

AGENUS INC  
Form DEF 14A  
April 30, 2015  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**SCHEDULE 14A**

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Agenus Inc.**

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*(Name of Registrant as Specified In Its Charter)*

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*(Name of Person(s) Filing Proxy Statement, if other than the Registrant)*

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Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously paid:

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

(3) Filing Party:

(4) Date Filed:

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**AGENUS INC.**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

- Date** June 24, 2015
- Time** 5:00 P.M., Eastern Time
- Place** Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421
- Webcast** Go to <http://www.agenusbio.com/news/webcasts> starting at 5:00 P.M., Eastern Time on June 24, 2015. The webcast will be archived on our website for at least thirty days after the date of the 2015 Annual Meeting of Stockholders.
- Proposals**
1. To elect Wadih Jordan and Shalini Sharp as Class III directors, each for a term of three years expiring at the 2018 Annual Meeting of Stockholders.
  2. To approve an amendment to our 2009 Equity Incentive Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 10,200,000 to 14,200,000.
  3. To approve an amendment to our Directors' Deferred Compensation Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 225,000 to 325,000.
  4. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.
  5. To consider any other business as may properly come before the 2015 Annual Meeting of Stockholders or any postponement or adjournment of the meeting.

**Record**

**Date** You are entitled to vote if you were a stockholder of record on April 27, 2015.

A list of stockholders entitled to vote will be open for examination by any stockholder for any purpose germane to the 2015 Annual Meeting of Stockholders for ten days before the meeting during ordinary business hours at our principal offices at 3 Forbes Road, Lexington, Massachusetts 02421.

**It is important that your shares be represented at the 2015 Annual Meeting of Stockholders. Therefore, whether or not you plan to attend the meeting, please complete your proxy and return it to us. If you attend the meeting and wish to vote in person, your proxy will not be used. You may also vote your shares over the internet or by telephone. Instructions for internet or telephonic voting are printed on your proxy card.**

By order of the Board of Directors,

Karen Higgins Valentine, *Secretary*

April 30, 2015

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**AGENUS INC.**

3 Forbes Road

Lexington, Massachusetts

Telephone: (781) 674-4400

**PROXY STATEMENT**

**APRIL 30, 2015**

This proxy statement contains information about the 2015 Annual Meeting of Stockholders of Agenus Inc. (the 2015 Annual Meeting ), including any postponements or adjournments of the meeting. The 2015 Annual Meeting will be held at Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421 on June 24, 2015 at 5:00 P.M., Eastern Time.

In this proxy statement, we refer to Agenus Inc. as Agenus, us , we or the Company.

This proxy statement and solicitation is being made on behalf of the Board of Directors of Agenus Inc.

In accordance with the e-proxy rules approved by the Securities and Exchange Commission ( SEC ) and in connection with the solicitation of proxies by our Board of Directors, we first sent a Notice of Internet Availability of Proxy Materials on or about April 30, 2015 and provided access to our proxy materials (consisting of this proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2014 and a form of proxy) over the internet, beginning on April 30, 2015, to each stockholder entitled to vote at the 2015 Annual Meeting. We intend to mail to requesting stockholders full sets of our proxy materials (consisting of this proxy statement, our Annual Report on Form 10-K for the year ended December 31, 2014 and a form of proxy) on or about April 30, 2015.

**Our Annual Report on Form 10-K for the year ended December 31, 2014 is also available on the Financial section of our corporate website at <http://investor.agenusbio.com/sec-filings> and through the SEC s EDGAR system at <http://www.sec.gov>. To request a printed copy of our Annual Report on Form 10-K, which we will provide to you without charge, write to Investor Relations, Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421. No material on our website is part of this proxy statement.**

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**VOTING PROCEDURES**

**YOUR VOTE IS IMPORTANT. PLEASE TAKE THE TIME TO VOTE.** Stockholders have a choice of voting over the internet, by telephone, by mail using a proxy card, or by attending in person at the 2015 Annual Meeting. Please refer to the proxy card or other voting instructions included with these proxy materials for information on the voting methods available to you. **If you vote over the internet, by telephone, or in person at the 2015 Annual Meeting, you do not need to return your proxy card.**

**Who can vote?**

Each share of our common stock that you owned as of the close of business on April 27, 2015, the record date, entitles you to one vote on each matter to be voted upon at the 2015 Annual Meeting. On the record date, there were 71,485,732 shares of Agenus common stock issued, outstanding, and entitled to vote.

**Why did I receive a one-page notice in the mail regarding the internet availability of proxy materials instead of a full set of printed proxy materials?**

Pursuant to the notice and access rules adopted by the SEC, we provide stockholders access to our proxy materials over the internet. Accordingly, we sent a Notice of Internet Availability of Proxy Materials ( Notice ) to all of our stockholders as of the record date. The Notice includes instructions on how to access our proxy materials over the internet and how to request a printed copy of these materials. In addition, by following the instructions in the Notice, stockholders may request to receive proxy materials in printed form by mail or electronically by email on an ongoing basis.

Choosing to receive your future proxy materials by email will save us the cost of printing and mailing documents to you and will reduce the impact of our annual meetings of stockholders on the environment. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by email will remain in effect until you revoke the election and request a full set of printed proxy materials.

**What is the difference between holding shares directly in my name and holding shares in street name ?**

If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered the stockholder of record. The Notice was sent directly to you by our tabulator, Broadridge Financial Solutions, Inc. ( Broadridge ), on behalf of Agenus.

If your shares are held for you in an account by a broker, bank, or other nominee, you are considered the beneficial owner of shares held in street name.

**How do I vote?**

**If your shares are registered directly in your name, you may vote:**

**Over the internet.** Go to the website of our tabulator, Broadridge, at <http://www.proxyvote.com> and follow the instructions. If you do not specify how you want to vote your shares, your internet vote will not be completed and you will receive an error message. Your shares will be voted according to your instructions. If you vote over the internet, your vote must be received by 11:59 P.M. Eastern Time on June 23, 2015.

**By telephone.** Dial 1-800-690-6903 using any touch-tone telephone and follow the instructions. Your shares will be voted according to your instructions. If you vote over the telephone, your vote must be received by 11:59 P.M. Eastern Time on June 23, 2015.

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**By mail.** Complete and sign the enclosed proxy card and mail it in the enclosed postage prepaid envelope to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717. Your shares will be voted according to your instructions. If you do not specify how you want your shares voted, they will be voted as recommended by our Board of Directors.

**In person at the 2015 Annual Meeting.** If you attend the 2015 Annual Meeting in person, you may deliver your completed proxy card in person or you may vote by completing a ballot, which will be available at the meeting.

**If your shares are registered in street name,** you have the right to direct your broker, bank, or nominee how to vote your shares by using the voting instruction card included in the mailing, or by following their instructions for voting over the internet or by telephone.

**How can I change my vote?**

**If your shares are registered directly in your name,** you may revoke your proxy and change your vote at any time before the 2015 Annual Meeting. To do this, you must do one of the following:

Vote over the internet as instructed above. Only your latest internet vote is counted.

Vote by telephone as instructed above. Only your latest telephonic vote is counted.

Sign a new proxy card and submit it as instructed above.

Attend the 2015 Annual Meeting and vote in person. **Attending the meeting will not revoke your proxy unless you specifically request it.**

**If your shares are held in street name,** you may submit new voting instructions by contacting your broker, bank, or nominee. You may also vote in person at the 2015 Annual Meeting if you deliver a valid and completed proxy card as described in the answer to the "How do I vote?" question above.

**Will my shares be voted if I do not return my proxy?**

**If your shares are registered directly in your name,** your shares will not be voted if you do not vote over the internet, vote by telephone, return your proxy, or vote at the 2015 Annual Meeting.



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**If your shares are held in street name,** your brokerage firm, under certain circumstances, may vote your shares for you if you do not return your proxy. Brokerage firms have authority to vote customers' unvoted shares on some routine matters. If you do not give a proxy to your brokerage firm to vote your shares, your brokerage firm may either vote your shares on routine matters, or leave your shares unvoted. Proposal 4 (to ratify the appointment of KPMG LLP as our independent registered public accounting firm) is the only proposal that is considered a routine matter for this purpose. Your brokerage firm cannot vote your shares with respect to non-routine matters unless they receive your voting instructions. We encourage you to provide voting instructions to your brokerage firm by giving them your proxy. This ensures your shares will be voted at the 2015 Annual Meeting according to your instructions. You should receive directions from your brokerage firm about how to submit your proxy to them at the time you receive this proxy statement.

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**What does it mean if I receive more than one proxy card?**

It means that you have more than one account, which may be at the transfer agent or brokers. Please vote over the internet or by telephone, or complete and return all proxies for each account to ensure that all of your shares are voted.

**How many shares must be present to hold the 2015 Annual Meeting?**

A majority of our outstanding shares of common stock as of the record date must be present at the 2015 Annual Meeting to hold the meeting and conduct business. This is called a quorum. Shares are counted as present at the meeting if the shares are voted in person or by proxy at the meeting. Shares that are present that vote to abstain or do not vote on one or more of the matters to be voted upon are counted as present for establishing a quorum.

If a quorum is not present, the 2015 Annual Meeting will be adjourned until we obtain a quorum.

**What vote is required to approve each matter and how are votes counted?**

**Proposal 1 To elect two Class III directors for a term of three years expiring at the 2018 Annual Meeting of Stockholders.**

The two nominees for director receiving the highest number of votes FOR election will be elected as directors. This is called a plurality. You may vote FOR all of the nominees, WITHHOLD your vote from all of the nominees or WITHHOLD your vote from any one of the nominees. If your shares are held by your broker in street name and if you do not vote your shares or instruct your broker how to vote with respect to this item, your unvoted shares will be counted as broker non-votes. Abstentions and broker non-votes are not counted for purposes of electing directors. Votes that are withheld will not be included in the vote tally for the election of directors and will have no effect on the results of the vote.

