statement.</p>

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting to Be Held on May 9, 2019. The notice of annual meeting, proxy statement, proxy card, and Annual Report are available by visiting <http://www.proxyvote.com>. All you have to do is enter the control number located on your proxy card.

By order of the Board of Directors,

Alison Bauerlein

Corporate Secretary

Goleta, California

March 26, 2019

The Notice of Internet Availability of Proxy Materials is first being mailed to our stockholders on or about March 26, 2019. The proxy materials are first being posted on <http://www.proxyvote.com> on or about March 26, 2019.

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INOGEN, INC.

326 Bollay Drive

Goleta, California 93117

PROXY STATEMENT

FOR 2019 ANNUAL MEETING OF STOCKHOLDERS

To Be Held at 10:00 a.m. Pacific Time on May 9, 2019

This proxy statement and the accompanying form of proxy are furnished in connection with the solicitation of proxies by our Board of Directors (the “Board”) of Inogen, Inc. (“Inogen” or the “Company”) for use at our 2019 Annual Meeting of Stockholders (the “Annual Meeting”), and any postponements, adjournments or continuations thereof. The Annual Meeting will be held on Thursday, May 9, 2019 at 10:00 a.m. Pacific Time, at our headquarters, located at 326 Bollay Drive, Goleta, California 93117. On or about March 26, 2019, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials (the “Notice”) containing instructions on how to access our proxy statement for our Annual Meeting and our annual report to stockholders (“Annual Report”).

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

The information provided in the “question and answer” format below addresses certain frequently asked questions but is not intended to be a summary of all matters contained in this proxy statement. Please read the entire proxy statement carefully before voting your shares.

What is a proxy?

A proxy is your legal designation of another person to vote the stock you own. The person you designate is your “proxy,” and you give the proxy authority to vote your shares by submitting the accompanying proxy card or voting by telephone or over the Internet. We have designated our Chief Executive Officer and President, Scott Wilkinson, and our Executive Vice President, Finance, Chief Financial Officer, Corporate Secretary, and Corporate Treasurer, Alison Bauerlein, to serve as proxies for the Annual Meeting.

Why am I receiving these materials?

The Board of Inogen is providing these proxy materials to you in connection with the Board’s solicitation of proxies for use at the Annual Meeting (and at any adjournment or postponement of such meeting), which will take place on May 9, 2019. Stockholders are invited to attend the Annual Meeting and are requested to vote on the proposals described in this proxy statement. This proxy statement and the accompanying proxy card are being made available on or about March 26, 2019 in connection with the solicitation of proxies on behalf of the Board.

How do I get electronic access to the proxy materials?

The notice of annual meeting, proxy statement, and Annual Report are available by visiting www.proxyvote.com and typing in the control number as set forth (i) on the proxy card (for stockholders of record), or (ii) on the voting instruction form (for individuals who hold shares through a broker, bank, trustee, or nominee).

What information is contained in these materials?

The information included in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our most highly paid executive officers and our directors, and certain other required information. Inogen's Annual Report, which includes our audited financial statements, is being made available along with this proxy statement.

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What proposals will be voted on at the Annual Meeting?

The proposals scheduled to be voted on at the Annual Meeting include:

- the election of three Class II directors to hold office until the 2022 Annual Meeting of Stockholders or until their successors are duly elected and qualified;
- a proposal to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019;
- a proposal to approve, on an advisory and non-binding basis, executive compensation for our fiscal year ended December 31, 2018 as described in this proxy statement; and
- any other business that may properly come before the meeting.

How does our Board recommend that I vote?

Our Board recommends that you vote:

- FOR the election of each of the three directors nominated by our Board and named in this proxy statement as Class II directors to serve for a three-year term;
 - FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019; and
- FOR the approval, on an advisory and non-binding basis, of executive compensation for our fiscal year ended December 31, 2018 as described in this proxy statement.

Will there be any other items of business on the agenda?

If any other items of business or other matters are properly brought before the Annual Meeting, your proxy gives discretionary authority to the persons named on the proxy card with respect to those items of business or other matters. The persons named on the proxy card intend to vote the proxy in accordance with their best judgment. Our Board does not intend to bring any other matters to be voted on at the Annual Meeting, and we are not currently aware of any matters that may be properly presented by others for consideration at the Annual Meeting.

Who is entitled to vote at the Annual Meeting?

Holders of our common stock at the close of business on March 15, 2019, the record date for the Annual Meeting (the "Record Date"), are entitled to notice of and to vote at the Annual Meeting. Each stockholder is entitled to one vote for each share of our common stock held as of the Record Date. As of the Record Date, there were 21,929,238 shares of common stock outstanding and entitled to vote. Stockholders are not permitted to cumulate votes with respect to the election of directors. The shares you are entitled to vote include shares that are (1) held of record directly in your name, and (2) held for you as the beneficial owner through a stockbroker, bank or other nominee.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Stockholder of Record: Shares Registered in Your Name. If, at the close of business on the Record Date, your shares were registered directly in your name with Computershare Trust Company, N.A., our transfer agent, then you are considered the stockholder of record with respect to those shares. As the stockholder of record, you have the right to grant your voting proxy directly to the individuals listed on the proxy card or to vote in person at the Annual Meeting.

Beneficial Owners: Shares Registered in the Name of a Broker, Bank or Other Nominee. If, at the close of business on the Record Date, your shares were held, not in your name, but rather in a stock brokerage account or by a bank or other nominee on your behalf, then you are considered the beneficial owner of shares held in "street name." As the beneficial owner, you have the right to direct your broker, bank or other nominee how to vote your shares by

following the voting instructions your broker, bank or other nominee provides. If you do not provide your broker, bank or other nominee with instructions on how to vote your shares, your broker, bank or other nominee may, in its discretion, vote your shares with respect to routine matters but may not vote your shares with respect to any non-routine matters. Please see “What if I do not specify how my shares are to be voted?” below for additional information.

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Do I have to do anything in advance if I plan to attend the Annual Meeting in person?

Stockholder of Record: Shares Registered in Your Name. If you were a stockholder of record at the close of business on the Record Date, you do not need to do anything in advance to attend and/or vote your shares in person at the Annual Meeting, but you will need to present government-issued photo identification for entrance to the Annual Meeting.

Beneficial Owners: Shares Registered in the Name of a Broker, Bank or Other Nominee. If you were a beneficial owner at the close of business on the Record Date, you may not vote your shares in person at the Annual Meeting unless you obtain a “legal proxy” from your broker, bank or other nominee who is the stockholder of record with respect to your shares. You may still attend the Annual Meeting even if you do not have a legal proxy. For entrance to the Annual Meeting, you will need to provide proof of beneficial ownership as of the Record Date, such as the notice or voting instructions you received from your broker, bank or other nominee or a brokerage statement reflecting your ownership of shares as of the Record Date, and also present government-issued photo identification.

Please note that no cameras, recording equipment, large bags, briefcases or packages will be permitted at the Annual Meeting.

How can I contact Inogen’s transfer agent?

You may contact our transfer agent by writing Computershare Investor Services, P.O. Box 505000, Louisville, KY 40233, by telephoning (877) 373-6374 or (781) 575-2879 (International), or via its Investor Center at www.computershare.com/investor.

Will the Annual Meeting be webcast?

We do not expect to webcast the Annual Meeting.

How do I vote and what are the voting deadlines?

Stockholder of Record: Shares Registered in Your Name. If you are a stockholder of record, you can vote in one of the following ways:

- by Internet at www.proxyvote.com, 24 hours a day, seven days a week, until 11:59 P.M., Eastern Time, on May 8, 2019 (have your proxy card in hand when you visit the website);
- by toll-free telephone at 1-800-690-6903, 24 hours a day, seven days a week, until 11:59 P.M., Eastern Time, on May 8, 2019 (have your proxy card in hand when you call);
- by completing and mailing your proxy card in the postage-paid envelope we have provided or returning it to Vote Processing c/o Broadridge 51 Mercedes Way, Edgewood, NY 11717, which must be received by us no later than the start of the Annual Meeting (if you received printed proxy materials); or
- by written ballot at the Annual Meeting.

Beneficial Owners: Shares Registered in the Name of a Broker, Bank or Other Nominee. If you are the beneficial owner of shares held of record by a broker, bank or other nominee, you will receive voting instructions from your broker, bank or other nominee. You must follow the voting instructions provided by your broker, bank or other nominee in order to instruct your broker, bank or other nominee how to vote your shares. The availability of Internet and telephone voting options will depend on the voting process of your broker, bank or other nominee. As discussed above, if you are a beneficial owner, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from your broker, bank or other nominee.

Can I change my vote or revoke my proxy?

Stockholder of Record: Shares Registered in Your Name. If you are a stockholder of record, you may revoke your proxy or change your proxy instructions at any time before the Annual Meeting by:

- entering a new vote by Internet or telephone;
- signing and returning a new proxy card with a later date;
- delivering a written revocation to our Corporate Secretary at Inogen, Inc., 326 Bollay Drive, Goleta, CA 93117, at any time prior to the Annual Meeting; or
- attending the Annual Meeting and voting in person.

Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you specifically so request or vote in person at the Annual Meeting.

Beneficial Owners: Shares Registered in the Name of a Broker, Bank or Other Nominee. If you are the beneficial owner of your shares, you must contact the broker, bank or other nominee holding your shares and follow their instructions to change your vote or revoke your proxy.

Is there a list of stockholders entitled to vote at the Annual Meeting?

The names of stockholders of record entitled to vote at the Annual Meeting will be available at the Annual Meeting and for ten days prior to the meeting for any purpose germane to the meeting, between the hours of 9:00 a.m. and 4:30 p.m., at our corporate headquarters at 326 Bollay Drive, Goleta, CA 93117, by contacting our Corporate Secretary.

What is the effect of giving a proxy?

Proxies are solicited by and on behalf of our Board. The persons named in the proxy have been designated as proxy holders by our Board. When a proxy is properly dated, executed and returned, the shares represented by the proxy will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, however, the shares will be voted in accordance with the recommendations of our Board. If any matters not described in this proxy statement are properly presented at the Annual Meeting, the proxy holders will use their own judgment to determine how to vote your shares. If the Annual Meeting is postponed or adjourned, the proxy holders can vote your shares on the new meeting date, unless you have properly revoked your proxy, as described above.

What if I do not specify how my shares are to be voted?

Stockholder of Record: Shares Registered in Your Name. If you are a stockholder of record and you submit a proxy but you do not provide voting instructions, your shares will be voted:

FOR the election of each of the three directors nominated by our Board and named in this proxy statement as Class II directors to serve for a three-year term (Proposal No. 1);

FOR the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019 (Proposal No. 2); and

FOR the approval, on an advisory and non-binding basis, of executive compensation for our fiscal year ended December 31, 2018 as described in this proxy statement (Proposal No. 3).

In the discretion of the named proxy holders regarding any other matters properly presented for a vote at the Annual Meeting.

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Beneficial Owners: Shares Registered in the Name of a Broker, Bank or Other Nominee. If you are a beneficial owner and you do not provide your broker, bank or other nominee that holds your shares with voting instructions, then your broker, bank or other nominee will determine if it has discretion to vote on each matter. Brokers do not have discretion to vote on non-routine matters. Proposal No. 1 (election of directors) and Proposal No. 3 (advisory vote to approve executive compensation) are non-routine matters, while Proposal No. 2 (ratification of appointment of independent registered public accounting firm) is a routine matter. As a result, if you do not provide voting instructions to your broker, bank or other nominee, then your broker, bank or other nominee may not vote your shares with respect to Proposal No. 1 or Proposal No. 3, which would result in a “broker non-vote” on each such proposal, but may, in its discretion, vote your shares with respect to Proposal No. 2. For additional information regarding broker non-votes, see “What are the effects of abstentions and broker non-votes?” below.

What is a quorum?

A quorum is the minimum number of shares required to be present at the Annual Meeting for the meeting to be properly held under our bylaws and Delaware law. The holders of a majority of the common stock issued and outstanding and entitled to vote, present in person or represented by proxy, constitutes a quorum for the transaction of business at the Annual Meeting. As noted above, as of the Record Date, there were a total of 21,929,238 shares of common stock outstanding, which means that 10,964,620 shares of common stock must be represented in person or by proxy at the Annual Meeting to have a quorum. If there is no quorum, (i) the chairperson of the Annual Meeting or (ii) the stockholders entitled to vote at the Annual Meeting, present in person or represented by proxy, may adjourn the meeting to a later date.

What are the effects of abstentions and broker non-votes?

