November 10, 2016

By e-mail to policy@issgovernance.com

Institutional Shareholder Services Inc.
702 King Farm Boulevard, Suite 400
Rockville, MD 20850
U.S.A.

Re: **ISS U.S. Policy – General Share Issuance Mandates for Cross-Market Companies**

Ladies and Gentlemen:

Prothena Corporation plc ("Prothena") submits this letter in response to the request by Institutional Shareholder Services Inc. ("ISS") for comments on its proposed U.S. policy on general share issuance mandates for cross-market companies (U.S.-listed, non-U.S.-incorporated companies).

Company Background

Prothena is a public limited company formed under the laws of Ireland on September 26, 2012. Prothena's shares commenced trading on The NASDAQ Global Market on December 21, 2012 and currently trade on The NASDAQ Global Select Market. Our shares are not traded on any other exchange. We are not a "foreign private issuer."

Prothena's Articles of Association authorise our Board of Directors to (a) allot and issue shares up to the full amount of the company's authorised but unissued share capital and (b) dis-apply pre-emption rights for such share issuances. As required under the Irish Companies Act 2014, these authorisations to allot and issue shares and dis-apply pre-emption rights expire on September 26, 2017, five years after the company's formation. Prothena will be seeking shareholder approval, at their next annual general meeting, to extend these same authorisations for another five years.

Prothena is a late-stage clinical biotechnology company seeking to fundamentally change the course of progressive diseases with its clinical pipeline of novel therapeutic antibodies. We have advanced several drug candidates into clinical studies while pursuing discovery of additional novel therapies. For more information, please visit the company's website at www.prothena.com.

Prothena does not have any drug approved for sale, and therefore has no product revenue. The company received initial funding from Elan Corporation plc when it was "spun out" from that Irish-incorporated company in 2012. Since then, Prothena has been dependent on public offerings of its shares to raise the cash necessary to continue its research and development of drug candidates. In fact, it is for this reason that Prothena, an Ireland-incorporated company from its inception, chose to list its shares on The NASDAQ Global Market, which we believed would provide the greatest access to capital.

Without its public offerings, Prothena would not have been able to fund continued development of its multiple drug candidates. If Prothena is limited in its ability to raise cash through additional offerings of its shares, it might not be able to fund continued development of its drug candidates until it is able to generate revenue and positive cash flow from product sales. Prothena's continued viability is dependent upon raising cash from issuances of its shares.

We note that Prothena presented amended and restated Articles of Association to our shareholders at their annual general meeting in May 2016, which Articles continued to authorise our board of directors to allot and issue shares (without pre-emption) up to our total authorised but unissued share capital. Our shareholders overwhelmingly approved those amended and restated Articles, although Prothena had issued shares in multiple public offerings.

Recommendation on ISS's Proposed U.S. Policy Change

We refer ISS to the November 9, 2016 letter submitted to ISS by A&L Goodbody, a leading Irish law firm, and the November 10, 2016 letter submitted to ISS by Latham & Watkins LLP, a leading U.S. law firm. Those letters set forth compelling reasons why ISS should adopt a share issuance policy for U.S.-listed non-U.S.-incorporated companies that fully aligns with the ability of U.S.-incorporated entities to issue shares. Prothena strongly endorses the positions taken by those firms.

We further highlight that Prothena's shareholders have the opportunity and ability – unlike shareholders of most U.S.-incorporated companies – to reject unlimited authorisations to issue shares and dis-apply pre-emption, given the requirement under Irish law that Prothena obtain shareholder re-authorisations every five years, if they believe Prothena's board of directors has not acted in the best interests of shareholders in respect to share issuances.

We also note that Irish corporate law recently underwent its most substantial revision since 1963, with the adoption of the Companies Act 2014. No change was made to the authority of boards of directors to issue shares and dis-apply pre-emption rights, which still must be renewed every five years. Respectfully, ISS should not adopt a policy that replaces this five-year Irish legal requirement with ISS's own judgment of what is an appropriate term of a shareholder authorisation.

In addition, because statutory pre-emption rights generally do not apply to U.S.-incorporated companies, an ISS policy that limits the extent to which non-U.S.-incorporated companies could obtain shareholder authorization to waive these rights would be particularly onerous and impair Prothena's ability to compete in the same capital market with U.S.-incorporated entities. We note that all of Prothena's "peer" companies, both as identified by ISS and as used by the compensation consultant to our board of directors, are U.S.-incorporated companies.

In conclusion: If the objective of ISS's new U.S. policy is to "reflect U.S. listing rules and the expectations of investors in the U.S. market" and "effectively extend the NYSE/NASDAQ requirement for shareholder approval of issuances above 20 percent," **ISS's policy should be to support requests for shareholder authorisation to issue (without pre-emption) shares up to 100% of a company's authorised but**

unissued share capital, consistent with ISS's policy for common stock authorisations of U.S.-incorporated companies, for the maximum period allowed by applicable corporate law. Doing otherwise would be inconsistent with ISS's stated objective.

We appreciate the opportunity to comment on ISS's proposed U.S. policy on general share issuance mandates for cross-market companies. Please let me know if it would be helpful to discuss Prothena's position on this important issue; I can be reached by phone at +353-1-236-2501 or by e-mail at yvonne.tchrakian@prothena.com.

Sincerely,

YTchrakian

Yvonne M. Tchrakian
Company Secretary