**Proposal 2 To approve an amendment to our 2009 Equity Incentive Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 10,200,000 to 14,200,000.**

To approve Proposal 2, stockholders holding a majority of the shares of Agenus common stock present or represented by proxy at the 2015 Annual Meeting and voting on the matter must vote FOR Proposal 2. Abstentions and broker non-votes will not be counted as votes cast or shares voting on Proposal 2 and will have no effect on the vote.

**Proposal 3 To approve an amendment to our Directors Deferred Compensation Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 225,000 to 325,000.**

To approve Proposal 3, stockholders holding a majority of the shares of Agenus common stock present or represented by proxy at the 2015 Annual Meeting and voting on the matter must vote FOR Proposal 3. Abstentions and broker non-votes will not be counted as votes cast or shares voting on Proposal 3 and will have no effect on the vote.

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**Proposal 4 To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.**

To approve Proposal 4, a majority of the votes cast by stockholders present in person or by proxy and voting on the matter must vote FOR Proposal 4. If your shares are held by your broker in street name, and you do not vote your shares, your brokerage firm has authority to vote your unvoted shares on Proposal 4. If the broker does not vote your unvoted shares, there will be no effect on the vote because these broker non-votes are not considered to be voting on the matter. Abstentions and broker non-votes will not be counted as votes cast or shares voting on Proposal 4 and will have no effect on the vote.

**How does the Board of Directors recommend that I vote?**

Our Board of Directors recommends that you vote:

FOR Proposal 1 To elect the nominated Class III directors, each for a term of three years expiring at the 2018 Annual Meeting of Stockholders.

FOR Proposal 2 To approve an amendment to our 2009 Equity Incentive Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 10,200,000 to 14,200,000.

FOR Proposal 3 To approve an amendment to our Directors' Deferred Compensation Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 225,000 to 325,000.

FOR Proposal 4 To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.

**Are there other matters to be voted on at the 2015 Annual Meeting?**

We do not know of any other matters that may come before the 2015 Annual Meeting. If any other matters are properly presented to the meeting, the persons named in the accompanying proxy card intend to vote, or otherwise act, in accordance with their judgment.

**Where do I find the voting results of the 2015 Annual Meeting?**

We will report the voting results in a Form 8-K within four business days after the end of the 2015 Annual Meeting.

**Who bears the costs of soliciting these proxies?**

We will bear the costs of soliciting proxies. In addition to the mailing of these proxy materials, our directors, officers, and employees may solicit proxies by telephone, e-mail, and in person, without additional compensation. We have retained Alliance Advisors, LLC at an estimated cost of \$8,500 plus reimbursement of expenses to assist in our solicitation of proxies. Upon request, we will also reimburse brokerage houses and other custodians, nominees, and fiduciaries for their reasonable out-of-pocket expenses for distributing proxy materials to stockholders.

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**How can I receive future proxy statements and annual reports over the internet instead of receiving printed copies in the mail?**

This proxy statement and our Annual Report on Form 10-K for the year ended December 31, 2014 are available on our website at <http://investor.agenusbio.com/sec-filings>. Most stockholders can elect to view future proxy statements and annual reports over the internet instead of receiving printed copies in the mail.

**If your shares are registered directly in your name**, you can choose this option when you vote over the internet and save us the cost of producing and mailing these documents. You can also choose to view future proxy statements and annual reports over the internet. Your election to receive proxy materials by email will remain in effect until you revoke the election and request a full set of printed proxy materials. If you choose to receive future proxy materials by email, you will receive an email next year with instructions containing a link to those materials and a link to the proxy voting site.

**If your shares are held in street name**, you should check the information provided by your broker, bank, or other nominee for instructions on how to elect to view future proxy statements and annual reports over the internet. No material on our website is part of this proxy statement.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

*The Board of Directors has nominated the individuals listed below for election as Class III directors. Each nominee currently serves as a Class III director.*

Our Board of Directors (the Board) is divided into three classes. One class is elected each year and members of each class hold office for three-year terms. The Board currently is fixed at seven members and consists of seven members. Two current members are Class I directors, with terms expiring at the 2016 Annual Meeting of Stockholders. Three current members are Class II directors, with terms expiring at the 2017 Annual Meeting. Two current members are Class III directors, with terms expiring at the 2015 Annual Meeting of Stockholders. The Board has nominated Wadih Jordan and Shalini Sharp, each of whom is a current Class III director, for re-election to a term expiring at the 2018 Annual Meeting of Stockholders. Tom Dechaene, one of our current Class II directors, informed us of his intention to retire from the Board effective December 31, 2015 due to requirements of his employer.

For more information on nomination of directors, see Corporate Governance and Nominating Committee below in the section entitled Our Corporate Governance Committees of the Board.

Your vote is requested in favor of Wadih Jordan and Shalini Sharp, the nominees listed below, as Class III directors. The nominees have indicated their willingness to serve, if elected, but if they should be unable or unwilling to serve, proxies may be voted for substitute nominees designated by the Board.

There are no family relationships between or among any of our executive officers, directors, or nominees for directors.

Below are the names and certain information about each member of the Board, including the nominees for election as Class III directors:

**CLASS I DIRECTORS TERMS TO EXPIRE IN 2016**

*Brian Corvese*

Age: 57

President and Founder of

Vencor Capital

*Director since 2007*

*(a) Audit and Finance*

*Committee (Chair)*

*(b) Compensation Committee*

Mr. Corvese is President and Founder of Vencor Capital, a private equity firm with telecommunications and technology investments in the Middle East and Mediterranean regions. Prior to working at Vencor, Mr. Corvese worked on investments in the U.S. and global equity markets as a Managing Director and partner at Soros Fund Management, the largest hedge fund in the world at the time. From 1988 to 1996, Mr. Corvese was a partner at Chancellor Capital Management (Chancellor), a \$25 billion money management firm. While at Chancellor, Mr. Corvese was a Portfolio Manager with responsibility for investments made in basic industries, restructurings, and special situations, corporate governance investments, as well as founded and managed his own hedge fund. From 1981 to 1988, Mr. Corvese was with Drexel Burnham Lambert (Drexel) as an equity analyst following the chemical and specialty chemical industries and participated in a significant number of merger and acquisition activities. While at Drexel, Mr. Corvese was a member of the top chemical and specialty chemical research team, as ranked by Institutional Investor. Mr. Corvese currently serves on the Board of Directors of the National Telecommunications Corporation, based in Cairo, Egypt. Mr. Corvese earned degrees in finance and political science from The University of Rhode Island and attended New York University Graduate School. With over 25 years of experience in the financial industry, Mr. Corvese brings substantial financial expertise to our Board.

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*Timothy R. Wright*

Age: 57

Executive Vice President, Business Development, Strategy and Commercial Innovation,

Teva Pharmaceuticals Industries Ltd.

*Director since 2006, Lead*

*Director since 2009*

*(a) Compensation Committee*

*(b) Corporate Governance*

*and Nominating Committee*

*(Chair)*

*(c) Audit and Finance*

*Committee*

*(d) Business & Development*

*Advisory Committee*

**CLASS II DIRECTORS TERMS TO EXPIRE IN 2017**

Mr. Wright recently became the Executive Vice President, Business Development, Strategy and Commercial Innovation at Teva Pharmaceuticals Industries Ltd., effective April 13, 2015. He was previously the founder and head of The Ohio State University Comprehensive Cancer Center Drug Development Institute, a position he held from September 2011 to April 2015. From July 2011 to July 2012, Mr. Wright served as Chairman, Interim CEO, and a member of the Board of Directors of Curaxis Pharmaceuticals Corporation, a research based company dedicated to finding cures for age-related diseases, including Alzheimer's disease and cancer. Prior to Mr. Wright's tenure at Curaxis, the company had been experiencing financial difficulties and, as a result, Curaxis filed for Chapter 11 bankruptcy in July 2012. Prior to that, Mr. Wright served as President of the Imaging Solutions and Pharmaceutical Products Sector of Covidien. Covidien is an \$11 billion global leader in medical devices and supplies, diagnostic imaging agents, pharmaceuticals, and other healthcare products. Mr. Wright brings to our Board over 28 years of global pharmaceutical industry experience in general management, product development, and commercialization as well as business restructuring and transaction experience. Beginning in April 2004, Mr. Wright was interim CEO, President and a member of the Board of Directors of AAI Pharma, a hybrid pharmaceutical, drug delivery/manufacturing, and global clinical research organization. Upon the sale of AAI Pharma's pharmaceutical assets to Xanodyne Pharmaceuticals Inc., Mr. Wright transitioned to Chief Operating Officer at Xanodyne Pharmaceuticals Inc., a role he maintained until May 2006. Mr. Wright was also President of Elan Bio-Pharmaceuticals and has held several senior management positions with Cardinal Health Inc. and Dupont Merck Pharmaceutical Company. Over his career, Mr. Wright has served on nine Boards of Directors, five in North America and four in Europe and Asia. Mr. Wright earned his bachelor's degree from The Ohio State University.

*Garo H. Armen, Ph.D.*

Age: 62

Founder, Chairman, and Chief Executive Officer of Agenus Inc.

Dr. Armen is Chairman and Chief Executive Officer of Agenus Inc., which he co-founded in 1994. Dr. Armen brings to our Board a deep historical and practical knowledge of the business of the Company and its technologies, as well as years of expertise in the financial and biopharmaceutical arenas. From mid-2002 through 2004, he was Chairman of the Board of Directors for the biopharmaceutical company Elan Corporation, plc which he helped restructure. Dr. Armen currently serves as non-executive Chairman of the Board of Directors of Protagenic Therapeutics, Inc., a privately held biotechnology company. Dr. Armen is also the founder and Chairman of the Children of Armenia Fund, a philanthropic organization established in 2000 that is dedicated to the positive development of the children and youth of rural Armenia. He holds a Ph.D. degree in physical organic chemistry from the City University of New York.