An abstention represents a stockholder’s affirmative choice to decline to vote on a proposal. If a stockholder indicates on its proxy card that it wishes to abstain from voting its shares, or if a broker, bank or other nominee holding its customers’ shares of record causes abstentions to be recorded for shares, these shares will be considered present and entitled to vote at the Annual Meeting. As a result, abstentions will be counted for purposes of determining the presence or absence of a quorum and will also count as votes against a proposal in cases where approval of the proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting (e.g., Proposal No. 2 and Proposal No. 3). However, because the outcome of Proposal No. 1 (election of directors) will be determined by a plurality vote, abstentions will have no impact on the outcome of such proposals as long as a quorum exists.

A broker non-vote occurs when a broker, bank or other nominee holding shares for a beneficial owner does not vote on a particular proposal because the broker, bank or other nominee does not have discretionary voting power with respect to such proposal and has not received voting instructions from the beneficial owner of the shares. Broker non-votes will be counted for purposes of calculating whether a quorum is present at the Annual Meeting but will not be counted for purposes of determining the number of votes cast. Therefore, a broker non-vote will make a quorum more readily attainable but will not otherwise affect the outcome of the vote on any proposal.

How many votes are needed for approval of each proposal?

¶ Proposal No. 1: The election of Class II directors requires a plurality of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon to be approved. This means that the three nominees who receive the most FOR votes will be elected. You may (i) vote FOR all nominees, (ii) WITHHOLD your vote as to all nominees, or (iii) vote FOR all nominees except for those specific nominees from whom you WITHHOLD your vote. Any shares not voted FOR a particular nominee (whether as a result of voting withheld or a broker non-vote) will not be counted in such nominee’s favor and will have no effect on the outcome of the

election. If you WITHHOLD your vote as to all nominees, you will be deemed to have abstained from voting on Proposal No. 1, and such abstention will have no effect on the outcome of the proposal.

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Proposal No. 2: The ratification of the appointment of Deloitte & Touche LLP requires the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon to be approved. You may vote FOR, AGAINST or ABSTAIN. If you ABSTAIN from voting on Proposal No. 2, the abstention will have the same effect as a vote AGAINST the proposal.

Proposal No. 3: The approval on an advisory and non-binding basis of named executive officer compensation requires the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon. You may vote FOR, AGAINST or ABSTAIN. Abstentions are considered votes present and entitled to vote on this proposal, and thus, will have the same effect as a vote AGAINST the proposal. Broker non-votes will have no effect on the outcome of the vote. However, because this proposal is an advisory vote, the result will not be binding on us or our Board. Our Board and our Compensation, Nominating and Governance Committee will consider the outcome of the vote when establishing or modifying the compensation of our Named Executive Officers.

How may my brokerage firm or other intermediary vote my shares if I fail to provide timely directions?

Brokerage firms and other intermediaries holding shares of common stock in street name for customers are generally required to vote such shares in the manner directed by their customers. In the absence of timely directions, your broker will have discretion to vote your shares on our sole “routine” matter — the proposal to ratify the appointment of Deloitte & Touche LLP. Absent direction from you, your broker will not have discretion to vote on the election of directors or on the advisory vote regarding named executive officer compensation.

Who will count the votes?

A representative from Broadridge Financial Solutions, Inc. will tabulate the votes and act as inspector of elections.

Why did I receive a Notice of Internet Availability of Proxy Materials instead of a full set of proxy materials?

In accordance with the rules of the Securities and Exchange Commission (“SEC”), we have elected to furnish our proxy materials, including this proxy statement and our Annual Report, primarily via the Internet. The Notice containing instructions on how to access our proxy materials is first being mailed on or about March 26, 2019 to all stockholders entitled to vote at the Annual Meeting. Stockholders may request to receive all future proxy materials in printed form by mail or electronically by e-mail by following the instructions contained in the Notice. We encourage stockholders to take advantage of the availability of our proxy materials on the Internet to help reduce the environmental impact of our annual meetings of stockholders.

How are proxies solicited for the Annual Meeting and who is paying for such solicitation?

Our Board is soliciting proxies for use at the Annual Meeting by means of the proxy materials. We will bear the entire cost of proxy solicitation, including the preparation, assembly, printing, mailing and distribution of the proxy materials. Copies of solicitation materials will also be made available upon request to brokers, banks and other nominees to forward to the beneficial owners of the shares held of record by such brokers, banks or other nominees. The original solicitation of proxies may be supplemented by solicitation by telephone, electronic communication, or other means by our directors, officers, employees or agents. No additional compensation will be paid to these individuals for any such services, although we may reimburse such individuals for their reasonable out-of-pocket expenses in connection with such solicitation. We do not plan to retain a proxy solicitor to assist in the solicitation of proxies.

If you choose to access the proxy materials and/or vote over the Internet, you are responsible for Internet access charges you may incur. If you choose to vote by telephone, you are responsible for telephone charges you may incur.

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

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

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Will members of the Board attend the Annual Meeting?

We encourage, but do not require, the members of our Board to attend the Annual Meeting. Those who do attend will be available to answer appropriate questions from stockholders.

Is my vote confidential?

Proxy instructions, ballots and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Inogen or to third parties, except as necessary to meet applicable legal requirements, to allow for the tabulation of votes and certification of the vote, or to facilitate a successful proxy solicitation.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

We have adopted an SEC-approved procedure called “householding,” under which we can deliver a single copy of the Notice and, if applicable, the proxy materials to multiple stockholders who share the same address unless we received contrary instructions from one or more of the stockholders. This procedure reduces our printing and mailing costs. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will promptly deliver a separate copy of the Notice and, if applicable, the proxy materials to any stockholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy, or, if you are receiving multiple copies, to request that we only send a single copy of next year’s Notice and, if applicable, proxy materials, you may contact us as follows:

Inogen, Inc.

Attention: Corporate Secretary

326 Bollay Drive

Goleta, CA 93117

(805) 562-0500

Stockholders who hold shares in street name may contact their brokerage firm, bank, broker-dealer or other nominee to request information about householding.

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 at that time, 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 amendment to the Form 8-K to publish the final results.

What is the deadline to propose actions for consideration at next year’s Annual Meeting of Stockholders or to nominate individuals to serve as directors?

Stockholder Proposals

Edgar Filing: Inogen Inc - Form DEF 14A

Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next Annual Meeting of Stockholders by submitting their proposals in writing to our Corporate Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2020 Annual Meeting of Stockholders, our Corporate Secretary must receive the written proposal at our principal executive offices not later than November 27, 2019. In addition, stockholder proposals must comply with the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals should be addressed to:

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Inogen, Inc.

Attention: Corporate Secretary

326 Bollay Drive

Goleta, CA 93117

Our bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an Annual Meeting of Stockholders but do not intend for the proposal to be included in our proxy statement. Our bylaws provide that the only business that may be conducted at an Annual Meeting is business that is (i) specified in our proxy materials with respect to such meeting, (ii) otherwise properly brought before the Annual Meeting by or at the direction of our Board, or (iii) properly brought before the Annual Meeting by a stockholder of record entitled to vote at the Annual Meeting who has delivered timely written notice to our Corporate Secretary, which notice must contain the information specified in our bylaws. To be timely for our 2020 Annual Meeting of Stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

- not earlier than January 11, 2020; and

- not later than February 10, 2020.

In the event that we hold our 2020 Annual Meeting of Stockholders more than 30 days before or more than 60 days after the first anniversary of the date of the 2019 Annual Meeting, then notice of a stockholder proposal that is not intended to be included in our proxy statement must be received no earlier than the close of business on the 120th day before such Annual Meeting and no later than the close of business on the later of the following two dates:

- the 90th day prior to such Annual Meeting; or

- the 10th day following the day on which public announcement of the date of such Annual Meeting is first made.

If a stockholder who has notified us of his, her or its intention to present a proposal at an Annual Meeting does not appear to present his, her or its proposal at such Annual Meeting, we are not required to present the proposal for a vote at such Annual Meeting.

Nomination of Director Candidates

You may propose director candidates for consideration by our Compensation, Nominating and Governance Committee. Any such recommendations should include the nominee's name and qualifications for membership on our Board and should be directed to our Corporate Secretary at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see "Board of Directors and Corporate Governance—Stockholder Recommendations for Nominations to the Board."

In addition, our bylaws permit stockholders to nominate directors for election at an Annual Meeting of Stockholders. To nominate a director, the stockholder must provide the information required by our bylaws. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our bylaws, which, in general, require that the notice be received by our Corporate Secretary within the time period described above under "Stockholder Proposals" for stockholder proposals that are not intended to be included in a proxy statement.

Availability of Bylaws

A copy of our bylaws may be obtained by accessing our public filings on the SEC's website at www.sec.gov. You may also contact our Corporate Secretary at our principal executive office for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Our business affairs are managed under the direction of our Board, which is currently comprised of eight members. Six of our eight directors are independent within the meaning of the independent director requirements of the NASDAQ Global Select Market. Our Board is divided into three classes with staggered three-year terms. At each Annual Meeting of Stockholders, a class of directors will be elected for a three-year term to succeed the same class whose term is then expiring.

The following table sets forth the names and ages as of March 15, 2019 and certain other information for each of the directors with terms expiring at the Annual Meeting (who are also nominees for election as a director at the Annual Meeting) and for each of the continuing directors:

Name	Class	Age	Position(s)	Director since	term expires	Expiration of term for which nominated
1. Directors with terms expiring at the Annual Meeting/nominees						
Loren McFarland ⁽¹⁾	II	60	Director	2013	2019	2022
Benjamin Anderson-Ray ⁽¹⁾	II	64	Director	2013	2019	2022
Scott Wilkinson	II	54	Director, Chief Executive Officer and President	2017	2019	2022
2. Continuing Directors						
Heath Lukatch, Ph.D. ⁽²⁾	III	51	Director, Chairperson of the Board	2006	2020	—
Raymond Huggenberger	III	60	Director	2008	2020	—
R. Scott Greer ⁽¹⁾	I	60	Director, Chairperson of the Audit Committee	2015	2021	—
Heather Rider ⁽²⁾	I	59	Director, Chairperson of the Compensation, Nominating and Governance Committee	2014	2021	—
Scott Beardsley ⁽²⁾	I	51	Director	2017	2021	—

(1) Member of our Audit Committee

(2) Member of our Compensation, Nominating and Governance Committee
Nominees for Director

Loren McFarland has served as a Member of our Board since 2013. He has been President and Managing Member of Santa Barbara Financial Services, LLC since 2008. Prior to founding Santa Barbara Financial Services, he served as the Chief Financial Officer and Treasurer of Mentor Corporation, a medical equipment company, from 2004 to 2007. Prior to that, Mr. McFarland fulfilled various finance and accounting roles at Mentor from 1985 to 2004. He worked as a Certified Public Accountant and Audit Supervisor with Touche Ross & Co., an accounting firm, from 1981 to 1985 and served in the North Dakota Army National Guard from 1978 to 1984. He currently serves on the Board of Directors and as the Chief Financial Officer of Cure Medical, LLC, a privately held manufacturer of disposable urology products, on the Board of Directors of the MIT Enterprise Forum of the Central Coast and chairs the parish finance council for St. Mark's University Parish, Isla Vista, CA. Previously, Mr. McFarland served on the Board of Directors of Patient Safety Technologies, Inc., an acquired publicly-traded medical device company, as the Financial Expert on the Audit Committee and as a Member of the Compensation, Nominating and Governance Committee. Mr. McFarland has a Bachelor of Arts degree in Accounting from the University of North Dakota and an M.B.A. from the University of California, Los Angeles. He completed an ISS Director Certification Program in October 2008 at the University of California, Los Angeles' Anderson School. The Board believes that he is qualified to serve as a director of Inogen because of his leadership experience and his extensive experience in finance and accounting.

Benjamin Anderson-Ray has served as a Member of our Board since 2013. He has been a Partner and Advisor with Trinitas Advisors, a consulting firm, since 2009. Prior to joining Trinitas Advisors, he served as the Chief Executive Officer of three manufacturing companies: Hubbardton Forge, LLC from 2008 to 2009, Chromcraft Revington, Inc. from 2005 to 2008 and Gravograph New Hermes from 2002 to 2004. Prior to that, Mr. Anderson-Ray held various senior leadership roles at Sunrise Medical, Inc., a global manufacturer and distributor of durable medical equipment, including President of the Global Business Group in 2001, President of the Continuing Care Group from 1998 to 2000, and President of the Mobility Products Division from 1996 to 2001. Earlier in his career, Mr. Anderson-Ray held management and marketing roles at GE Lighting, a lighting solutions company, from 1984 to 1993, Black & Decker Home Products, a product manufacturing company, from 1993 to 1994, and Rubbermaid Home Products, a manufacturer and distributor of household items, from 1994 to 1996. He currently serves on the Board of Directors of Sommetrics, Inc. Mr. Anderson-Ray has Bachelor of Art and Science degrees in Marketing and Horticulture from Michigan State University and an M.B.A. from the University of Michigan. The Board believes that he is qualified to serve as a director of Inogen because of his leadership experience and his extensive industry experience.

Scott Wilkinson has served as our Chief Executive Officer and President since March 1, 2017, and a Member of our Board since January 1, 2017. Previously, he served as our President and Chief Operating Officer from January 1, 2016 through February 28, 2017, and our Executive Vice President, Sales and Marketing from 2008 through December 31, 2015, and in this role he oversaw Inogen's global operations in sales, marketing, customer service, product management, medical billing, and clinical services. Prior to that, he served as our Director of Product Management from 2005 to 2006 and Vice President, Product Management from 2006 to 2008. From 2000 to 2005, Mr. Wilkinson worked for Invacare Corporation, a designer and manufacturer of oxygen products, as a Group Product Manager and helped launch their \$100 million oxygen product line segment. From 1999 to 2000, Mr. Wilkinson served as a Product Line Director with Johnson & Johnson, a healthcare company. From 1988 to 1999, Mr. Wilkinson worked as a Research Scientist, Product Manager, and Project Leader at Kimberly Clark, a consumer products company. Mr. Wilkinson received a Bachelor of Science degree in Chemical Engineering from the University of Akron and an M.B.A. from University of Wisconsin, Oshkosh. The Board believes that he is qualified to serve as a director of Inogen due to his considerable knowledge and understanding of our business together with his extensive industry experience.

Continuing Directors

Heath Lukatch, Ph.D. has served as Chairperson of our Board since 2008, and as a director since 2006. Dr. Lukatch is employed as a Partner and Managing Director at TPG Biotech. Dr. Lukatch joined TPG Biotech in 2015. Prior to joining TPG Biotech, Dr. Lukatch was a Partner at Novo Ventures (US) Inc., which provides certain consultancy services to Novo Holdings A/S. Dr. Lukatch joined Novo Ventures (US) Inc. in 2006. From 2001 to 2006, Dr. Lukatch was a Managing Director responsible for biotechnology venture investments at Piper Jaffray Ventures and SightLine Partners, a private equity firm and spin off of Piper Jaffray Ventures. Prior to joining Piper Jaffray Ventures, Dr. Lukatch worked as a strategy consultant with McKinsey & Company, a consulting firm, from 1997 to 2000. Dr. Lukatch also served as co-founder and Chief Executive Officer of AutoMate Scientific, a biotechnology instrumentation company from 1991 to 1997, and held scientific positions with Chiron Corporation, a biotechnology company, from 1990 to 1991, Roche Bioscience, a healthcare company, from 1996 to 1997, and Cetus Corporation, a biotechnology company, in 1987. He currently serves on the Boards of Directors of Adynxx, Ceribell, Engage Therapeutics, Flexion Therapeutics, Inc. (FLXN), Halo Neuroscience, Satsuma Pharma, SutroVax, Viacyte and ViewPoint Therapeutics. Dr. Lukatch received his Ph.D. in Neuroscience from Stanford University where he was a DOD USAF Fellow, and his Bachelor of Arts in Biochemistry from the University of California at Berkeley. The Board believes that he is qualified to serve as a director of Inogen because of his extensive industry experience and experience as a venture capital investor and a board member for several venture-backed healthcare companies.

Raymond Huggenberger has served as a Member of our Board since 2008. Mr. Huggenberger previously served as our Chief Executive Officer from 2008 until March 1, 2017 and as our President from 2008 until January 1, 2016. Prior to joining our company, Mr. Huggenberger held various management positions with Sunrise Medical Inc., a global manufacturer and distributor of durable medical equipment, including: Vice President of Marketing for Sunrise's German subsidiary from 1994 to 1996, President of Sunrise's German division from 1998 until 2000, President of the European Operating Group from 2000 to 2002, President and Chief Operating Officer from 2002 until 2004, and President of European Operations 2006 to 2007. Mr. Huggenberger also held a consultant position with McDermott and Bull Inc., an

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executive search firm, from 2005 to 2006 and the position of Managing Director in the healthcare division of TA Triumph Adler AG, a document process management firm, from 1996 to 1998. Mr. Huggenberger currently serves on the Board of Directors of Wellfount Corporation, a pharmacy services company. He also serves on the Board of Directors of Tactile Systems Technology Inc., a publicly-traded company (TCMD), Clarify Medical Inc., Ebb Therapeutics, and Sommetrics, Inc., which are all medical device companies. Mr. Huggenberger graduated from AKAD University in Rendsburg, Germany in Economics and completed the Advanced Marketing Strategies Program at INSEAD, Fontainebleau, France. The Board believes that he is qualified to serve as a director of Inogen because of his deep understanding of our business, operations and strategy and extensive executive and director roles with healthcare companies.

R. Scott Greer has served as a Member of our Board since August 2015 and Chairperson of the Audit Committee since January 1, 2018. Since June 2003, Mr. Greer has served as Managing Director of Numenor Ventures, LLC, a venture capital firm. In 1996, Mr. Greer co-founded Abgenix, Inc., a company that specialized in the discovery, development and manufacture of human therapeutic antibodies, and from June 1996 through May 2002, he served as its Chief Executive Officer. He also served on the Board of Directors of Abgenix from 1996 and Chairman of the Board of Directors from 2000 until the acquisition of Abgenix by Amgen, Inc. in April 2006. Prior to Abgenix's formation, Mr. Greer held senior management positions at Cell Genesys, Inc., a biotechnology company, initially as Chief Financial Officer and Vice President of Corporate Development and later as Senior Vice President of Corporate Development, and various positions at Genetics Institute, Inc., a biotechnology research and development company. Mr. Greer currently serves as a Member of the Board of Directors of Nektar Therapeutics, a publicly-traded biopharmaceutical company (NKTR). Mr. Greer holds a Bachelor of Arts in Economics from Whitman College and an M.B.A. from Harvard University. He also was a Certified Public Accountant. The Board believes that he is qualified to serve as a director of Inogen because of his experience as an accountant and as an executive and director of various public and private biotechnology and biopharmaceutical companies.

Heather Rider has served as a Member of our Board since 2014 and Chairperson of the Compensation, Nominating and Governance Committee since January 1, 2018. From 2012 to 2013, Ms. Rider served as Vice President, Global Human Resources of Cymer, Inc., a publicly-traded supplier of light sources for semiconductor manufacturing that was acquired by ASML Holding NV in 2013. From October 2010 to September 2012, Ms. Rider served as Senior Vice President, Global Human Resources of Alphatec Holdings, Inc., a publicly-traded medical device company focused on surgical treatment of spine disorders, and from 2006 to 2010, she served as Vice President, Human Resources of Intuitive Surgical, Inc., a publicly-traded manufacturer of robotic surgical systems. From 2001 to 2005, Ms. Rider served as Senior Vice President of Global Human Resources of Sunrise Medical, Inc., a global manufacturer and distributor of durable medical equipment. From 1998 to 2001, Ms. Rider served as Vice President of Human Resources of Biosense Webster, a member of the Johnson & Johnson family of companies, and a medical device manufacturer of intracardiac catheters and location technology. Prior to 1998, Ms. Rider served as Head of Human Resources for City of Hope, a leading research and treatment center for cancer, diabetes and other life-threatening diseases, CAP/MPT, a medical malpractice provider for physicians in California and medical malpractice insurance for large physician groups and hospitals, and Environmental Diagnostics International, a bio-diagnostics company with focus on the detection of environmental compounds and diseases using monoclonal antibody technology. Ms. Rider holds a Bachelor of Arts in Psychology from Claremont McKenna College and an M.B.A. from Pepperdine University. The Board believes that she is qualified to serve as a director of Inogen because of her extensive executive-level experience with healthcare and life science companies.

Scott A. Beardsley has served as a Member of our Board since January 1, 2017. Mr. Beardsley is employed as a Managing Partner by Novo Ventures (US), Inc., which provides certain financial investment consultancy services to Novo Holdings A/S, a Danish limited liability company that manages investments and financial assets. Mr. Beardsley has worked within Novo Holdings A/S and its investment activities since 2009 in several roles: since January 2018, Mr. Beardsley has been employed by Novo Ventures (US) Inc. as a Managing Partner; from 2016 through 2017, he

was employed as a Senior Partner by Novo Ventures (US) Inc.; from December 2012 through 2015, he was employed as a Partner by Novo Ventures (US) Inc.; and from 2009 through 2012, he was employed as a Senior Partner by Novo Holdings A/S. Prior to joining Novo Holdings A/S, Mr. Beardsley was a Managing Director in the Health Care Group at J.P. Morgan, a banking and financial services company, from 2006 through 2008, and a Managing Director in the Health Care Group of US Bancorp Piper Jaffray, an investment bank, from 2001 to 2006. Previously, Mr. Beardsley was an investment banker at US Bancorp, Piper Jaffray, Montgomery Securities, an investment bank, and Kidder, Peabody & Co. Incorporated, an investment bank. Mr. Beardsley currently serves as a member of the Board of Directors of Unchained

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Labs, a life sciences tools company. Mr. Beardsley received his M.B.A. from the Anderson Graduate School of Management at UCLA and his Bachelor of Science in Business Administration from Colorado State University. The Board believes that he is qualified to serve as a director of Inogen due to his extensive financial experience and his experience as a venture capital investor and investment banker in the life sciences industry.

Director Independence

Our common stock is listed on the NASDAQ Global Select Market. Under the rules of the NASDAQ Global Select Market, independent directors must comprise a majority of a listed company's Board of Directors. In addition, the rules of the NASDAQ Global Select Market require that, subject to specified exceptions, each member of a listed company's Audit and Compensation, Nominating and Governance Committee be independent. Under the rules of the NASDAQ Global Select 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 has undertaken a review of its composition, the composition of its committees and the independence of each of our directors and considered whether any director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his or her responsibilities. Based upon information requested from and provided by each director concerning his or her background, employment and affiliations, including family relationships, our Board has determined that none of Mr. Anderson-Ray, Mr. McFarland, Mr. Greer, Dr. Lukatch, Ms. Rider and Mr. Beardsley, representing six of our eight directors, has 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 rules of the NASDAQ Global Select Market. Our Board also determined that Mr. Greer (Chairperson), Mr. McFarland and Mr. Anderson-Ray, who comprise our Audit Committee, and Ms. Rider (Chairperson), Dr. Lukatch and Mr. Beardsley, who comprise our Compensation, Nominating and Governance Committee, satisfy the independence standards for those committees established by applicable Securities and Exchange Commission, or SEC, rules and the listing standards of the NASDAQ Global Select Market.

In making this determination, our Board considered the relationships that each non-employee director has with us and all other facts and circumstances our Board deemed relevant in determining independence, including the beneficial ownership of our capital stock by each non-employee director.

Board Leadership Structure

Dr. Lukatch currently serves as the chairperson of our Board. Our Board believes the current board leadership structure provides effective independent oversight of management while allowing our Board and management to benefit from Dr. Lukatch's leadership and years of experience as a venture capital investor in the biotech industry. Dr. Lukatch is best positioned to identify strategic priorities, lead critical discussion and execute our strategy and business plans. Dr. Lukatch possesses detailed in-depth knowledge of the issues, opportunities, and challenges facing us. Independent directors and management sometimes have different perspectives and roles in strategy development. Our Board believes that Dr. Lukatch's role enables strong leadership, creates clear accountability, facilitates information flow between management and our Board, and enhances our ability to communicate our message and strategy clearly and consistently to stockholders.

Board Meetings and Committees

During 2018, our Board held six meetings (including regularly scheduled and special meetings), and each director attended at least 75% of the aggregate of (i) the total number of meetings of our Board and (ii) the total number of

meetings held by all committees of our Board on which he or she served during the periods that he or she served.

It is the policy of our Board to regularly have separate meeting times for independent directors without management. Although we do not have a formal policy regarding attendance by members of our Board at Annual Meetings of Stockholders, we encourage, but do not require, our directors to attend. All eight members of our Board attended our 2018 Annual Meeting of Stockholders.

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We have established an Audit Committee and a Compensation, Nominating and Governance Committee. We believe that the composition of these committees meets the criteria for independence under, and the functioning of these committees comply with the requirements of, the Sarbanes-Oxley Act of 2002, the rules of the NASDAQ Global Select Market, and SEC rules and regulations. We intend to comply with the requirements of the NASDAQ Global Select Market with respect to committee composition of independent directors. Each committee has the composition and responsibilities described below.