*Director since 1999*

*(a) Business & Development*

*Advisory Committee (Chair)*

*(b) Non-Executive Equity*

*Award Committee (Sole*

*Member)*

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<p><i>Tom Dechaene</i></p> <p>Age: 55</p> <p>Executive Director, National Bank of Belgium</p> <p><i>Director since 1999, Lead Director 2006-2009</i></p> <p><i>(a) Audit and Finance Committee</i></p> <p><i>(b) Corporate Governance and Nominating Committee</i></p>	<p>Mr. Dechaene is an executive director of the National Bank of Belgium. He serves on the board of Bourn Hall International Ltd, a provider of IVF health services in India and the MENA region. Mr. Dechaene was a non-executive director of KBC Group N.V., a bank assurance group listed on Euronext from 2011 until 2014. Between 2007 and 2012, Mr. Dechaene was an independent director of Transics N.V., a company listed on NYSE Euronext. Mr. Dechaene was an independent director of Telindus NV, listed on Euronext, from 2005 until its acquisition by Belgacom in 2006. Between 2006 and 2012, Mr. Dechaene was a non-executive director of the Telindus Foundation in the Netherlands. From 2000 to 2002, Mr. Dechaene was the Chief Financial Officer of SurfCast Inc., a software development company. He was with Deutsche Bank from 1991 through 1999, most recently as a director in the principal investments group within the equity capital markets division.</p> <p>Mr. Dechaene holds a law degree from the Central Exam Commission, Belgium, a master's degree in applied economics from the University of Antwerp, and a master's degree in business administration from INSEAD, France. Mr. Dechaene brings to our Board financial expertise, historical knowledge as a director of the Company, including as former lead director, and a breadth of international experience.</p>
<p><i>Shahzad Malik, M.D.</i></p> <p>Age: 48</p> <p>General Partner at Advent Venture Partners LLP</p> <p><i>Director since 2014</i></p>	<p>Dr. Malik is a General Partner at Advent Venture Partners, a position he has held since 1999. Dr. Malik brings to our Board historical knowledge of the operations of 4-Antibody AG, our wholly-owned subsidiary ( 4-Antibody ), as well as broad experiences in the life sciences and medical industries. During his time with Advent, he has been actively involved with numerous investments in Europe and the United States in the biopharmaceutical and medical device arenas in a variety of therapeutic areas. A number of these companies that Advent invested in are now publicly traded or have been acquired. Dr. Malik currently serves on the Board of Directors of Conatus Pharmaceuticals, Inc. and Versartis, Inc., both life sciences companies. Prior to joining Advent, Dr. Malik spent six years practicing medicine before joining the London office of McKinsey &amp; Company, a management consulting firm. While there he served international clients in the Healthcare and Investment Banking sectors. Dr. Malik holds an M.A. from Oxford University and a M.D. from Cambridge University. He subsequently specialized in interventional cardiology while also pursuing research interests in heart muscle disorders both in the clinic and basic science laboratory.</p>

**NOMINEES FOR CLASS III DIRECTORS TERMS TO EXPIRE IN 2015**



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<i>Wadih Jordan</i>	<p>Mr. Jordan was the founder and President of NearEast Enterprise, L.L.C. from 2011 to April 2015, a company that marketed pharmaceuticals in Near East markets, including Lebanon, Turkey, Saudi Arabia, Egypt, and the Gulf countries. From 1995 to 2011, Mr. Jordan served as President of NearEast Pharma LLC, a company that provided pharmaceutical, biotechnology and equipment for pharmaceutical industries to the Near East and Middle East markets. From 1993 to 1995, Mr. Jordan served as a Vice President of Cyanamid International, a research-based life sciences company, and from 1976 to 1993, Mr. Jordan served as a Managing Director within Cyanamid International. Since December 2003, Mr. Jordan has been a trustee of the Board of Directors of the Lebanese American University, located in Beirut, Lebanon, and incorporated under the Board of Regents in New York State. Mr. Jordan received a bachelor's degree in agriculture at the American University of Beirut, Lebanon, and a certificate in international business from Columbia University. Mr. Jordan brings to our Board years of expertise in both the biotechnology/pharmaceutical and international arenas.</p>
Age: 80	
<i>Director since 2003</i>	
<i>(a) Compensation Committee</i>	
<i>(Chair)</i>	

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*Shalini Sharp*

Age: 40

Chief Financial Officer and

Senior Vice President, Ultragenyx  
Pharmaceutical Inc.

*Director since 2012*

*(a) Business & Development*

*Advisory Committee*

***Vote Required***

Ms. Sharp is Chief Financial Officer and Senior Vice President of Ultragenyx Pharmaceutical Inc. and a member of the board of the TB Alliance. Ms. Sharp served as Vice President and Chief Financial Officer of Agenus from 2006 to May 2012, and was appointed a member of the Board in May 2012. She joined Agenus in 2003 and held increasing roles of responsibility spanning strategic planning, corporate development, investor relations, corporate finance and business development activities. Prior to Agenus, Ms. Sharp held similar roles at Elan Pharmaceuticals from 1998 to 2003, including serving as chief of staff to the Chairman of the Board of Directors during that company's restructuring. Prior to Elan, Ms. Sharp was a management consultant at McKinsey & Company as well as an investment banker at Goldman Sachs, specializing in pharmaceuticals and medical devices. Ms. Sharp holds both a bachelor's degree and a master's degree in business administration from Harvard University. Ms. Sharp brings to our Board over a decade of institutional knowledge of Agenus as well as her expertise in the biotechnology and banking industries.

The two nominees for director receiving the highest number of votes FOR election will be elected as directors. This is called a plurality. Abstentions and broker non-votes are not counted for purposes of electing directors. If your shares are held by your broker in street name and if you do not vote your shares or instruct your broker how to vote with respect to this item, your unvoted shares will be counted as broker non-votes. You may vote FOR all of the nominees, WITHHOLD your vote from all of the nominees or WITHHOLD your vote from any one of the nominees. Votes that are withheld will not be included in the vote tally for the election of directors and will have no effect on the results of the vote.

***The Board of Directors recommends a vote FOR each of the nominees for Director.***

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**OUR CORPORATE GOVERNANCE**

***Our Commitment to Good Corporate Governance***

We believe that good corporate governance and an environment of high ethical standards are important for Agenus to achieve business success and to create value for our stockholders. Our Board is committed to high governance standards and to continually working to improve them. We continue to review our corporate governance practices in light of ongoing changes in applicable law and evolving best practices.

***Role of Our Board***

Our Board monitors our overall corporate performance, the integrity of our financial controls, risk management and legal compliance procedures. It appoints senior management and oversees succession planning and senior management's performance and compensation. The Board also oversees our short- and long-term strategic and business planning, and reviews with management its business plan, financing plans, budget, and other key financial and business objectives.

Members of the Board keep informed about our business through discussions with our Chief Executive Officer and other members of our senior management team, by reviewing materials provided to them by the Company on a regular basis and in preparation for Board and committee meetings, and by participating in meetings of the Board and its committees. We regularly review key portions of our business with the Board. These practices afford the Board members the opportunity to actively participate in risk management assessment and raise questions and engage in discussions with management regarding areas of potential risk. The Audit and Finance Committee of the Board reviews the risk management practices of the Company and both the Corporate Governance and Nominating Committee and the Audit and Finance Committee receive an annual report from the Company's Chief Compliance Officer outlining areas of compliance focus and proposed recommendations. Additionally, the Compensation Committee reviews the Company's executive compensation program and the incentives created by the executive compensation program, to assess whether our compensation arrangements encourage excessive risk taking by our executives.

We introduce our executives and other employees to the Board so that the Board can become familiar with our key talent. Timothy R. Wright, our Lead Director, engages with each new Board member to introduce each new member to our Corporate Governance policies and their responsibilities to the Company as a director. Each Board member receives a Board of Directors handbook that provides the director with a summary of these practices and policies.

In 2014, the Board met eleven times and acted by written consent once. During 2014, each of our directors, except for Ms. Sharp, attended at least 75% of (i) the total number of meetings of the Board held during the period during which the director served and (ii) all meetings of committees of the Board on which the director served during the periods the director served. Ms. Sharp attended 64% of meetings of our Board and attended 75% of meetings of the Business and Development Advisory Committee. Due to unavoidable prior obligations, Ms. Sharp was unable to attend unplanned special meetings of the Board, all of which were called on short notice. In 2014, all of our Board members attended our 2014 Annual Meeting of Stockholders. We expect each of our Board members to attend the 2015 Annual Meeting.

***Governance Guidelines***

The Board is guided by our Guidelines on Significant Corporate Governance Issues (our "Governance Guidelines"). We believe our Governance Guidelines demonstrate our continuing commitment to good corporate governance. The Board reviews these Governance Guidelines from time to time, as needed, and at least once annually. The Governance Guidelines are posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement.

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### ***Performance of Our Board***

We consider it important to continually evaluate and improve the effectiveness of the Board, its committees and its individual members. We do this in various ways. Each year, the Lead Director surveys the Board members to assess the effectiveness of the Board and its committees. Using these surveys, the Lead Director assesses the Board's performance and the performance of individual members, and reports his conclusions to the full Board. The assessment also evaluates the Board's effectiveness in reviewing executive management, conducting appropriate oversight and adding value to Agenus. Each of the Board's standing committees also conducts annual self-evaluations.

At each Board meeting, each Board member has the opportunity to assess the effectiveness of the materials presented and the conduct of the meeting, and to offer suggestions for improvement at future meetings.

### ***Code of Business Conduct and Ethics***

The Board originally adopted our Code of Business Conduct and Ethics (the Code of Ethics) in 2003. The Board reviewed, revised, and updated the Code of Ethics most recently in December 2014. The Code of Ethics applies to all members of the Board and all employees of Agenus, including our Chief Executive Officer, Principal Financial Officer, Principal Accounting Officer or controller, or persons performing similar functions. Among other matters, our Code of Ethics prohibits the members of the Board and all employees of Agenus from buying or selling our securities while in possession of material, non-public information about the Company. Our Code of Ethics is posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement. We intend to post on our website all disclosures that are required by law or NASDAQ listing rules concerning any amendments to, or waivers from, our Code of Ethics. Stockholders may request a free copy of our Code of Ethics by writing to Investor Relations, Agenus Inc., 3 Forbes Road, Lexington, MA 02421.

### ***Independence of Directors***

Our Governance Guidelines and NASDAQ listing rules provide that a majority of the Board should be composed of independent directors. The Corporate Governance and Nominating Committee annually reviews the independence of the directors and reports to the Board which directors it recommends that the Board determine are independent. The Board then makes the final determination. The Board takes into account NASDAQ listing rules, applicable laws and regulations, and other factors in making its determinations including potential conflicts of interest, transactions, and other relationships that would reasonably be expected to compromise a director's independence. The Board has determined that Mr. Corvese, Mr. Dechaene, Mr. Jordan, Dr. Malik, and Mr. Wright are currently independent directors. Dr. Armen is currently not an independent director because he is employed as Chief Executive Officer. Ms. Sharp is also currently not independent due to her previous employment with the Company. We anticipate that Ms. Sharp will qualify as an independent director under NASDAQ listing rules as of May 11, 2015, which is the third anniversary of the date upon which she ceased to be an Agenus employee. In making independence determinations with regard to other directors, the Board considered transactions between us and a director or a director's affiliates and any positions a director holds with entities with commercial relationships with us.

### ***Executive Sessions of Independent Directors***

Our independent directors typically meet in executive session without management present immediately prior to regularly scheduled Board meetings. Four such meetings were held during 2014.

### ***Leadership Structure of the Board***

Mr. Wright, an independent director, serves as the Lead Director of the Board and as Chair of the Corporate Governance and Nominating Committee. Mr. Wright also serves on the Compensation Committee, the Audit and Finance Committee and the Business & Development Advisory Committee. In addition to the duties of all

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directors, the specific responsibilities of the Lead Director include: (i) acting as chair of the Corporate Governance and Nominating Committee; (ii) developing the agenda for and presiding over all executive sessions of the independent directors; (iii) acting as principal liaison between the independent directors and the Chief Executive Officer on sensitive issues and raising at any meeting of the Board items that are not appropriately or best put forward by the Chief Executive Officer; and (iv) communicating to the Chief Executive Officer the independent directors' annual evaluation of the Chief Executive Officer. The Company's Chief Executive Officer serves as the Chairman of the Board. We believe that the Company's Chief Executive Officer is best situated to serve as Chairman because he is the director most familiar with the Company's business, and most capable of effectively identifying strategic priorities and leading the discussion and execution of our Company's strategy. Our independent directors and management have different perspectives and roles in strategy development. The Company's independent directors bring experience, oversight, and expertise from outside the Company and from inside and outside the Company's industry, while the Chief Executive Officer brings Company-specific experience and expertise. To assure effective independent oversight, the Company has adopted a number of governance practices, including:

a strong, independent, clearly-defined Lead Director role (as described above);

executive sessions of the independent directors held prior to quarterly board meetings; and

an annual performance evaluation of the Chairman/Chief Executive Officer by the independent directors.

While there may be circumstances in the future that would lead the Company to separate the offices of Chairman and Chief Executive Officer, we do not believe this is currently necessary due to the nature and size of the operations for our early-stage biotechnology company, the overall independence of the Board from management, and the strength of the Lead Director's role on the Board.

***Committees of the Board***

The Board currently has five standing committees: the Audit and Finance Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Business & Development Advisory Committee, and the Non-Executive Equity Award Committee. The Board also appoints from time to time ad hoc committees to address specific matters.

***Audit and Finance Committee***

<b><i>Members:</i></b>	<b><i>Meetings in 2014: 7</i></b>
<b><i>Brian Corvese, Chair</i></b>	
<b><i>Tom Dechaene</i></b>	
<b><i>Timothy R. Wright</i></b>	

The Audit and Finance Committee consists entirely of independent directors within the meaning of the NASDAQ listing rules and the requirements contemplated by Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "1934 Act"). The Board has determined that Mr. Corvese, Chair of the Committee, and Mr. Dechaene each qualify as audit committee financial experts. For a description of Mr. Corvese and Mr. Dechaene's relevant experiences that qualify them as audit committee financial experts, please see their biographies on page 7 and page 9, respectively. During the entirety of 2014, the Audit and Finance Committee consisted of Mr. Corvese (Chair), Mr. Dechaene, and Mr. Wright. The Audit and Finance Committee's primary function is to assist the Board in monitoring the integrity of our consolidated financial statements and our system of internal control. The Audit and Finance Committee has direct responsibility for the appointment, independence, and monitoring of the performance of our independent registered public accounting firm. The committee is responsible for pre-approving any engagements of our independent registered public accounting firm. The committee also reviews our risk management practices, strategic tax planning, preparation of quarterly and annual financial reports, and compliance processes.



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The Audit and Finance Committee members meet regularly with our independent registered public accounting firm, without management present and with members of management in separate private sessions, to discuss any matters that the committee or these individuals believe should be discussed privately with the committee, including any significant issues or disagreements concerning our accounting practices or consolidated financial statements. The committee also reviews the Code of Ethics annually, and periodically meets with our Chief Compliance Officer. The committee conducts a meeting each quarter to review our consolidated financial statements prior to the public release of earnings. The committee has the authority to engage special legal, accounting or other consultants to advise the committee. The committee also has the authority to delegate to subcommittees any responsibilities of the full committee. The Audit and Finance Committee charter is posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement. Please also see the Report of the Audit and Finance Committee on page 59.

***Compensation Committee***

**Members:** *Meetings in 2014: 9*

**Wadih Jordan, Chair**

**Brian Corvese**

**Timothy R. Wright**

The Compensation Committee consists entirely of independent directors within the meaning of applicable NASDAQ listing rules. During the entirety of 2014, Mr. Jordan, Mr. Corvese and Mr. Wright were members of the Compensation Committee. The committee's primary responsibilities are to address our executive officers' and other key employees' development, retention, and performance and to oversee compensation and benefit matters. It reviews and approves compensation policies for Agenus to ensure that our compensation strategy supports organizational objectives and stockholder interests and does not create incentives for inappropriate risk-taking. The committee determines the compensation of the Chief Executive Officer, and reviews and approves the compensation of all other executive officers and certain other key employees. It also reviews and recommends compensation for members of the Board. Additionally, the committee approves and recommends, and suggests material changes to, any employee incentive compensation or retirement plans and any director compensation plans.

The Compensation Committee considers appropriate companies for compensation comparison purposes and retained an outside compensation consultant in 2014, Independent Stock Plan Advisors, LLC (ISP), to provide market reference information for compensation and benefits. The committee has the authority to retain special legal, accounting, or other consultants to advise the committee. The committee also has the authority to delegate to subcommittees any responsibilities of the full committee. The Compensation Committee charter is posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement. Please also see the Compensation Discussion and Analysis starting on page 17, and the accompanying Compensation Committee Report on page 31.

***Corporate Governance and Nominating Committee***

**Members:** *Meetings in 2014: 5*

**Timothy R. Wright, Chair**

**Tom Dechaene**

The Corporate Governance and Nominating Committee consists entirely of independent directors within the meaning of applicable NASDAQ listing rules. During the entirety of 2014, the Corporate Governance and Nominating Committee consisted of Mr. Wright (Chair) and Mr. Dechaene. The Corporate Governance and Nominating Committee is responsible for recommending to the Board policies relating to the conduct of Board affairs, the process for annual evaluation of the Board and the Chief Executive Officer, and issues of corporate

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public responsibility, and oversees the Company's management succession planning process. It periodically evaluates the composition of the Board, the contributions of individual directors, and the Board's effectiveness as a whole. The committee reviews the Company's ethics and compliance activities under the Code of Ethics and meets periodically with our Chief Compliance Officer, including meeting, as needed, for separate private sessions with the Chief Compliance Officer without other members of management present.

The Corporate Governance and Nominating Committee recommends to our full Board individuals to serve as directors. The committee recommends to the Board guidelines and criteria for Board membership and reviews with the Board, on a periodic basis, the appropriate skills and characteristics required of Board members in the context of the then current needs of Agenus. The committee is responsible for reviewing with the Board the appropriate personal characteristics and professional competencies preferred of Board members, who are expected to work together as a team to properly oversee our strategies and operations. In general, all directors are expected to possess certain personal characteristics necessary to create a highly functional and collegial Board, which include personal and professional integrity, practical wisdom and mature judgment, an inquisitive and objective perspective, and time availability for performing the duties of a director.

The Board, as a group, is expected to encompass a range of talents, ages, skills, diversity, and expertise sufficient to provide sound and prudent guidance with respect to the operations and interests of our business. Examples of desired professional competencies include accounting and financial literacy, industry knowledge, medical or scientific knowledge, and management experience. When evaluating potential new Board appointments, the Corporate Governance and Nominating Committee considers these factors, but the Board believes that a flexible evaluation process allows the committee to make sound judgments based on the needs of the organization and specific attributes of each candidate without a need for a formal policy on diversity. Candidates should also be enthusiastic about service on our Board and working collaboratively with existing Board members to create value for all of our stockholders.

The Corporate Governance and Nominating Committee does not have a formal policy with regard to the consideration of director candidates recommended by stockholders because it does not believe such a policy is necessary given that no unaffiliated stockholder has ever recommended a director candidate. When considering director candidates, the Corporate Governance and Nominating Committee, in consultation with the Chief Executive Officer and full Board, considers the current strengths on the existing Board, the current needs of the organization, and anticipated future activities and requirements of both the Board and the organization as a whole. Historically, director candidates have been generally identified primarily through referrals and the executive network pool of the Board and senior executives. If the committee were to receive a recommendation for a director candidate from a stockholder, the committee expects that it would evaluate such a candidate using the criteria described above. The committee will consider a recommendation only if appropriate biographical information and background material is provided on a timely basis, accompanied by a statement as to whether the stockholder or group of stockholders making the recommendation has beneficially owned more than 5% of our common stock for at least one year as of the date that the recommendation is made. To submit a recommendation for a nomination, a stockholder may write to the Lead Director, Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421, Attention: Lead Director c/o Chief Compliance Officer.