Audit Committee

The members of our Audit Committee are Mr. Greer (Chairperson), Mr. McFarland and Mr. Anderson-Ray, each of whom is a non-employee member of our Board. The composition of our Audit Committee meets the requirements for independence under current NASDAQ Global Select Market listing standards and SEC rules and regulations. Each member of our Audit Committee also meets the financial literacy requirements of the NASDAQ Global Select Market listing standards. Our Audit Committee Chairperson, Mr. Greer, is our 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 Select Market. Our Audit Committee oversees our corporate accounting and financial reporting process and assists our Board in monitoring our financial systems. Our Audit Committee also:

- approves the hiring, discharging and compensation of our independent auditors;
- oversees the work of our independent auditors;
- approves engagements of the independent auditors to render any audit or permissible non-audit services;
- reviews the qualifications, independence and performance of the independent auditors;
- reviews our financial statements and our critical accounting policies and estimates;
- oversees risk management matters;
- oversees our internal audit function;
- reviews the submission and treatment of complaints to the whistle-blower hotline of suspected violations regarding accounting, internal accounting controls or auditing matters, harassment, fraud and policy violations;
- reviews the adequacy and effectiveness of our internal controls; and
- reviews and discusses with management and the independent auditors the results of our annual audit, our annual and quarterly financial statements and our publicly filed reports.

Our Audit Committee operates under a written charter that satisfies the applicable rules and regulations of the SEC and the listing requirements of the NASDAQ Global Select Market. A copy of the charter of our Audit Committee is available on our website at www.inogen.com in the Corporate Overview – Governance Documents section of our Investors webpage. During 2018, our Audit Committee held eleven meetings.

Compensation, Nominating and Governance Committee

The current members of our Compensation, Nominating and Governance Committee are Ms. Rider (Chairperson), Dr. Lukatch and Mr. Beardsley. The composition of our Compensation, Nominating and Governance Committee meets the requirements for independence under current NASDAQ Global Select Market listing standards and SEC rules and regulations. Each member of the Compensation, Nominating and Governance Committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act. Our Compensation, Nominating and Governance Committee oversees our compensation policies, plans and benefits programs. Our Compensation, Nominating and Governance Committee also:

- assists the Board in providing oversight of the Company's overall compensation plans and benefits programs;

- reviews and approves, or makes recommendations for approval by the independent members of the Board regarding corporate goals and objectives relevant to compensation of our chief executive officer and other senior officers;
- evaluates the performance of our officers in light of established goals and objectives;
- reviews and approves, or makes recommendations regarding compensation of our officers based on its evaluations;
- administers the issuance of equity awards under our stock plans;
- evaluates and makes recommendations regarding the organization, governance and remuneration of our Board and its committees;
- evaluates and proposes nominees for election to our Board;
- assesses the performance of members of our Board and makes recommendations regarding committee and chairperson assignments;
- recommends desired qualifications for our Board membership and conducts searches for potential members of our Board; and
- reviews and makes recommendations with respect to our corporate governance guidelines.

Our Compensation, Nominating and Governance Committee operates under a written charter that satisfies the listing standards of NASDAQ Global Select Market. A copy of the charter of our Compensation, Nominating and Governance Committee is available on our website at www.inogen.com in the Corporate Overview - Governance Documents section of our Investors webpage. During 2018, our Compensation, Nominating and Governance Committee held two meetings.

The Compensation, Nominating and Governance Committee regularly reviews the services provided by its outside consultants and believes that Pearl Meyer is independent in providing executive compensation consulting services. The Compensation, Nominating and Governance Committee conducted a review of its relationship with Pearl Meyer in 2018, and determined that Pearl Meyer's work for the Compensation, Nominating and Governance Committee did not raise any conflicts of interest, consistent with the guidance provided under the Dodd-Frank Act, the SEC and NASDAQ Global Select Market.

The Compensation, Nominating and Governance Committee continues to monitor the independence of its compensation consultant on a periodic basis.

Compensation, Nominating and Governance Committee Interlocks

None of the members of our Compensation, Nominating and Governance Committee (which includes Ms. Rider, Dr. Lukatch and Mr. Beardsley) is or has at any time during the past year been an officer or employee of our Company. None of our executive officers currently serves, or in the past year has served, as a member of the Board of Directors or Compensation Committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our Board or Compensation, Nominating and Governance Committee.

Identifying and Evaluating Nominees for Director

The Compensation, Nominating and Governance Committee will use the following procedures to identify and evaluate any individual recommended or offered for nomination to the Board:

- The Compensation, Nominating and Governance Committee will consider candidates recommended by stockholders in the same manner as candidates recommended to the Committee from other sources.

In its evaluation of director candidates, including the members of the Board eligible for re-election, the Compensation, Nominating and Governance Committee will consider the following:
the current size and composition of the Board and the needs of the Board and the respective committees of the Board;
such factors as character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest, other commitments and the like. The Compensation, Nominating and Governance Committee evaluates these factors, among others, and does not assign any particular weighting or priority to any of these factors; and
other factors that the Compensation, Nominating and Governance Committee deems appropriate.

The Compensation, Nominating and Governance Committee also focuses on issues of diversity, such as diversity of gender, race and national origin, education, professional experience and differences in viewpoints and skills. Inogen does not have a formal policy with respect to diversity on the Board; however, our Board and the Compensation, Nominating and Governance Committee believe that it is essential that members of our Board represent diverse viewpoints.

The Compensation, Nominating and Governance Committee requires the following minimum qualifications to be satisfied by any nominee for a position on the Board:

- the highest personal and professional ethics and integrity;
- proven achievement and competence in the nominee's field and the ability to exercise sound business judgment;
- skills that are complementary to those of the existing Board;
- the ability to assist and support management and make significant contributions to the Company's success; and
- an understanding of the fiduciary responsibilities that is required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities.

If the Compensation, Nominating and Governance Committee determines that an additional or replacement director is required, the Compensation, Nominating and Governance Committee may take such measures that it considers appropriate in connection with its evaluation of a director candidate, including candidate interviews, inquiry of the person or persons making the recommendation or nomination, engagement of an outside search firm to gather additional information, or reliance on the knowledge of the members of the Compensation, Nominating and Governance Committee, the Board or management.

The Compensation, Nominating and Governance Committee may propose to the Board a candidate recommended or offered for nomination by a stockholder as a nominee for election to the Board.

Stockholder Recommendations for Nominations to the Board

It is the policy of the Compensation, Nominating and Governance Committee of the Board to consider recommendations for candidates to the Board from stockholders holding no less than one percent (1%) of the outstanding shares of the Company's common stock continuously for at least twelve (12) months prior to the date of the submission of the recommendation or nomination.

A stockholder that wants to recommend a candidate for election to the Board should direct the recommendation in writing by letter to the Company, attention of the Corporate Secretary, at 326 Bolly Drive, Goleta, CA 93117. The recommendation must include the candidate's name, home and business contact information, detailed biographical data, relevant qualifications, a signed letter from the candidate confirming willingness to serve, information regarding any relationships between the candidate and the Company and evidence of the recommending stockholder's ownership of Company stock. Such recommendations must also include a statement from the recommending stockholder in support of the candidate, particularly within the context of the criteria for Board membership, including issues of character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest, other commitments and the like and personal references.

A stockholder that instead desires to nominate a person directly for election to the Board at an Annual Meeting of the Stockholders must meet the deadlines and other requirements set forth in Section 2.4 of the Company's Bylaws and the rules and regulations of the Securities and Exchange Commission. Section 2.4 of the Company's Bylaws requires that a stockholder who seeks to nominate a candidate for director must provide a written notice to the Corporate Secretary of the Company not later than the 45th day nor earlier than the 75th day before the one-year anniversary of the date on which the corporation first mailed its proxy materials or a notice of availability of proxy materials (whichever is earlier) for the preceding year's Annual Meeting; provided, however, that in the event that no Annual Meeting was held in the previous year or if the date of the Annual Meeting is advanced by more than 30 days prior to or delayed by more than 60 days after the one-year anniversary of the date of the previous year's Annual Meeting, then notice by the stockholder to be timely must be so received by the Corporate Secretary of the Company not earlier than the close of business on the 120th day prior to such Annual Meeting and not later than the close of business on the later of (i) the 90th day prior to such Annual Meeting and (ii) the 10th day following the day on which Public Announcement (as defined below) of the date of such Annual Meeting is first made. That notice must state the information required by Section 2.4 of the Company's Bylaws, and otherwise must comply with applicable federal and state law. The Corporate Secretary of the Company will provide a copy of the Bylaws upon request in writing from a stockholder. "Public Announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

Communications with the Board

The Board believes that management speaks for the Company. Individual Board members may, from time to time, communicate with various constituencies that are involved with the Company, but it is expected that Board members would do this with knowledge of management and, in most instances, only at the request of management.

In cases where stockholders and other interested parties wish to communicate directly with our non-management directors, messages can be sent to our Corporate Secretary, at Inogen, Inc., 326 Bollay Drive, Goleta, California 93117, Attn: Corporate Secretary. Our Corporate Secretary monitors these communications and will provide a summary of all received messages to the Board at each regularly scheduled meeting of the Board. Our Board generally meets on a quarterly basis. Where the nature of a communication warrants, our Corporate Secretary may determine, in his or her judgment, to obtain the more immediate attention of the appropriate committee of the Board or non-management director, of independent advisors or of Company management, as our Corporate Secretary considers appropriate.

Our Corporate Secretary may decide in the exercise of his or her judgment whether a response to any stockholder or interested party communication is necessary.

This procedure for stockholder and other interested party communications with the non-management directors is administered by the Company's Compensation, Nominating and Governance Committee. This procedure does not apply to (a) communications to non-management directors from officers or directors of the Company who are stockholders, (b) stockholder proposals submitted pursuant to Rule 14a-8 under the Securities and Exchange Act of 1934, as amended, or (c) communications to the Audit Committee pursuant to the Complaint Procedures for Accounting and Auditing Matters.

Corporate Governance Principles and Code of Ethics and Conduct

Our Board has adopted Corporate Governance Principles. These principles address items such as the qualifications and responsibilities of our directors and director candidates and corporate governance policies and standards

applicable to us in general. In addition, our Board has adopted a Code of Ethics and Conduct that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer, and other executive and senior financial officers. The full text of our Corporate Governance Principles and our Code of Ethics and Conduct is posted on our website at www.inogen.com in the Corporate Overview – Governance Documents section of our Investors webpage. We intend to post any amendments to our Code of Ethics and Conduct, and any waivers of our Code of Ethics and Conduct for directors and executive officers, on the same website.

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Risk Management

Risk is inherent with every business, and we face a number of risks, including strategic, financial, business and operational, legal and compliance, and reputational. We have designed and implemented processes to manage risk in our operations. Management is responsible for the day-to-day management of risks the Company faces, while our Board, as a whole and assisted by its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are appropriate and functioning as designed.

Our Board believes that open communication between management and our Board is essential for effective risk management and oversight. Our Board meets with our Chief Executive Officer and other members of the senior management team at quarterly meetings of our Board as well as at such other times as they deem appropriate, where, among other topics, they discuss strategy and risks facing the Company.

While our Board is ultimately responsible for risk oversight, our Board committees assist our Board in fulfilling its oversight responsibilities in certain areas of risk. Our Audit Committee assists our Board in fulfilling its oversight responsibilities with respect to risk management in the areas of internal control over financial reporting and disclosure controls and procedures, legal and regulatory compliance, and discusses with management and the independent auditor guidelines and policies with respect to risk assessment and risk management. Our Audit Committee also reviews our major financial risk exposures and the steps management has taken to monitor and control these exposures. In addition, our Audit Committee monitors certain key risks on a regular basis throughout the fiscal year, such as risk associated with internal control over financial reporting and liquidity risk. Our Compensation, Nominating and Governance Committee assists our Board in fulfilling its oversight responsibilities with respect to the management of risk associated with Board organization, membership and structure, and corporate governance. Our Compensation, Nominating and Governance Committee also oversees risks related to our compensation policies to ensure that our compensation programs do not encourage unnecessary risk-taking. Finally, our full Board reviews strategic and operational risk in the context of reports from the management team, receives reports on all significant committee activities at each regular meeting, and evaluates the risks inherent in significant transactions.

Director Compensation

In October 2017, our Board, upon recommendation of the Compensation, Nominating and Governance Committee, and after reviewing data provided by Pearl Meyer & Partners, LLC (“Pearl Meyer”) regarding practices at comparable companies, amended the non-employee director compensation program as set forth below, which became effective on January 1, 2018. The previous policy provided for stock options grants to non-employee directors upon their first becoming a director and annual option grants at subsequent annual meetings of stockholders based on a fixed number of shares. In consultation with Pearl Meyer, our Board, upon recommendation of the Compensation, Nominating and Governance Committee, determined it was necessary and appropriate to implement changes to the non-employee director compensation policy to, among other purposes, ensure that equity compensation for our non-employee directors is competitive, better align the compensation of our non-employee directors with stewardship and oversight responsibility, minimize the variability of equity grant values due to stock price fluctuation that arose under the previous policy, and ensure that we offer appropriate incentives for continued service as a director or, for prospective directors, to join our Board. In making these amendments, the Board and the Compensation, Nominating and Governance Committee considered the midpoint range of our compensation peer group (as described in the “Compensation Discussion and Analysis” section below) as a general guideline for the appropriate level of cash and equity compensation, but did not attempt to benchmark cash or equity compensation to any specific percentile.

Cash Compensation. All non-employee directors are entitled to receive the following cash compensation for their services:

\$45,000 per year for service as a Board Member;

\$75,000 per year for service as Chairperson of the Board;

\$20,000 per year for service as Chairperson of the Audit Committee;

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\$20,000 per year for service as Chairperson of the Compensation, Nominating and Governance Committee;
\$10,000 per year for service as a member of the Audit Committee; and
\$10,000 per year for service as a member of the Compensation, Nominating and Governance Committee.
All cash payments to non-employee directors are paid quarterly in arrears on a pro-rata basis.

Equity Compensation.

Initial Awards: Each non-employee director who first joins us will be granted an initial award of restricted stock units covering a number of shares equal to the product of (i) the number of restricted stock units subject to the Annual Award (as defined below) provided to non-employee directors at the last annual meeting of stockholders preceding the date in which such person first becomes a non-employee director (the “Start Date”) multiplied by (ii) a fraction (A) the numerator of which is (x) 12 minus (y) the number of fully completed months between the date of the last annual meeting and the start date and (B) the denominator of which is 12, rounded to the nearest whole share. Each such initial award will vest on the same date as the other Annual Awards that are outstanding as of the grant date, subject to the non-employee director continuing to be a service provider through the applicable vesting date.

Annual Awards: On the date of each annual meeting of stockholders, each non-employee director will automatically be granted an award of restricted stock units covering a number of shares having a grant date fair value of \$180,000, rounded down to the nearest whole share (the “Annual Award”). The Annual Award will vest on the earlier of (i) the one-year anniversary of the date the Annual Award is granted or (ii) the day prior to the date of the Annual Meeting following the date the Annual Award is granted, in each case, subject to the non-employee director continuing to be a service provider through the applicable vesting date.

Elections to Receive Restricted Stock Units in Lieu of Cash Compensation: Each non-employee director who serves as Chairperson of our Board may elect to convert all or a portion of his or her cash compensation for service as Chairperson of our Board into an award of restricted stock units covering a number of shares having a grant date fair value equal to the aggregate amount of cash compensation for which the non-employee director submitted an award election, rounded down to the nearest whole share. Such award will be granted on the date of the annual meeting of stockholders and will vest quarterly in equal amounts, subject to the non-employee director continuing to be a service provider through each applicable vesting date.

All awards granted to non-employee directors of our Board are subject to 100% vesting acceleration in connection with a “change in control” pursuant to our 2014 Equity Incentive Plan.

The table below shows compensation earned by our non-employee directors during 2018. Directors who are also our employees receive no additional compensation for their service as a director while they are also employees. During the year ended December 31, 2018, one director, Mr. Wilkinson, served in the role of Chief Executive Officer and therefore is treated as a named executive officer. The following table excludes Mr. Wilkinson. Mr. Wilkinson’s compensation is discussed in “Executive Compensation.”

2018 Director Compensation Table

Name	Cash Compensation (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Total (\$)
Loren McFarland ⁽³⁾	\$ 56,250	\$ 179,988	\$ 236,238
Benjamin Anderson-Ray ⁽⁴⁾	53,250	179,988	233,238
Heath Lukatch, Ph.D. ⁽⁵⁾	116,250	179,988	296,238
Heather Rider ⁽⁶⁾	60,250	179,988	240,238
R. Scott Greer ⁽⁷⁾	60,750	179,988	240,738
Scott Beardsley ⁽⁸⁾	—	—	—
Raymond Huggenberger ⁽⁹⁾	43,750	179,988	223,738

(1) Cash compensation earned for Board and committee membership is discussed in the “Cash Compensation” sections above.

(2) Represents the aggregate grant date fair value as computed in accordance with ASC Topic 718. See the notes to our audited financial statements included in our Annual Report on Form 10-K for fiscal year 2018 filed with the SEC on February 26, 2019 for a discussion of assumptions made in determining the grant date fair value and compensation expense of our stock awards.

(3) As of December 31, 2018, Mr. McFarland had outstanding options to purchase a total of 45,414 shares of our common stock and 989 shares issuable upon vesting of time-based RSUs.

(4) As of December 31, 2018, Mr. Anderson-Ray had outstanding options to purchase a total of 26,000 shares of our common stock and 989 shares issuable upon vesting of time-based RSUs.

(5) As of December 31, 2018, Dr. Lukatch had outstanding options to purchase a total of 32,329 shares of our common stock and 989 shares issuable upon vesting of time-based RSUs.

(6) As of December 31, 2018, Ms. Rider had outstanding options to purchase a total of 22,500 shares of our common stock and 989 shares issuable upon vesting of time-based RSUs.

(7) As of December 31, 2018, Mr. Greer had outstanding options to purchase a total of 30,000 shares of our common stock and 989 shares issuable upon vesting of time-based RSUs.

(8) Mr. Beardsley had no outstanding options or shares issuable upon vesting of time-based RSUs as of December 31, 2018. Further, he has agreed to waive any right to compensation for service on the Board or any committee thereof.

(9) As of December 31, 2018, Mr. Huggenberger had outstanding options to purchase a total of 68,411 shares of our common stock and 989 shares issuable upon vesting of time-based RSUs.

See “Executive Compensation” for information about the compensation of directors who also were Named Executive Officers during 2018.

PROPOSAL NO. 1
ELECTION OF DIRECTORS

Our Board is currently composed of eight members. In accordance with our certificate of incorporation, our Board is divided into three classes with staggered three-year terms. At the Annual Meeting, three Class II directors will be elected for a three-year term to succeed the same class whose term is then expiring.

Each director's term continues until the election and qualification of such director's successor, or such director's earlier death, resignation, or removal. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors. This classification of our Board may have the effect of delaying or preventing changes in control of our Company.

Nominees

Our Compensation, Nominating and Governance Committee has recommended, and our Board has approved, Mr. McFarland, Mr. Anderson-Ray, and Mr. Wilkinson as nominees for election as Class II directors at the Annual Meeting. If elected, each of Mr. McFarland, Mr. Anderson-Ray, and Mr. Wilkinson will serve as Class II directors until the 2022 Annual Meeting of Stockholders or until their successors are duly elected and qualified. Each of the nominees is currently a director of our Company. For information concerning the nominees, please see the section titled "Board of Directors and Corporate Governance."

If you are a stockholder of record and you sign your proxy card or vote over the Internet or by telephone but do not give instructions with respect to the voting of directors, your shares will be voted FOR the election of Mr. McFarland, Mr. Anderson-Ray, and Mr. Wilkinson. We expect that Mr. McFarland, Mr. Anderson-Ray, and Mr. Wilkinson will accept such nomination. However, in the event that a director nominee is unable or declines to serve as a director at the time of the Annual Meeting, the proxies will be voted for any nominee who shall be designated by our Board to fill such vacancy. If you are a beneficial owner of shares of our common stock and you do not give voting instructions to your broker, bank or other nominee, then your broker, bank or other nominee will leave your shares unvoted on this matter.

Vote Required

The election of Class II directors requires a plurality of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon to be approved. Broker non-votes will have no effect on this proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" the election of each of the THREE directors nominated by our board of directors and named in this proxy statement as Class II directors to serve for a three-year term.

PROPOSAL NO. 2
 RATIFICATION OF APPOINTMENT OF
 INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Our Audit Committee has appointed Deloitte & Touche LLP to audit the financial statements of our company for the fiscal year ending December 31, 2019 and recommends that stockholders vote in favor of the ratification of such appointment. During the year ended December 31, 2018, Deloitte & Touche LLP served as our independent registered public accounting firm.

At the Annual Meeting, stockholders are being asked to ratify the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019. Stockholder ratification of the appointment of Deloitte & Touche LLP is not required by our bylaws or other applicable legal requirements. However, our Board is submitting the appointment of Deloitte & Touche LLP to our stockholders for ratification as a matter of good corporate governance. In the event that this appointment is not ratified by the affirmative vote of a majority of the shares of common stock present in person or represented by proxy at the Annual Meeting and entitled to vote, such appointment will be reconsidered by our Audit Committee. Even if the appointment is ratified, our Audit Committee, in its sole discretion, may appoint another independent registered public accounting firm at any time during our fiscal year ending December 31, 2019 if our Audit Committee believes that such a change would be in the best interests of Inogen and its stockholders. A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting, will have an opportunity to make a statement if he or she wishes to do so, and is expected to be available to respond to appropriate questions from stockholders.

Fees Paid to the Independent Registered Public Accounting Firm

The following table presents fees for professional audit services and other services rendered to us by Deloitte & Touche LLP for our fiscal years ended December 31, 2018 and 2017, respectively.

	2018	2017
Audit fees ⁽¹⁾	\$920,000	\$831,000
Audit-related fees ⁽²⁾	—	—
Tax fees ⁽³⁾	16,000	88,000
All other fees ⁽⁴⁾	—	—
Total fees	\$936,000	\$919,000

- (1) “Audit Fees” for 2018 and 2017 consist of fees billed by Deloitte & Touche LLP in connection with the audit of our annual financial statements and review of our quarterly financial statements for 2017 and 2018 by Deloitte & Touche LLP.
- (2) “Audit-Related Fees” consist of fees billed for professional services for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under “Audit Fees.”
- (3) “Tax Fees” consist of fees billed for professional services rendered by Deloitte & Touche LLP for tax compliance, tax advice and tax planning.
- (4) “All Other Fees” consist of fees billed for services other than the services reported in Audit Fees, Audit-Related Fees, and Tax Fees. Deloitte & Touche LLP did not bill us for any such services for each of the last two fiscal years.

Auditor Independence

In 2018, there were no other professional services provided by Deloitte & Touche LLP that would have required our Audit Committee to consider their compatibility with maintaining the independence of Deloitte & Touche LLP.

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

Our Audit Committee has established a policy governing our use of the services of our independent registered public accounting firm. Under the policy, our Audit Committee is required to pre-approve all audit and permissible non-audit services performed by our independent registered public accounting firm in order to ensure that the provision of such services does not impair such accounting firm's independence. All fees paid to Deloitte & Touche LLP for our fiscal years ended December 31, 2018 and 2017 were pre-approved by our Audit Committee.

Vote Required

The ratification of the appointment of Deloitte & Touche LLP requires the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon. Abstentions will have the effect of a vote AGAINST the proposal.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2019.

PROPOSAL NO. 3

ADVISORY VOTE ON NAMED EXECUTIVE OFFICER COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables stockholders to approve, on an advisory or non-binding basis, the compensation of our Named Executive Officers as disclosed pursuant to Section 14A of the Exchange Act. This proposal, commonly known as a “Say-on-Pay” proposal, gives our stockholders the opportunity to express their views on our Named Executive Officers’ compensation as a whole. This vote is not intended to address any specific item of compensation or any specific named executive officer, but rather the overall compensation of all of our Named Executive Officers and the philosophy, policies and practices described in this proxy statement.

The Say-on-Pay vote is advisory, and therefore is not binding on us, the Compensation, Nominating and Governance Committee or our Board. The Say-on-Pay vote will, however, provide information to us regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation, Nominating and Governance Committee will be able to consider when determining executive compensation for the remainder of the current fiscal year and beyond. Our Board and our Compensation, Nominating and Governance Committee value the opinions of our stockholders and to the extent there is any significant vote against the named executive officer compensation as disclosed in this proxy statement, we will endeavor to communicate with stockholders to better understand the concerns that influenced the vote, consider our stockholders’ concerns and the Compensation, Nominating and Governance Committee will evaluate whether any actions are necessary to address those concerns.

We believe that the information provided in the “Executive Compensation” section of this proxy statement, including the information discussed in “Compensation Discussion and Analysis—Executive Compensation Philosophy and Program Design” beginning on page 31 below, particularly the continued use of performance-based shares in our equity plan, demonstrates that our executive compensation program is designed appropriately and is working to ensure management’s interests are aligned with our stockholders’ interests to support long-term value creation. Accordingly, we ask our stockholders to vote “FOR” the following resolution at the Annual Meeting:

“RESOLVED, that the stockholders approve, on an advisory basis, the compensation paid to the Named Executive Officers, as disclosed in the proxy statement for the 2019 Annual Meeting pursuant to the compensation disclosure rules of the SEC, including the compensation discussion and analysis, compensation tables and narrative discussion, and other related disclosure.”