In addition, our by-laws permit stockholders to nominate individuals, without any action or recommendation by the committee or the Board, for election as directors at an annual meeting of stockholders. For a description of this by-law provision, see Additional Information on page 60 of this proxy statement. The charter of the Corporate Governance and Nominating Committee is posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement.



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***Communications with the Board***

You may contact the Board or any committee of the Board by writing to Board of Directors (or specified committee), Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421, Attn: Lead Director c/o Chief Compliance Officer. You should indicate on your correspondence that you are an Agenus stockholder. Communications will be distributed to the Lead Director, the appropriate committee chairman, or other members of the Board or executive management, as appropriate, depending on the facts and circumstances stated in the communication received. Executive management will generally determine the proper response to inquiries of a commercial nature, which generally will not be forwarded to the Lead Director. Inquiries regarding accounting, internal controls over financial reporting, or auditing matters will be forwarded to the Chair of the Audit and Finance Committee, and inquiries involving matters governed by the Code of Ethics will be forwarded to the Chair of the Corporate Governance and Nominating Committee and the Chief Compliance Officer.

***Compensation Committee Interlocks and Insider Participation***

The members of the Compensation Committee for the year ended December 31, 2014 were Mr. Jordan (Chair), Mr. Corvese, and Mr. Wright. No member of the Compensation Committee was at any time during 2014, or formerly, an officer or employee of Agenus or any subsidiary of Agenus. No executive officer of Agenus has served as a director or member of a compensation committee (or other committee serving an equivalent function) of any other entity while an executive officer of that other entity served as a director of Agenus or member of our Compensation Committee.

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**COMPENSATION DISCUSSION AND ANALYSIS**

This section discusses the principles underlying our policies and decisions with respect to the compensation of our executive officers who are named in the Summary Compensation Table below, who are referred to throughout this proxy statement as our named executive officers, and the material factors relevant to an analysis of these policies and decisions.

**Executive Summary**

Our compensation program is designed to attract and retain the highest caliber talent, reward strong performance and align incentives with the creation of long-term stockholder value, taking into consideration the resource constraints currently faced by the Company. We believe that the short-term compensation of our named executive officers is positioned at approximately the 50<sup>th</sup> percentile of our compensation peer group, and that our long-term incentive programs are designed to preserve our cash resources, promote long-term decision-making and, through our equity programs, align reward with stock price appreciation.

2014 was a transformational year for Agenus. Overall our performance exceeded our annual goals in the aggregate, and these accomplishments were achieved under challenging circumstances, including limited financial and human resources, aggressive timelines and third party competition. We believe that our incentive programs were funded in a manner consistent with our operating performance, long term objectives as a company, and our compensation philosophy. As more specifically described below, during 2014 we acquired 4-Antibody and successfully integrated 4-Antibody's operations and infrastructure, we significantly expanded our internal R&D capabilities and capacity, we identified and advanced antibodies directed at each of GITR, CTLA-4, PD-1 and OX40, we substantially negotiated a global alliance with Incyte to develop and commercialize GITR, OX40, TIM-3 and LAG-3 and potentially additional novel immuno-therapeutics using our antibody discovery platforms, we reached an important milestone for QS-21 Stimulon<sup>®</sup> adjuvant with GSK reporting positive Phase 3 data on its shingles vaccine and we completed a public offering of our common stock raising net proceeds of approximately \$56 million. As a result, from December 31, 2013 to December 31, 2014, we experienced a 50% increase in the price per share of our common stock and a 160% increase in our market capitalization.

Given the Company's overall performance in 2014, the incentive awards granted to our named executive officers for 2014 performance ranged from 150%-179% of their targets.

**Compensation Philosophy**

Our executive compensation and benefits program is designed to attract and retain the highest caliber executives and reward and motivate them to pursue our strategic opportunities while effectively managing the risks and challenges inherent to an early-stage biotechnology company. We have created a compensation package that combines short- and long-term components, cash and equity, and fixed and contingent payments, in the proportions we believe are most appropriate to incent and reward our executives to achieve the following goals:

Build a creative and high performing team whose participants understand and share our business objectives and ethical and cultural values.

Demonstrate leadership and innovation in the identification, development, and commercialization of product candidates that fit our strategic objectives.

Effectively manage the multiple dimensions of our business, from research and development, through clinical trials, manufacturing, strategic alliances, and all aspects of operations in order to maximize the value of each dollar deployed.

Identify and address our short- and long-term financing requirements in a highly strategic and creative manner, and deploy available funds for maximum benefit to our stockholders.

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Our executive compensation strategy not only aims to be competitive in our industry, but also to be fair relative to other professionals within our organization. We seek to foster a performance-oriented culture, where individual performance is aligned with organizational objectives and is tied to the value we deliver to our stockholders. Our executives' base salary, target annual bonus levels, and target annual long-term incentive award values are set at competitive levels. Executives have the opportunity to earn above-market pay only for above-market performance as measured against our peer group of companies (see "Competitive Market Review" for further information on our peer group).

We continually review our compensation approach in order to ensure our programs reward executives for achieving our goals and objectives in a manner consistent with our peer group. At the same time, in designing our compensation package we seek to reward executive decisions that align the Company's goals and objectives with delivering positive stockholder returns. We evaluate and reward our executives based on their contribution to the achievement of short- and long-term goals and objectives and their ability to take advantage of unique opportunities and overcome difficult challenges within our business. We believe that our approach to setting goals and objectives, our mix of short-term and long-term incentives, and our evaluation of performance results assist us in managing any risk taking that may result from our compensation program and aligning our employees' behavior with our overall business plan and the interests of our stockholders.

At the Company's 2014 Annual Meeting of Stockholders, our stockholders had the opportunity to cast an advisory vote (a "say-on-pay" proposal) on the compensation of our executive officers as disclosed in our proxy statement for that meeting. Stockholders approved the say-on-pay proposal by the affirmative vote of 96.2% of the votes cast on that proposal. The Compensation Committee believes this affirms stockholders support of the Company's approach to executive compensation, and this approach has not changed since the 2014 Annual Meeting of Stockholders. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for our named executive officers. At our 2011 Annual Meeting of Stockholders, our stockholders also had the opportunity to cast an advisory vote (a "say-on-frequency" proposal) on how often the Company should include a say-on-pay proposal in its proxy statements for future annual meetings. Our stockholders approved a proposal to hold say-on-pay votes every three years. Accordingly, our Board adopted the policy to hold say-on-pay votes every three years until the next required "say-on-frequency" advisory vote, which will occur no later than our 2017 Annual Meeting of Stockholders, and our stockholders will have the opportunity to vote on a "say-on-pay" proposal at our 2017 Annual Meeting of Stockholders.

### **Competitive Market Review**

The market for top tier executive talent in the biotechnology industry is highly competitive. Our objective is to attract and retain a superior leadership team. In doing so, we aim to draw upon a pool of talent that is highly sought after by both large and established pharmaceutical and biotechnology companies in and outside our geographic area and by other life science companies.

We believe we have a competitive advantage in our ability to offer significant upside potential through stock options and other equity instruments. Nonetheless, we must recognize market cash compensation levels and satisfy the day-to-day financial requirements of our employees and potential employees through competitive base salaries and cash bonuses. We also compete on the basis of our vision of future success, our culture and values, the cohesiveness and productivity of our teams, and the excellence of our scientists and management personnel.

In order to succeed in attracting highly talented executives, we continuously monitor market trends and draw upon surveys prepared by the Radford Surveys division of AON Hewitt, custom research developed by our compensation consultant, ISP, and other nationally recognized surveys. Our Compensation Committee reviews data that analyzes various cross-sections of our industry as well as relevant geographical areas.

*Market References: How We Define Market and How We Use Market Compensation Data.* Our Compensation Committee has engaged ISP as an independent compensation consultant to evaluate our total compensation program and compare it to levels in the market.

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*Defining the Market.* For 2014, we used two market references to compare our total compensation practices and levels to those in the market:

1. Radford Global Life Sciences Survey conducted by the Radford unit of AON Hewitt: A national survey of executive compensation levels and practices that covers approximately 1,900 positions in more than 700 life science organizations. We focus primarily on a predetermined subset of companies with between 50 and 149 employees.
2. Proxy data derived from a select peer group of biotech companies of a similar size, market capitalization, development stage and therapeutic focus. The composition of this group is reassessed on an annual basis with guidance from ISP.

The eighteen (18) companies currently included in our peer group are as follows: ArQule, Inc.; Array BioPharma Inc.; AVEO Pharmaceuticals, Inc.; BioCryst Pharmaceuticals, Inc.; Cell Therapeutics, Inc.; Curis, Inc.; Cytokinetics, Incorporated; GTx, Inc.; Idera Pharmaceuticals, Inc.; Immunomedics, Inc.; Infinity Pharmaceuticals, Inc.; Omeros Incorporated; Pain Therapeutics, Inc.; Peregrine Pharmaceuticals, Inc.; Sunesis Pharmaceuticals, Inc.; Synta Pharmaceuticals Corp.; Trubion Pharmaceuticals, Inc.; Vical, Inc.; and ZIOPHARM Oncology, Inc. The Compensation Committee removed the following six (6) companies from our peer group in 2014 based on the recommendation of ISP and the Compensation Committee's assessment that each such company's profile ceased to meet the criteria we consider when selecting our peer group: ARIAD Pharmaceuticals, Inc.; Dyax Corp.; ImmunoGen, Inc.; Ligand Pharmaceuticals Incorporated; Sangamo BioSciences, Inc.; and Zalicus Inc.

*Determining Market Levels and Specific Comparisons.* We compare our practices and levels by each compensation component, by total annual compensation (including target annual incentive opportunity) and by total compensation including equity compensation components. The competitive comparisons made in this process are used to determine our approximate position relative to the appropriate market reference by compensation component and in total.

### **Total Compensation**

We intend to continue our strategy of compensating our named executive officers at competitive levels, with the opportunity to earn above-market pay for above-market performance. We will continue to emphasize long-term equity incentives and performance-based incentive compensation delivered in the form of equity to maintain our competitive pay philosophy.

For 2014, the total compensation paid to the named executive officers generally fell between the 50<sup>th</sup> and 60<sup>th</sup> percentile of total compensation paid to executives holding equivalent positions in our peer group of companies. We believe that the total compensation paid to our named executive officers was reasonable in the aggregate given our corporate performance and our financial circumstances. Further, in light of our compensation philosophy, we believe that the total compensation package for our executives should continue to consist of base salary, annual incentive awards (bonus), long-term equity-based incentive compensation, and certain other benefits.

The competitive posture of our total annual compensation versus the market references will vary year to year based on Company and individual performance, as well as the performance of the peer group companies and their respective level of annual performance bonus awards made to their executives. We expect to continue targeting total annual direct compensation at approximately the 50<sup>th</sup> percentile, with an emphasis on performance-based variable compensation.

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### **Evolution of our Compensation Strategy**

Our compensation strategy is necessarily tied to our stage of development. Accordingly, the specific direction, emphasis, and components of our executive compensation program continue to evolve in parallel with the evolution of our business strategy. For example, we expect that if we become a fully integrated commercial company, our executive compensation program, and in particular our Executive Incentive Plan, will focus more on quantitative performance metrics. Our Compensation Discussion and Analysis would, in the future, reflect these evolutionary changes.

### **Role of Our Compensation Committee**

Our Compensation Committee approves, administers, and interprets our executive compensation and benefit policies, including awards that have been made to executives under our 1999 Equity Incentive Plan (as amended) and under our 2009 Equity Incentive Plan, as amended to date (the 2009 Equity Incentive Plan ). Our Compensation Committee is appointed by our Board, and consists entirely of directors who are outside directors for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code ), and non-employee directors for purposes of Rule 16b-3 under the 1934 Act. Our Compensation Committee is comprised of Mr. Jordan (Chair), Mr. Corvese and Mr. Wright.

Our Compensation Committee ensures that our executive compensation and benefit program is consistent with our compensation philosophy and our Governance Guidelines, and determines the executive compensation packages offered to our officers.

### **Executive Compensation Program**

#### ***Components of our Compensation Program***

Our compensation program consists of the four components listed below:

1. Short-term compensation
  - a. Base salary
  - b. Annual incentive bonuses
2. Long-term incentives
3. Benefits
4. Severance compensation and termination protection

We have established a goal deployment program to set and refine Company strategic objectives, and to cascade those objectives throughout the organization, and to prioritize and operationalize the achievement of these objectives. To determine levels of overall executive compensation, the Compensation Committee balances individual, functional area, and company-wide goals and achievements. Each executive participates in establishing the objectives of our Company as a whole, and offers his or her views as to the goals of each other's functional area, insofar as those goals impact the individual executive's own functional area. We also ask our executives to provide feedback not only on their own performance and that of their particular area, but also of other functional areas and our entire organization. We see this process both as the optimal means of assembling accurate information regarding the expectation and realization of performance, as well as an integral part of our culture of collaborative, team-oriented management. Final goals and objectives are approved by the Board.

In 2014, our Company goals included:

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Acquiring 4-Antibody and integrating its operations and corporate and administrative infrastructures.

Evaluating and, as needed, renegotiating key 4-Antibody agreements to maximize value.

Advancing six checkpoint modulators ( CPMs ) towards filing investigational new drug applications with the FDA.

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Developing a partnering strategy for our Retrocyte Display™ antibody platform.

Completing an end of Phase 2 meeting with the FDA for Prophage in newly diagnosed glioblastoma multiforme ( GBM ), and determining a potential registrational path forward.

Completing analysis of our Phase 2 clinical trial with HerpV, our vaccine candidate for the treatment of genital herpes, and determining a path forward.

Raising capital sufficient to achieve our strategic goals.

Building a world-class organization and operating culture.

Each year we evaluate the achievement of Company goals and objectives, functional area goals and individual executive performance. At the end of the year, we review final performance results versus our goals and objectives and begin discussions regarding goals and objectives for the next fiscal year. Incentive compensation, based on the achievement of goals and objectives, may be awarded in the form of an annual cash bonus and equity-based awards. Equity-based awards are used to align the interests of our executives with those of our stockholders and to promote a long-term performance perspective and progress toward achieving our long-term strategy. Our general philosophy is to emphasize equity over cash compensation and long over short term compensation.

Our senior executives' total compensation may vary year to year based on Company and individual performance. Further, the value to our senior executives of equity awards will vary based on our stock price performance. The general structure of our compensation programs for executive officers is consistent with that of non-executive members of the Agenus management team. Perquisites are not a general component of our compensation program for all executives; however, we provide Dr. Armen with car services, and we provide Dr. Stein with access to corporate housing, housing and automobile allowances and financial planning and advisory services, all as noted below.

### *1. Short-term Compensation.*

Our short-term compensation program consists of base salary and annual incentive bonuses. Base salary will typically be used to recognize the experience, skills, knowledge, and responsibilities required of each officer, as well as competitive market conditions.

- a. **Base Salary:** Base salaries for our executives are generally positioned at or around the 50th percentile versus our peer group (see *Competitive Market Review* for further information on the peer group). In establishing the base salaries of the executive officers, our Compensation Committee and management take into account a number of factors, including the executive's seniority, position and functional role, and level of responsibility.

We also consider the following factors when determining base salary:

For newly hired personnel, we consider the base salary of the individual at his or her prior employment and any unique personal circumstances that motivated the executive to leave that prior position and join Agenus. In addition, we consider the competitive market for corresponding positions within comparable companies of similar size and stage of development.

For individuals newly promoted to a position, we also consider the competitive market and their prior salary and experience. Where these individuals may not have the same level of experience at the time of promotion as a counterpart hired from outside the Company, we may define a multi-step approach to bringing their salaries in line with targeted levels. Salary increases at each of these steps will be contingent on the continued good performance of the individual.

The base salary of our named executive group is reviewed on an annual basis, and adjustments are made to reflect performance-based factors, as well as competitive conditions. Increases are considered within the context of our overall annual financial constraints before more specific

individual and market competitive factors are



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considered. We do not apply specific formulas to determine base salary increases. In January 2014, the Compensation Committee approved an 11% increase for Ms. Valentine to reward her for her performance in 2013 and to bring her base salary more in line with the competitive market. In June 2014, the Board of Directors also approved a pay increase for each of our named executive officers effective as of July 30, 2014, as described in the section entitled Compensation Actions for our Named Executive Officers.

- b. **Annual Incentive Bonuses:** Annual incentive bonuses for our executive officers are based on achievement of the Company’s goals and objectives as well as individual performance as outlined in our 2004 Executive Incentive Plan, as amended (the Executive Incentive Plan ). An individual executive is eligible to receive an award ranging from 0-200% of his or her target bonus based on the Compensation Committee’s evaluation of the achievement of Company goals and objectives and such individual’s performance. The Company’s annual goals and objectives are set at the beginning of each fiscal year and are reviewed and approved by the Board. At the end of the fiscal year, our executive management prepares a report outlining the extent to which Company goals and objectives were achieved and presents that report to the Compensation Committee along with a recommendation on the percentage funding level for the executive officers’ target bonus awards. The Compensation Committee evaluates the report, along with any relevant supporting documentation and considers it in the context of any change in facts or circumstances that could have impacted goal attainment throughout the year. From time to time, the Compensation Committee may request supplemental information from management to support its evaluation. Based on this evaluation, as well as the Company’s available financial resources, the Compensation Committee determines the appropriate funding level for the executive officers’ target bonus payout. There is no quantifiable formula or weighting of goals. As a result, the Compensation Committee exercises discretion in establishing the funding level of the executive officers’ target bonus payout, taking into account the level of achievement of the Company goals as a whole. Once determined, the recommended bonus payout level is applied to each executive officer’s target bonus percentage to establish the individual target award. The Compensation Committee may exercise further discretion to adjust the actual bonus paid to the individual executive officer based on his or her individual performance that impacted the Company’s overall performance.

For the 2014 performance year, the target bonuses as a percentage of base salary for our named executive officers were as follows:

Named Executive Officer	Target Bonus
Dr. Armen	50%
Mr. Baysal	40%
Ms. Klaskin	30%
Dr. Stein	40%
Ms. Valentine	40%

For the 2014 performance year, the annual incentive awards granted to our executive officers and other members of key management were based on their target bonuses, which are based on competitive benchmarks, and the Committee’s assessment of overall Company performance. The Committee adjusted individual awards to reflect each executive officer’s unique contribution to the Company’s overall performance.

In determining the annual incentive awards granted to our executive officers for the 2014 performance year, our Compensation Committee noted the following key accomplishments:

Acquired 4-Antibody, including its Retrocyte Display antibody discovery platform and six pre-clinical programs directed against GITR, OX40, CTLA-4, PD-1, TIM-3 and LAG-3.

Fully integrated 4-Antibody’s operations and corporate and administrative infrastructures. Expanded the combined organization with the addition of 35 full time equivalent employees between our European and U.S. facilities and increased productivity through process improvements.

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Recruited technical and managerial personnel to staff in-house drug discovery and development expertise. Added Chief Scientific Officer and acquired exceptional talent from major competitors and top academic centers. Built capability and capacity in bioinformatics, structural biology, translational biology, pharmacology, research biochemistry, cellular immunology, T-cell biology, TCR biology and project management functions.

Identified and advanced antibodies directed at each of GITR, CTLA-4, PD-1 and OX40.