Vote Required

Approval of named executive officer compensation requires the affirmative vote of a majority of the shares of our common stock present in person or represented by proxy at the Annual Meeting and entitled to vote thereon. Abstentions will have the effect of a vote AGAINST the proposal and broker non-votes will have no effect.

As an advisory vote, this proposal is non-binding. Although the vote is non-binding, our Board and our Compensation, Nominating and Governance Committee value the opinions of our stockholders, and will consider the outcome of the vote when making future compensation decisions for our Named Executive Officers.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “FOR” APPROVAL, ON AN ADVISORY BASIS, OF THE NAMED EXECUTIVE OFFICER COMPENSATION AS DESCRIBED IN THIS PROXY STATEMENT.

AUDIT COMMITTEE REPORT

The information contained in the following Audit Committee Report shall not be deemed to be “soliciting material” or to be “filed” with the Securities and Exchange Commission, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that Inogen, Inc., or the Company, specifically incorporates it by reference in such filing.

The primary purpose of our Audit Committee is to oversee our financial reporting process on behalf of our Board. The Audit Committee’s functions are more fully described in its charter, which is available on our website at www.inogen.com in the Corporate Overview – Governance Documents section of our Investors webpage. The Audit Committee reviews and reassesses the adequacy of its charter and the Audit Committee’s performance on an annual basis.

The Audit Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of our financial statements. Management has the primary responsibility for our financial statements and reporting processes, including our systems of internal controls. Our independent registered public accounting firm is responsible for performing an independent audit of our financial statements in accordance with generally accepted auditing standards and the effectiveness of our internal control over financial reporting and issuing a report thereon.

The Audit Committee also reviews the performance of our independent registered public accounting firm, Deloitte & Touche LLP in the annual audit of our financial statements and in assignments unrelated to the audit, reviews and approves the independent registered public accounting firm’s audit and non-audit fees.

The members of the Audit Committee are currently R. Scott Greer (chairperson), Benjamin Anderson-Ray and Loren McFarland. Each of the members of the Audit Committee is an independent director as currently defined in the applicable NASDAQ and Securities and Exchange Commission (“SEC”) rules. The Board has also determined that Mr. Greer is an “audit committee financial expert” as described in applicable rules and regulations of the SEC. The Audit Committee provides our Board such information and materials as it may deem necessary to make our Board aware of financial matters requiring the attention of our Board. The Audit Committee reviews our financial disclosures and meets privately, outside the presence of our management, with our independent registered public accounting firm. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed the audited financial statements in our Annual Report with management, including a discussion of the quality and substance of the accounting principles and significant accounting policies, the reasonableness of significant judgments made in connection with the audited financial statements, and the clarity of disclosures in the financial statements. The Audit Committee reports on these meetings to our Board.

The Audit Committee has reviewed and discussed the Company’s audited financial statements with management and Deloitte & Touche LLP, the Company’s independent registered public accounting firm. The Audit Committee has discussed with Deloitte & Touche LLP the matters required to be discussed by Auditing Standard No. 1301, “Communications with Audit Committees” issued by the Public Company Accounting Oversight Board (“PCAOB”).

The Audit Committee has received and reviewed the written disclosures and the letter from Deloitte & Touche LLP required by the applicable requirements of the PCAOB regarding Deloitte & Touche LLP’s communications with the Audit Committee concerning independence, and has discussed with Deloitte & Touche LLP its tenure and independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board that the Company’s Audited Financial Statements be included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for filing with the SEC. The Audit Committee also has selected Deloitte & Touche

LLP as the independent registered public accounting firm for fiscal year 2019. The Board recommends that stockholders ratify this selection at the Annual Meeting.

Respectfully submitted by the members of the Audit Committee of the Board of Directors:

R. Scott Greer (Chairperson)

Benjamin Anderson-Ray

Loren McFarland

EXECUTIVE OFFICERS

The following table identifies certain information about our executive officers as of March 15, 2019. Each executive officer serves at the discretion of our Board and holds office until his or her successor is duly elected and qualified or until his or her earlier resignation or removal. There are no family relationships among any of our directors or executive officers.

Name	Age	Position(s)
Scott Wilkinson	54	Chief Executive Officer, President and Director
Alison Bauerlein	37	Executive Vice President, Finance and Chief Financial Officer, Corporate Secretary and Corporate Treasurer
Brenton Taylor	37	Executive Vice President, Engineering
Byron Myers	39	Executive Vice President, Sales and Marketing
Bart Sanford	52	Executive Vice President, Operations

Scott Wilkinson has served as our President and Chief Executive Officer since March 1, 2017, and a Member of our Board since January 1, 2017. Previously, he served as our President and Chief Operating Officer from January 1, 2016 through February 28, 2017, and our Executive Vice President, Sales and Marketing from 2008 through December 31, 2015, and in this role oversaw Inogen's global operations in sales, marketing, customer service, product management, medical billing, and clinical services. Prior to that, he served as our Director of Product Management from 2005 to 2006 and Vice President, Product Management from 2006 to 2008. From 2000 to 2005, Mr. Wilkinson worked for Invacare Corporation, a designer and manufacturer of oxygen products, as a Group Product Manager and helped launch their \$100 million oxygen product line segment. From 1999 to 2000, Mr. Wilkinson served as a Product Line Director with Johnson & Johnson, a healthcare company. From 1988 to 1999, Mr. Wilkinson worked as a Research Scientist, Product Manager, and Project Leader at Kimberly Clark, a consumer products company. Mr. Wilkinson received a Bachelor of Science degree in Chemical Engineering from the University of Akron and an M.B.A. from University of Wisconsin, Oshkosh.

Alison Bauerlein is a co-founder of Inogen and has served as our Chief Financial Officer since 2009 and Executive Vice President, Finance since March 2014. Ms. Bauerlein has also served as Corporate Secretary and Corporate Treasurer since 2002. Ms. Bauerlein previously served as our Vice President, Finance from 2008 until March 2014. Prior to serving in these positions, Ms. Bauerlein also served as Controller with our company from 2008 to 2009 and 2001 to 2004, and the Director of Financial Planning and Analysis from 2004 to 2008. Ms. Bauerlein has over 15 years' experience in treasury, finance, accounting, risk management as well as strategic and tactical cost analysis and forecasting. Ms. Bauerlein received a Bachelor of Arts degree in Economics/Mathematics with high honors from the University of California, Santa Barbara.

Brenton Taylor is a co-founder of Inogen and has served as our Executive Vice President, Engineering since March 2014. Prior to serving in this position, Mr. Taylor served as our Vice President, Engineering from 2008 until March 2014 and as the Director of Technology with our company from 2003 to 2008. Mr. Taylor is listed as an inventor on 28 of the Company's issued U.S. patents related to portable oxygen concentrator development. Mr. Taylor received a Bachelor of Science degree in Microbiology from the University of California, Santa Barbara.

Byron Myers is a co-founder of Inogen and has served as our Executive Vice President, Sales and Marketing since January 1, 2017. Previously, Mr. Myers served as our Vice President, Marketing from 2011 to 2016. In his current role, Mr. Myers leads Inogen's Sales, Marketing and Product Management Operations. Prior to serving in these

positions, Mr. Myers held various roles with our company, including: Product Manager from 2002 to 2006, Director of Marketing from 2006 to 2007 and 2008 to 2011, International Product Manager during 2007, and Director of International Product Management from 2007 to 2008. Mr. Myers received a Bachelor of Arts degree in Economics/Mathematics from the University of California, Santa Barbara and an M.B.A. from the Rady School of Management at the University of California, San Diego.

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Bart Sanford has served as our Executive Vice President, Operations since September 2018. From April 2017 to September 2018, Mr. Sanford was Senior Vice President, Operations, at Cepheid Inc., a molecular diagnostics company. From October 2010 to March 2017, Mr. Sanford was Vice President, Global Operations, at Molecular Devices, LLC, a life sciences company. From January 2009 to September 2010, Mr. Sanford was a Corporate Director at Danaher Corporation, a medical device company. From March 2000 to December 2008, Mr. Sanford held various positions at Fluke Corporation, an industrial test product company, including plant manager, manufacturing manager and materials manager. Mr. Sanford received an M.B.A. from Central Michigan University and a Bachelor of Arts degree in Logistics, Materials and Supply Chain Management from Michigan State University.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the principles underlying the material components of our executive compensation program for our executive officers, including the Named Executive Officers in the “Summary Compensation Table.” We also provide an overview of the overall objectives of the program and the factors relevant to an analysis of these policies and decisions and how we use our executive compensation program to drive our performance.

Our “Named Executive Officers” for 2018 are:

• Scott Wilkinson, Chief Executive Officer, President and Director

• Alison Bauerlein, Executive Vice President, Finance and Chief Financial Officer, Corporate Secretary and Corporate Treasurer

• Brenton Taylor, Executive Vice President, Engineering

• Byron Myers, Executive Vice President, Sales and Marketing

• Bart Sanford, Executive Vice President, Operations

Executive Summary

2018 was a year of investment for Inogen as we continued to scale our sales infrastructure primarily associated with our direct-to-consumer strategy. These investments helped us deliver record revenue and bottom-line results in 2018 and helped position Inogen for what we believe will be another year of strong revenue growth in 2019. We are executing on our strategic initiatives and remain focused on increasing adoption of our best-in-class portable oxygen concentrators. We also successfully executed on a smooth transition to a new Executive Vice President, Operations.

Our 2018 executive compensation program reflected our objective of building momentum for earnings growth as we continued to utilize performance-based criteria, based on Adjusted Operating Income, in our equity compensation program for our executives so that a significant portion of an executive’s 2018 equity compensation only vests if we achieve meaningful Adjusted Operating Income targets over a multi-year period. We define “Adjusted Operating Income” for these performance targets as operating income as determined under GAAP but excluding the impact of (i) revenue and expenses arising from any businesses acquired following the grant date but prior to the end of the applicable performance period and (ii) stock-based compensation expenses and stock-based compensation payroll taxes.

2018 Business Performance

Our 2018 financial and operating performances continued to be strong as we progressed in our efforts to enhance our business and create and sustain long-term value in several of our key business metrics. With our leadership team, we demonstrated strong growth in revenues, net income and liquidity for our stockholders in 2018 compared to 2017.

Our 2018 achievements include:

• Revenue of \$358.1 million, an increase of 32.3% from 2017;

• GAAP net income of \$51.8 million, or \$2.30 per diluted share, compared to GAAP net income of \$21.0 million or \$0.96 per diluted share in 2017;

• Non-GAAP net income of \$51.8 million, an increase of 81.4% from 2017, compared to non-GAAP net income of \$28.6 million in 2017;

•

Non-GAAP adjusted earnings before interest expense, interest income, provision for incomes taxes, depreciation and amortization, and stock-based compensation (non-GAAP Adjusted EBITDA) of \$61.3 million, an increase of 19.7% from 2017, compared to non-GAAP Adjusted EBITDA of \$50.8 million in 2017;

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- Non-GAAP Adjusted Operating Income of \$51.2 million, an increase of 36.9% from 2017, compared to non-GAAP Adjusted Operating Income of \$37.4 million in 2017;
- Gross margin of 49.9% compared to 48.6% in 2017; and
- Cash and marketable securities of \$240.3 million as of December 31, 2018, an increase of \$66.4 million, compared to cash and marketable securities of \$173.9 million as of December 31, 2017.

Please see Appendix A attached to this proxy statement for a reconciliation of non-GAAP Adjusted EBITDA, non-GAAP net income, and non-GAAP Adjusted Operating Income.

Corporate Practices and Alignment to Create Stockholder Value

Our corporate practices are designed to align with stockholder value and long-term stockholder interests, including:

- **Investment in Human Resources:** Our senior executive team brings a proven track record of strategic and operational leadership capabilities. We have also recently added experienced operations talent to our team and continue to benefit from our in-house expertise.
- **Commitment to Employee Wellness:** We are committed to creating a healthier and more satisfied workforce, which we believe contributes to our success. We have a comprehensive approach to wellness based on activities, such as annual biometric testing, flu shots, on-site gym equipment and wellness seminars, and an environment created in our workplace to support healthy living and promote the wellness of our employees.
- **Employee Development:** We have invested in a Learning Management System to enhance training facilitation and tracking of training modules to support the development of employees throughout the organization. During 2018, we deployed new courses and intend to expand our focus to include training modules that impact our entire workforce.

Overview of Executive Compensation Program

Our executive compensation program is designed to be competitive and appropriately balance our goals of attracting, motivating, rewarding, and retaining our executive officers and driving company performance. To align our executive officers' interests with those of our stockholders and to motivate and reward individual initiative and effort, a substantial portion of each executive officer's target annual total direct compensation opportunity is "at-risk," meaning the amounts paid to each executive officer will vary based on our company performance and their contributions to that performance.