Entered into a research collaboration and license agreement with Merck for novel checkpoint antibodies.

Entered into a new license agreement with the Ludwig Institute for Cancer Research Ltd. to further develop and commercialize antibodies directed at each of GITR, OX40 and TIM-3.

Negotiated a global alliance with Incyte Corporation ( Incyte ) to develop and commercialize GITR, OX40, TIM-3 and LAG-3, and potentially additional novel immuno-therapeutics using our antibody discovery platforms, which alliance became effective in February 2015.

Achieved important QS-21 Stimulon<sup>®</sup> adjuvant milestones through our partner, GSK. In June, GSK submitted a regulatory application to the EMA for its malaria vaccine candidate, RTS,S, which contains Agenus QS-21 Stimulon adjuvant and which the EMA accepted for review. In December 2014, GSK reported positive Phase 3 data that its shingles vaccine containing Agenus QS-21 Stimulon adjuvant met its primary endpoint and reduced the risk of shingles by 97.2 percent in adults aged 50 years and older compared to placebo.

Announced the completion of a successful Phase 2 study of Prophage in newly-diagnosed GBM and held an end of Phase 2 meeting with the FDA.

Achieved important financial milestones. Completed a public offering of our common stock raising net proceeds of approximately \$56 million, which attracted new institutional investors to our shareholder base. Increased share price by 50% and market cap from approximately \$95MM to \$250MM from December 31, 2013 to December 31, 2014.

The incentive awards for 2014 performance for our named executive officers ranged from 150% - 179% of target. In determining the award levels, our Compensation Committee gave weight to the fact that these accomplishments were made in a challenging economic environment in which the management team was under substantial resource constraints and that the accomplishments in 2014 were critical in repositioning the Company for future growth and the creation of stockholder value, especially the successful completion of the 4-Antibody integration, the advancement of antibodies directed at each of GITR, CTLA-4, PD1 and OX40, and the progress made on the negotiation of the global alliance with Incyte. The range in awards reflects each executive officer's unique contribution to the Company's overall performance.

*2. Long-term Incentives.*

Our long-term incentives consist of stock options and restricted stock grants. Our stock options and restricted stock grants are designed to align management's performance objectives with the interests of our stockholders because these awards only confer value on management as stockholder value is realized. Our Compensation Committee grants options and restricted stock to our executives to enable them to participate in long-term appreciation of our stockholder value, as well as to share the impact of any business setbacks, whether Company-specific or industry-based. Additionally, through each grant's vesting schedule, stock options and restricted stock provide a means of encouraging the retention of key executives.

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In September 2013, the Compensation Committee approved grants of stock options to the Company's executive officers and the senior management team that vest on the achievement of key milestones. These awards were based upon guidelines recommended by the Compensation Committee's independent compensation consultant, ISP. The weightings for these awards were based on the Compensation Committee's judgment and its assessment of the strategic importance of the applicable milestone. The Compensation Committee believes these stock options enhance the pay-for-performance characteristics of its long-term incentive strategy and provide even closer alignment with stockholder interests as the awards vest upon achievement of strategically important milestones.

For the September 2013 stock option grants, one-third of the options vest on the achievement of any of the seven performance milestones listed below, such that the options would be fully vested if any three of the seven performance milestones are achieved. The 2013 stock option grants have a term of three years, such that any portion of the grant not vested before the three-year anniversary of the grant date would be forfeited. The milestones are as follows:

Filing of a U.S. or European marketing application for a product containing QS-21 Stimulon.

FDA Granting of Breakthrough Therapy Designation for HSPCC-96 in GBM.

A successful readout on Phase 2a trial of HerpV as defined in the protocol.

Execution of an out licensing or collaboration agreement for a Prophage series product.

Execution of an out licensing or collaboration agreement for HerpV.

Completion of one commercial, two clinical, or five pre-clinical in-license, asset acquisition or collaboration agreements.

Achievement of a market capitalization of \$200 million or more for a period of thirty consecutive days.

On June 25, 2014, the Compensation Committee vested one-third of the September 2013 grant based on the completion of the acquisition of 4-Antibody, which included six pre-clinical assets.

On July 24, 2014, the Compensation Committee vested an additional one-third of the September 2013 grant based on GSK's submission of a regulatory application to the EMA for its malaria vaccine candidate, RTS,S, which contains Agenus' QS-21 Stimulon adjuvant and which the EMA accepted for review.

On January 27, 2015, the remaining one-third vested when the Company's market capitalization remained above \$200 million for the 30<sup>th</sup> consecutive day.

In addition, in conjunction with a company-wide stock option award following the closing of the 4-Antibody acquisition in February 2014, the Company awarded our named executive officers options to acquire an aggregate of 1,146,700 shares of our common stock at an exercise price per share of \$3.00, representing the fair market value of a share of our common stock on the date of the award. The options awarded vest in equal quarterly increments over a three-year period. The options were awarded subject to forfeiture in the event the Company did not receive stockholder approval of the increase in the number of shares authorized for issuance under the Amended and Restated Certificate of Incorporation (as amended) and the 2009 Equity Incentive Plan, which our stockholders subsequently approved at our 2014 Annual Meeting.

In February 2015, the Compensation Committee approved grants of stock options to the Company's executive officers and the senior management team that vest according to the following schedule: (i) 70% of each grant vests quarterly over a three-year period from the date of grant and (ii) 30% of each grant vests on the achievement of performance milestones (the Milestone Portion). For each grant, half of the Milestone Portion will vest on the achievement of any one of the four performance milestones listed below, and the remaining half will vest on

the achievement of any additional performance milestone listed below. The Milestone Portion of

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each grant is subject to a term of 30 months, such that any portion of the Milestone Portion of each grant that is not vested before the 30-month anniversary of the grant date will be forfeited. The performance milestones are as follows:

Completion of IND filings with the FDA for antibodies against any two of the following CPM targets on or before March 31, 2016: GITR, OX40, or CTLA-4.

Filing of a U.S. or European marketing application for GSK's shingles vaccine.

Execution of a licensing, collaboration or special financing agreement advancing Prophage into a Phase 3 trial in newly diagnosed GBM.

Achieving a market capitalization of \$500M or more for a period of 30 consecutive days.

**Initial and Promotional Long-Term Incentive Grants:**

The size of the initial long-term incentive grant made to executive officers upon joining the Company or to current employees being promoted to executive officer positions is primarily based on competitive conditions applicable to the executive's specific position. In addition, the Compensation Committee considers the number of options and restricted stock awards owned by other executives in comparable positions within our Company and has, with the assistance of its independent compensation consultant, established long-term incentive guidelines for specified categories of executives. We believe this strategy is consistent with the approach of other early-stage companies in our industry and, in our Compensation Committee's view, is appropriate for aligning the interests of our executives with those of our stockholders over the long term.

**Market Comparisons:**

We use a number of methodologies to make external comparisons when we set the number of options and restricted shares to be granted to each executive. On an individual basis, we compare:

the fair value of the grant, determined using methods that are consistent with the guidance in Accounting Standards Codification 718, *Compensation - Stock Compensation* (ASC 718),

the face value of the grant by position,

the face value of the grant as a multiple of base salary,

the number of options and restricted shares granted by position,

the number of options and restricted shares, in total, granted, and still held, by position as a percentage of total shares granted and of total common shares outstanding, and

the proportion of exercisable to non-exercisable shares held, in total.

On a total Company basis, when it is appropriate, we analyze:

total annual equity burn rates,

total number of shares remaining in the approved pool under the 2009 Equity Incentive Plan, and

equity overhang.

We believe these comparisons provide important additional context for comparing the competitive level of our equity-based compensation practices versus the market.

Ultimately, awards to executive officers are driven by their performance over time, their ability to impact our results that drive stockholder value, their level within the organization, their potential to take on roles of increasing responsibility in our Company, and competitive equity award levels for similar positions and organization levels in our peer companies. Equity awards are not granted automatically to our executives on an annual basis.

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Directors, executive officers, and all other employees of our Company are required to sign our Company's Policy Statement on Insider Trading and Disclosure by Company Personnel, Directors and Executive Officers. This policy prohibits trading on, or disclosing, material non-public information, and also establishes "black-out" periods for directors, officers, and certain other key members of management.

### *3. Benefits.*

We provide the following benefits to our executive officers generally on the same basis as the benefits provided to all employees:

Health, vision and dental insurance,

Life insurance,

Short- and long-term disability,

Flexible Spending Accounts,

401(k) plan, and

Employee Stock Purchase Plan.

We believe that these benefits are consistent with those offered by other companies and specifically with those companies against which we compete for talent.

### *4. Severance Compensation and Termination Protection.*

We have entered into employment and change of control arrangements with Dr. Armen and Ms. Valentine. Mr. Baysal, Ms. Klaskin and Dr. Stein participate in our executive change of control plan. These arrangements provide for severance compensation to be paid if the executives are terminated under certain conditions, such as a change of control of the Company or a termination without cause by us, each as is defined in the respective agreements or plan.

The employment and change of control arrangements and the executive change of control plan, as applicable, between our Company and our executive officers and the related severance compensation provisions are designed to meet the following objectives:

*Change of Control:* As part of our normal course of business, we engage in discussions with other biotechnology and pharmaceutical companies about possible collaborations, licensing and/or other ways in which the companies may work together to further our respective long-term objectives. In addition, many larger established pharmaceutical companies consider companies at similar stages of development to ours as potential acquisition targets. In certain scenarios, a merger or sale of the Company may be in the best interests of our stockholders. We provide severance compensation if an executive officer is terminated as a result of a change of control transaction in order to maintain management continuity in the event a potential transaction is announced and to promote the ability of our executive officers to act in the best interests of our stockholders even though they could be terminated as a result of the transaction.