We emphasize performance-based compensation that appropriately rewards our executive officers for delivering n support and administrative costs, could increase our operating costs and decrease our revenue generating opportunities;

- Our patented technologies and enforcement actions are complex, and, as a result, we may be required to appeal adverse decisions by trial courts in order to successfully enforce our patents;
- New legislation, regulations or rules related to enforcement actions could significantly increase our operating costs and decrease our revenue generating opportunities; and

- Courts may rule that our subsidiaries have violated certain statutory, regulatory, federal, local or governing rules or standards by pursuing such enforcement actions, which may expose us and our operating subsidiaries to material liabilities, which could harm our operating results and our financial position.

Investments in Patent Portfolios

We also measure and assess the performance and growth of the patent licensing and enforcement businesses conducted by our operating subsidiaries based on the number of patent portfolios owned or controlled by our operating subsidiaries on a consolidated basis. As of September 30, 2010, December 31, 2009, and September 30, 2009, on a consolidated basis, our operating subsidiaries owned or controlled the rights to approximately over 160, 135 and 125 patent portfolios, respectively, which include U.S. patents and certain foreign counterparts, covering technologies used in a wide variety of industries.

Renesas Electronics Corporation. In August 2010, Renesas Electronics Corporation, a premier supplier of advanced semiconductor solutions, and Acacia Research Corporation entered into a strategic patent licensing alliance. Pursuant to this relationship, those patents selected by us and Renesas Electronics from Renesas Electronics' portfolio of over 40,000 patents and patent applications will be assigned to us for patent licensing.

During the nine months ended September 30, 2010, certain of our operating subsidiaries continued to execute their business strategy in the area of patent portfolio acquisitions, including the acquisition of, or the acquisition of the rights to, 27 patent portfolios covering a variety of applications, including the following:

- Online Promotion. This patented technology generally relates to online promotion of consumer products and can be used to provide consumers with web access to discount coupons and rebate offers.
- Shape Memory Alloys. The patented technology generally relates to using shape memory alloys such as Nitinol to fabricate medical devices that utilize the memory effect and/or superelasticity of the alloy. The technology can be used to improve cardiovascular and endoscopic procedures such as embolic protection (inferior vena cava filters, carotid filters, etc.) and kidney stone retrieval.
- Intraluminal Device. This patented technology generally relates to securing intraluminal devices, such as stent grafts, in the body.
- Information Portal Software. The patented technology generally relates to customizable user interfaces presenting information from a variety of sources and can be used in public, private enterprise, and consumer portals.
- Line Screen Printing. This patented technology generally relates to line screen printing methods to produce halftone images. This technology can be used to facilitate prints that reduce artifacts such as color Moire.
- Catheter Insertion. The patented technology generally relates to catheterization of patients using a guide wire and a flushing port. The technology can be used to facilitate insertion of catheters for intravenous treatments such as chemotherapy for cancer, drug therapy for pain mitigation or antibiotic therapy for infections.
- Portable Credit Card Processing. This patented technology generally relates to delivering an order to a residence and validating credit card information using a portable device.
- Disk Array Systems & Storage Area Network. The patented technologies generally relate to Storage Area Network (SAN), covering various aspects of network-based storage devices, including architecture, data storage and monitoring, and disk array systems, covering disk drive interface, storage data integrity and system architecture.
- Business Process Modeling (BPM). The patented technology generally relates to systems which define and execute business processes.
- Wireless and Communications. The patents cover various wireless and other communications technologies which can be used in cellular phone systems and optical networking products. The patents also cover inventions relating to database middleware, software development utilities, encryption and other technologies.
- Wireless Multimedia. This patented technology generally relates to retrieval of multimedia information by wireless devices. This technology can be used for relaying multimedia information such as real-time sporting events to handheld wireless devices.
- Camera Support. This patented technology generally relates to an apparatus for supporting cameras and can be used to mount Web cameras to structures such as monitors and laptops.
- Lighting Control. This patented technology generally relates to energy saving and control features of residential and commercial electrical lighting circuits and switches.

- Greeting Card. This patented technology generally relates to the processing and printing of greeting cards and can be used by online merchants.
- Evaluation of Diamonds and Gemstones. This patented technology uses computer models to generate faster and more accurate diamond and gemstone grading.
- Optical Recording. This patented technology generally relates to optical data storage devices and optical recording media, such as CDs, DVDs and Blu-ray Discs.

- Mobile Computer. The patent portfolio includes patents relating to improvements in user interfaces and the technologies used to create them. These technologies are in mobile devices such as mobile phones and tablet computers.
- Computer Storage Restoration. This patented technology generally relates to the restoration of storage devices to a previous state.
- Video and Software. The patented technologies generally relate to the encoding of video and tracking of video objects as well as software covering operating systems and object-oriented development environments.
- Handheld Device. This patented technology generally relates to capturing information from a source and providing items based on such information.
- GPS. This patented technology generally relates to interference identification and mitigation in GPS receivers, such as those found in various mobile devices (e.g., mobile phones, personal navigation devices, etc.) and other consumer and commercial applications.
- Energy Trading. This patented technology generally relates to the trading of electric energy between participants, such as utility companies.
- MEMS. The patented technologies generally relate to microelectromechanical systems known as MEMS and can be found in devices such as pressure sensors used in automotive, medical and industrial applications.
- Automated Communications. This patented technology generally relates to automating network transactions and can be used to control transactions, such as eCommerce, software updates, and data transfer.
- Automatic Image Labeling. This patented technology generally relates to the automatic labeling of digital images. It can be used to automatically generate and increment labels on images such as CAD drawings and maps.
- Targeted Content Delivery. This technology can be used to ascertain infrastructure related information about a client system, such as installed hardware or applications, as well as location, in order to send appropriate content to the client system.

Refer to “Liquidity and Capital Resources” below for information regarding the impact of patent and patent rights acquisitions on the consolidated financial statements for the periods presented.

As of September 30, 2010, certain of our operating subsidiaries had several option agreements with third-party patent portfolio owners regarding the potential acquisition of additional patent portfolios. Future patent portfolio acquisitions will continue to expand and diversify our future revenue generating opportunities.

Critical Accounting Estimates

Our unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Preparation of these consolidated statements requires management to make judgments and estimates. Some accounting policies have a significant impact on amounts reported in these consolidated financial statements. A summary of significant accounting policies and a description of accounting policies that are considered critical may be found in the audited consolidated financial statements and notes thereto and under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies” included in our Annual Report on Form 10-K for the year ended December 31, 2009. In

addition, refer to Note 2 to the consolidated financial statements included in this report.

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Comparison of the Results of Operations for the Three and Nine Months Ended September 30, 2010 and 2009

Revenue (In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues	\$63,949	\$16,169	\$118,727	\$47,482

Revenues. In general, revenue arrangements provide for the payment of contractually determined fees in consideration for the grant of certain intellectual property rights for patented technologies owned or controlled by our operating subsidiaries. These rights typically include some combination of the following: (i) the grant of a non-exclusive, retroactive and future license to manufacture and/or sell products covered by patented technologies owned or controlled by our operating subsidiaries, (ii) covenants-not-to-sue, (iii) the release of the licensee from certain claims, and (iv) the dismissal of any pending litigation.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
New agreements executed	51	36	180	85
Licensing and enforcement programs with initial revenues	12	3	27	8

Two licensees accounted for 62% and 16% of revenues recognized during the three months ended September 30, 2010, and three licensees accounted for 25%, 20% and 19% of revenues recognized during the three months ended September 30, 2009. Two licensee accounted for 33% and 21% of revenues recognized during the nine months ended September 30, 2010, and two licensees accounted for 17% and 11% of revenues recognized during the nine months ended September 30, 2009.

Revenues recognized by our operating subsidiaries fluctuate from period to period primarily based on the following factors:

- the dollar amount of agreements executed each period, which can be driven by the nature and characteristics of the technology or technologies being licensed and the magnitude of infringement associated with a specific licensee;
- the specific terms and conditions of agreements executed each period, including the nature and characteristics of rights granted, and the periods of infringement or term of use contemplated by the respective payments;
- fluctuations in the total number of agreements executed;
- fluctuations in the sales results or other royalty per unit activities of our licensees that impact the calculation of fees due;
- the timing of the receipt of periodic payments and/or reports from licensees; and
- fluctuations in the net number of active licensees period to period.

The increase in revenues for the three month periods presented was due primarily to an increase in the average revenue per executed agreement. The increase in revenues for the nine month periods presented was due primarily to an increase in the average revenue per executed agreement and an increase in the number of agreements executed. In the first and third quarters of 2010, we entered into a number of separate significant revenue agreements with unrelated third parties resolving pending patent matters.

Cost of Revenues (In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Cost of revenues:				
Inventor royalties	\$ 14,508	\$ 4,673	\$ 21,296	\$ 12,069
Contingent legal fees	9,739	3,799	17,611	10,521
Litigation and licensing expenses - patents	2,890	3,957	11,019	8,418
Amortization of patents	1,963	1,245	5,542	3,370
Net income attributable to noncontrolling interests in operating subsidiary	3,107	1,029	3,389	3,150

Inventor Royalties, Net Income Attributable to Noncontrolling Interests and Contingent Legal Fees Expense. Net income attributable to noncontrolling interests represents the portion of net proceeds from the licensing and enforcement activities of our majority-owned operating subsidiary that are distributable to the operating subsidiary's noncontrolling interest holders pursuant to the underlying operating agreement. The economic terms of the inventor agreements, operating agreements and contingent legal fee arrangements associated with the patent portfolios owned or controlled by our operating subsidiaries, if any, including royalty rates, contingent fee rates and other terms, vary across the patent portfolios owned or controlled by our operating subsidiaries. As such, these costs fluctuate period to period, based on the amount of revenues recognized each period, the terms and conditions of agreements executed each period and the mix of specific patent portfolios with varying economic terms and obligations generating revenues each period.

	Three Months Ended September 30, 2010 vs. 2009		Nine Months Ended September 30, 2010 vs. 2009	
Increase in revenues	296	%	150	%
Increase in inventor royalties and net income attributable to noncontrolling interests	209	% Note (a)	62	% Note (a)
Increase in contingent legal fees expense	156	% Note (b)	67	% Note (b)
Increase in inventor royalties expense, net income attributable to noncontrolling interests and contingent legal fees expense	188	% Note (a),(b)	64	% Note (a),(b)

	Three Months Ended September 30, 2010			Nine Months Ended September 30, 2010		
Inventor royalties and net income attributable to noncontrolling interests as a percentage of revenues	28	%	35	%	21	%
Contingent legal fees expense as a percentage of revenues	15	%	23	%	22	%
Inventor royalties, net income attributable to noncontrolling interests and contingent legal fees,	43	%	59	%	54	%

combined, as a percentage of
revenues

- (a) The increase in inventor royalties and net income attributable to noncontrolling interests was less than the increase in revenues for the periods presented, primarily due to a portion of revenues recognized during the periods ended September 30, 2010 having no corresponding inventor royalty arrangement obligations, and in the aggregate, lower inventor royalty rates associated with the portfolios generating revenues during the periods ended September 30, 2010, as compared to the prior year periods.

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The increase in contingent legal fees expense was less than the increase in revenues for the periods presented, primarily due to a portion of revenues recognized during the periods ended September 30, 2010 having no (b) corresponding contingent legal fee arrangement obligations, and in the aggregate, lower contingent legal fee rates associated with the portfolios generating revenues during the periods ended September 30, 2010, as compared to the prior year periods.

Certain revenue agreements with unrelated third parties entered into in the first and third quarters of 2010 resulted in the grant of certain intellectual property rights and recognition of revenues, the majority of which were not subject to inventor royalty and contingent legal fee arrangements, as well as the grant of licenses from certain of our operating subsidiaries and recognition of revenues that were subject to inventor royalties and contingent legal fee arrangements. Revenues recognized subject to inventor royalties and contingent legal fees are based on a determination by the respective operating subsidiaries.

Litigation and Licensing Expenses - Patents. Litigation and licensing expenses-patents include patent-related prosecution and enforcement costs incurred by outside patent attorneys engaged on an hourly basis and the out-of-pocket expenses incurred by law firms engaged on a contingent fee basis. Litigation and licensing expenses-patents also includes licensing and enforcement related third-party patent research, development, consulting, and other costs incurred in connection with the licensing and enforcement of patent portfolios. Litigation and licensing expenses-patents fluctuate from period to period based on patent enforcement and prosecution activity associated with ongoing licensing and enforcement programs and the timing of the commencement of new licensing and enforcement programs in each period.

The decrease for the three month periods presented was due to a lower net level of litigation support, third party technical consulting and professional expert expenses incurred during the three months ended September 30, 2010. Higher levels of litigation and licensing expenses were incurred during the three months ended September 30, 2009 in connection with licensing and enforcement programs that went to trial in late 2009 or were scheduled to go to trial in early 2010. The decrease was partially offset by an increase in litigation and licensing expenses incurred in connection with our continued investment in ongoing licensing and enforcement programs and the commencement of new licensing and enforcement programs since the end of the prior year quarter.

The net increase for the nine month periods presented was due to a higher net level of litigation support, third party technical consulting and professional expert expenses incurred in connection with certain of our licensing and enforcement programs that went to trial and concluded, or were scheduled to go to trial and settled during the nine months ended September 30, 2010. The change also reflects a net increase in expenses in connection with our continued investment in certain of our ongoing licensing and enforcement programs, and a net increase in costs related to new licensing and enforcement programs commenced since the end of the prior year period. The increase was partially offset by a reduction in costs related to certain of our licensing and enforcement programs that went to trial and/or otherwise concluded in late 2009 and early 2010.

We expect patent-related legal expenses to continue to fluctuate period to period based on the factors summarized above, in connection with upcoming scheduled and/or anticipated trial dates and our current and future patent acquisition, development, licensing and enforcement activities.

Amortization of Patents. Amortization expense increased due primarily to scheduled amortization on patent portfolios acquired since the end of the prior year period, and the acceleration of patent amortization related to recoupable up-front patent portfolio acquisition costs that were recovered during the three and nine months ended September 30, 2010, pursuant to the provisions of the underlying inventor agreements. Accelerated amortization expense related to the recovery of up-front patent acquisition costs totaled \$643,000 and \$1.2 million for the three and nine months

ended September 30, 2010, respectively, and \$42,000 for the three and nine months ended September 30, 2009.

In addition, during the nine months ended September 30, 2010, our operating subsidiary elected to terminate its rights to a patent portfolio, resulting in the acceleration of amortization expense for the patent related asset of \$338,000.

Refer to “Liquidity and Capital Resources” below, and Note 4 to the consolidated financial statements contained elsewhere herein, for patent and patent rights acquisition costs incurred for the periods presented, and additional information.

Operating Expenses (In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Marketing, general and administrative expenses (including non-cash stock compensation expense of \$1,615 and \$5,574 for the three and nine months ended September 30, 2010, respectively and \$1,472 and \$5,573 for the three and nine months ended September 30, 2009, respectively)	\$6,353	\$4,709	\$18,741	\$15,835

Marketing, General and Administrative Expenses. Marketing, general and administrative expenses include employee compensation and related personnel costs, including non-cash stock compensation expenses, office and facilities costs, legal and accounting professional fees, public relations, marketing, stock administration, gross receipts based state taxes and other corporate costs. A summary of the main drivers of the change in marketing, general and administrative expenses, including the impact of non-cash stock compensation charges, for the periods presented, is as follows (in thousands):

	Three Months Ended September 30, 2010 vs. 2009	Nine Months Ended September 30, 2010 vs. 2009
Addition of licensing, business development and engineering personnel and other personnel costs	\$280	\$720
Increase in variable performance-based compensation and other variable personnel costs	989	1,715
Corporate, general and administrative costs	66	308
State and foreign gross receipts taxes	166	162
Non-cash stock compensation expense	143	1

Provision for Income Taxes (in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Provision for income taxes	\$(297)	\$(47)	\$(605)	\$(124)
Effective tax rate	1.06%	(2.00)%	1.40%	(3.71)%

Provision for Income Taxes . Our effective tax rate increased during the periods presented due to an increase in estimated annual state related alternative minimum taxable income for the 2010 periods presented.

In October 2010, the State of California passed a state budget including provisions furthering the suspension of the use of net operating losses, or NOLs, for the 2010 and 2011 tax years. As a result, California State NOLs will not be available to offset California taxable income, if any, for the 2010 or 2011 tax years. In accordance with ASC 740, "Income Taxes," the effects of the new tax legislation on taxes payable have not been recognized in the accompanying consolidated financial statements as of and for the three and nine months ended September 30, 2010, prior to October

2010 enactment of the new tax legislation. The tax effect of the change in tax laws on taxes payable for the current fiscal year will be recorded after the effective date prescribed in the statutes and reflected in the computation of the annual effective tax rate in the fourth quarter of 2010, the first interim period that includes the enactment date of the new legislation. As of September 30, 2010, the California corporate state tax rate was 8.84% and would be applied to estimated taxable income without regard to stock option deductions for the tax year ending December 31, 2010, in calculating our estimate annual effective rate. Acacia is currently assessing the implementation of potential tax planning strategies to reduce the impact of the change in tax law.

Other

As a result of redemptions or partial redemptions at par on certain auction rate securities, we recorded realized gains totaling \$201,000 and \$235,000 for the three and nine months ended September 30, 2009, respectively, reflecting a partial recovery of the other-than-temporary loss originally recorded on these securities. Refer to Note 6 to the consolidated financial statements elsewhere herein.

Liquidity and Capital Resources

General

Our primary sources of liquidity are cash and cash equivalents and investments generated from our operating activities. Our management believes that the cash and cash equivalent balances, investments, anticipated cash flow from operations, and other external sources of available credit, will be sufficient to meet our cash requirements through at least October 2011 and for the foreseeable future. We may, however, encounter unforeseen difficulties that may deplete our capital resources more rapidly than anticipated, including those set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009. Any efforts to seek additional funding could be made through issuances of equity or debt, or other external financing. However, additional funding may not be available on favorable terms, or at all. The capital and credit markets have experienced extreme volatility and disruption since late 2007, and the volatility and impact of the disruption has continued into 2010. At times during this period, the volatility and disruption has reached unprecedented levels. In several cases, the markets have exerted downward pressure on stock prices and credit capacity for certain issuers, and there can be no assurance that the commercial paper markets will be a reliable source of short-term financing for us. If we fail to obtain additional funding when needed, we may not be able to execute our business plans and our business, conducted by our operating subsidiaries, may suffer.

As described above, in August 2010, our wholly-owned subsidiary became the general partner of the Acacia IP Fund, which was formed in August 2010. The Acacia IP Fund is authorized to raise up to \$250 million. The Acacia IP Fund will acquire, license and enforce intellectual property consisting primarily of patents, patent rights, and patented technologies.

Cash and Investments

Our consolidated cash and cash equivalents and investments totaled \$85.6 million at September 30, 2010, compared to \$53.9 million at December 31, 2009. The net change in cash and cash equivalents for the periods presented was comprised of the following (in thousands):

	Nine Months Ended	
	September 30, 2010	September 30, 2009
Net cash provided by (used in):		
Operating activities	\$30,347	\$5,896
Investing activities	(3,113)	(8,232)
Financing activities	4,457	(3,143)

Cash Flows from Operating Activities. Cash receipts from licensees for the nine months ended September 30, 2010 increased to \$83.4 million, from \$48.1 million in the comparable 2009 period, primarily reflecting the net increase in revenues for the same periods, as discussed above. Cash outflows from operations for the nine months ended September 30, 2010 increased to \$53.1 million, as compared to \$42.2 million in the comparable 2009 period, due to the net increase in cost of revenues and other operating expenses, as discussed above, and the impact of the timing of

payments to inventors, attorneys and other vendors.

Cash Flows from Investing Activities. Net cash used in investing activities for the nine months ended September 30, 2010 included patent-related acquisition costs totaling \$3.1 million, as compared to \$9.2 million in the comparable 2009 period.

Cash Flows from Financing Activities. Net cash provided by financing activities during the nine months ended September 30, 2010 included proceeds from the exercise of stock options totaling \$6.8 million and \$444,000 in capital contributions to the Acacia IP Fund, partially offset by distributions to non-controlling interests totaling \$2.8 million. Distributions to non-controlling interests totaled \$2.1 million for the nine months ended September 30, 2009.

In May 2009, our board of directors approved a restricted stock vesting net issuance program. Under the program, upon the vesting of unvested shares of restricted common stock, we withheld from fully vested shares of common stock otherwise deliverable to any employee-participant in our equity compensation programs, a number of whole shares of common stock having a fair market value (as determined by us as of the date of vesting) equal to the amount of tax required to be withheld by law, in order to satisfy the tax withholding obligations of ours in connection with the vesting of such shares. Of a total of 560,767 shares of restricted stock vesting in September 2009, 168,536 shares of common stock were withheld by the Company, in satisfaction of \$1.1 million in required withholding tax liability.

Working Capital

Working capital at September 30, 2010 was \$91.0 million, compared to \$36.0 million at December 31, 2009. The primary components of working capital are cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, and royalties and contingent legal fees payable. Refer to “Liquidity and Capital Resources - Cash and Investments” above for a discussion of the impact of activities related to cash and investments on working capital for the periods presented.

Consolidated accounts receivable from licensees increased to \$39.0 million at September 30, 2010, compared to \$5.1 million at December 31, 2009. Accounts receivable balances fluctuate based on the timing, magnitude and payment terms associated with revenue agreements executed during the period, and the timing of cash receipts on accounts receivable balances recorded in previous periods.

Consolidated royalties and contingent legal fees payable increased to \$24.9 million at September 30, 2010, compared to \$12.4 million at December 31, 2009. Royalties and contingent legal fees payable balances fluctuate based on the factors described above and the timing of payment of current and prior period royalties and contingent legal fees payable to inventors and outside attorneys, respectively.

The majority of accounts receivable from licensees at September 30, 2010 were collected or scheduled to be collected in the fourth quarter of 2010, in accordance with the terms of the related underlying agreements. The majority of royalties and contingent legal fees payable are scheduled to be paid in the fourth quarter of 2010, upon receipt by us of the related fee payments from licensees, in accordance with the underlying contractual arrangements.

Accounts payable and accrued expenses increased to \$8.4 million at September 30, 2010, from \$8.0 million at December 31, 2009, due primarily to the related timing of payments to attorneys and other vendors.

All revenue recognition criteria related to the December 31, 2009 balance of deferred revenues, totaling \$1.5 million, were met in January 2010, and therefore, the revenue was recognized in the consolidated statements of operations for the first quarter of 2010.

Off-Balance Sheet Arrangements

We have not entered into off-balance sheet financing arrangements, other than operating leases. We have no significant commitments for capital expenditures in 2010. We have no committed lines of credit or other committed funding or long-term debt. The following table lists our known contractual obligations and future cash commitments as of September 30, 2010:

Contractual Obligations	Payments Due by Period (In thousands)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years

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Operating leases	\$1,620	\$187	\$1,433	\$—	\$—
Total contractual obligations	\$1,620	\$187	\$1,433	\$—	\$—

As of September 30, 2010, the liability for uncertain tax positions, associated primarily with state income taxes, was \$86,000, none of which is expected to be paid within one year. The liability for uncertain tax positions is recorded in other long-term liabilities in our consolidated balance sheets included in this report.

Recent Accounting Pronouncements

Refer to Note 2 and Note 7 to the consolidated financial statements included in this report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The primary objective of our investment activities is to preserve principal while concurrently maximizing the income we receive from our investments without significantly increasing risk. Some of the securities that we may invest in may be subject to market risk. This means that a change in prevailing interest rates may cause the principal amount of the investment to fluctuate. For example, if we hold a security that was issued with a fixed interest rate at the then-prevailing rate and the prevailing interest rate later rises, the current value of the principal amount of our investment will decline. To minimize this risk in the future, we intend to maintain our portfolio of cash equivalents and short-term investments in a variety of securities, including commercial paper, money market funds, high-grade corporate bonds, government and non-government debt securities and certificates of deposit. As of September 30, 2010, our investments were comprised of money market funds and auction rate securities. In general, money market funds are not subject to market risk because the interest paid on such funds fluctuates with the prevailing interest rate. A hypothetical 100 basis point increase in interest rates would not have a material impact on the fair value of our available-for-sale securities as of September 30, 2010. Refer to "Liquidity and Capital Resources" and Note 6 to the consolidated financial statements included in this report for additional information.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation and under the supervision of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act) as of the end of the period covered by this quarterly report. Based on that evaluation, our chief executive officer and our chief financial officer have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report to ensure that the information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure, and that such information is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during our last fiscal quarter (the quarter ended September 30, 2010) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II--OTHER INFORMATION

Item 6. EXHIBITS

- 31.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
 - 31.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
 - 32.1 Certification of Chief Executive Officer Pursuant to Rule 13a-14(b)/15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350
 - 32.2 Certification of Chief Financial Officer Pursuant to Rule 13a-14(b)/15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350
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SIGNATURES

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

ACACIA RESEARCH CORPORATION

By: /s/ Paul R. Ryan
Paul R. Ryan
Chief Executive Officer

By: /s/ Clayton J. Haynes
Clayton J. Haynes
Chief Financial Officer and Treasurer

Date: November 1, 2010

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934
32.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(b)/15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350
32.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(b)/15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350