*Termination without Cause:* If we terminate the employment of an executive officer who is party to an employment and change of control arrangement without cause, or the executive resigns due to a compensation reduction or, in the case of Dr. Armen, for other

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good reason as defined in the applicable agreement, we are obligated to continue to pay the base salary, bonus, and medical and dental benefits for a defined period, as well as to provide outplacement services. We believe this is appropriate because the terminated executive would be bound by confidentiality, non-solicitation and non-compete provisions for a period of one year after termination and because we and the executive have mutually agreed to a severance package that is in place prior to any termination event. This provides us with more flexibility to make a change in senior management if we consider such a change to be in our and our stockholders' best interests.



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The payments provided under these arrangements are as follows:

*Change of Control:* Upon a change of control, 50% of the executives' unvested stock options and restricted shares immediately vest. If the executive is terminated other than for cause or resigns for good reason as a result of the change of control, the remaining 50% vests.

If Dr. Armen is terminated other than for cause or resigns for good reason upon a change of control, he is entitled to receive from the Company:

his base salary for a period of 24 months, bonus, and medical and dental benefits continuation,

outplacement services, and

a gross-up payment to cover any excise taxes required under Section 280G of the Code.

Our other named executive officers, other than Mr. Baysal and Dr. Stein, are entitled to receive from the Company 18 months base salary, bonus, and medical and dental benefits continuation, and outplacement services. Mr. Baysal and Dr. Stein are entitled to receive from the Company base salary, bonus, and medical and dental benefits continuation for a period of 12 months, and outplacement services. In addition, Ms. Valentine is entitled to a Section 280G gross-up payment under the same circumstances.

### *Termination without Cause:*

If we terminate Dr. Armen's employment without cause or he resigns for good reason not involving a change of control, he is entitled to receive from the Company his base salary, bonus, medical and dental benefits continuation, and outplacement services for a period of 18 months.

Ms. Valentine is entitled to 12 months base salary, bonus, medical and dental benefits continuation, and outplacement services under the same circumstances.

Executive employment and change of control arrangements are covered in greater detail in the section entitled "Potential Payments Upon Termination or Change of Control."

## **Compensation Actions for our Named Executive Officers**

Compensation actions for 2014 and 2015 reflect our management's and our Compensation Committee's assessments of performance relative to Company goals and objectives and individual performance objectives, and comparisons against market references described above.

Dr. Armen, our Chief Executive Officer, makes recommendations to our Compensation Committee as to individual compensation actions for our senior executives, including our named executive officers, but excluding him. Using the same criteria outlined above, our Compensation Committee works with the Vice President of Human Resources and Administration and ISP, the independent compensation consultant engaged by the Compensation Committee to determine the specific compensation actions for our named executive officers.

Our compensation actions for our Chief Executive Officer and our other named executive officers are summarized as follows:

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*Dr. Garo H. Armen Chairman and Chief Executive Officer*

Compensation Actions in 2014:

*Base Salary:* In June 2014, our Compensation Committee increased Dr. Armen's base salary by 5% from \$489,720 to \$515,000. Dr. Armen received 32% of his base salary in unrestricted shares of common stock until June 25, 2014, at which time he began receiving 100% of his base salary in cash.

*Annual Incentive Bonus:* In February 2014, our Compensation Committee approved an annual incentive bonus of \$330,561 to reward Dr. Armen for his performance in 2013.

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*Long-Term Incentives:* In conjunction with a company-wide award following the closing of the 4-Antibody acquisition in February 2014, Dr. Armen was awarded an option to acquire 500,000 shares of our common stock at an exercise price per share of \$3.00, representing the fair market value of a share of our common stock on the date of the award, which vests in equal quarterly increments over a three-year period. The option was awarded subject to forfeiture in the event we did not receive stockholder approval of the increase in the number of shares authorized for issuance under the Amended and Restated Certificate of Incorporation (as amended) and the 2009 Equity Incentive Plan, which our stockholders subsequently approved at our 2014 Annual Meeting.

Compensation Actions in 2015:

*Base Salary:* Our Compensation Committee made no change to Dr. Armen's base salary for 2015.

*Annual Incentive Bonus:* In February 2015, our Compensation Committee approved an annual incentive bonus of \$420,000 to reward Dr. Armen for his performance in 2014.

*Long-Term Incentives:* In conjunction with a company-wide award in February 2015, Dr. Armen was awarded an option to acquire 240,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. 168,000 shares vest in equal quarterly increments over a three-year period and 72,000 shares vest based on the achievement of performance milestones. Also in connection with a company-wide award in February 2015, Dr. Armen was awarded an option to acquire 10,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. The award was fully-vested at the time of grant and was a years-of-service award made to all employees of the Company who have been employees for at least 10 years or more.

*Christine M. Klaskin Vice President, Finance*

Compensation Actions in 2014:

*Base Salary:* In June 2014, our Compensation Committee increased Ms. Klaskin's base salary by 6.6% from \$215,710 to \$230,000.

*Annual Incentive Bonus:* In February 2014, our Compensation Committee approved an annual incentive bonus of \$87,363 to reward Ms. Klaskin for her performance in 2013. Ms. Klaskin's bonus was reduced by the \$1,654 paid by the Company on behalf of Ms. Klaskin to cover taxes on the vesting of restricted stock in 2013.

*Long-Term Incentives:* In conjunction with a company-wide award following the closing of the 4-Antibody acquisition in February 2014, Ms. Klaskin was awarded an option to acquire 100,000 shares of our common stock at an exercise price per share of \$3.00, representing the fair market value of a share of our common stock on the date of the award, which vests in equal quarterly increments over a three-year period. The option was awarded subject to forfeiture in the event we did not receive stockholder approval of the increase in the number of shares authorized for issuance under the Amended and Restated Certificate of Incorporation (as amended) and the 2009 Equity Incentive Plan, which our stockholders subsequently approved at our 2014 Annual Meeting.

Compensation Actions in 2015:

*Base Salary:* Our Compensation Committee made no change to Ms. Klaskin's base salary for 2015.

*Annual Incentive Bonus:* In February 2015, our Compensation Committee approved an annual incentive bonus of \$103,500 to reward Ms. Klaskin for her performance in 2014.

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*Long-Term Incentives:* In conjunction with a company-wide award in February 2015, Ms. Klaskin was awarded an option to acquire 35,000 shares of our common stock at an exercise price per share of

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\$5.04, representing the fair market value of a share of our common stock on the date of the award. 24,500 shares vest in equal quarterly increments over a three-year period and 10,500 shares vest based on the achievement of performance milestones. Also in connection with a company-wide award in February 2015, Ms. Klaskin was awarded an option to acquire 10,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. The award was fully-vested at the time of grant and was a years-of-service award made to all employees of the Company who have been employees for at least 10 years or more.

*Ozer Baysal Chief Business Officer*

Compensation Actions in 2014:

*Base Salary:* In June 2014, our Compensation Committee increased Mr. Baysal's base salary by 4.5% from \$200,000 to \$209,000.

*Annual Incentive Bonus:* In February 2014, our Compensation Committee approved an annual incentive bonus of \$108,000 to reward Mr. Baysal for his performance in 2013.

*Long-Term Incentives:* In conjunction with a Company-wide award following the closing of the 4-Antibody acquisition in February 2014, Mr. Baysal was awarded an option to acquire 86,700 shares of our common stock at an exercise price per share of \$3.00, representing the fair market value of a share of our common stock on the date of the award, which vests in equal quarterly increments over a three-year period. The option was awarded subject to forfeiture in the event we did not receive stockholder approval of the increase in the number of shares authorized for issuance under the Amended and Restated Certificate of Incorporation (as amended) and the 2009 Equity Incentive Plan, which our stockholders subsequently approved at our 2014 Annual Meeting.

Compensation Actions in 2015:

*Base Salary:* Our Compensation Committee made no change to Mr. Baysal's base salary for 2015.

*Annual Incentive Bonus:* In February 2015, our Compensation Committee approved an annual incentive bonus of \$125,400 to reward Mr. Baysal for his performance in 2014.

*Long-Term Incentives:* In conjunction with a company-wide award in February 2015, Mr. Baysal was awarded an option to acquire 39,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. 27,300 shares vest in equal quarterly increments over a three-year period and 11,700 shares vest based on the achievement of performance milestones.

*Dr. Robert B. Stein Chief Scientific Officer*

Compensation Actions in 2014:

*Base Salary:* Dr. Stein was hired in January 2014 with a base salary of \$325,000. In June 2014, our Compensation Committee increased Dr. Stein's base salary by 7.7% from \$325,000 to \$350,000.

*Annual Incentive Bonus:* In February 2014, our Compensation Committee approved a special bonus of \$50,000 to reward Dr. Stein for his performance in connection with the checkpoint antibody strategy culminating in the successful acquisition of 4-Antibody. In June 2014, our Compensation Committee approved a bonus of \$65,000 to Dr. Stein, which represented 50% of his target 2014 annual incentive bonus, to reward Dr. Stein for his performance during the first half of 2014.

*Long-Term Incentives:* On his date of hire, Dr. Stein was granted an option to acquire 150,000 shares of our common stock at an exercise price per share of \$3.14, representing the fair market value of a share of our common stock on the date of grant, which vests in equal annual increments over a four

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year period. In conjunction with a company-wide award following the closing of the 4-Antibody acquisition in February 2014, Dr. Stein was awarded an option to acquire 200,000 shares of our common stock at an exercise price per share of \$3.00, representing the fair market value of a share of our common stock on the date of the award, which vests in equal annual increments over a three-year period. The option was awarded subject to forfeiture in the event we did not receive stockholder approval of the increase in the number of shares authorized for issuance under the Amended and Restated Certificate of Incorporation (as amended) and the 2009 Equity Incentive Plan, which our stockholders subsequently approved at our 2014 Annual Meeting.

*Other Compensation:* In September 2014, the Compensation Committee approved allowances of up to \$75,000 for Dr. Stein over a 12-month period, comprised of a housing allowance of up to \$5,000 per month for his primary residence in New York and exclusive use of a company automobile at a lease rate of \$1,250 per month. The Compensation Committee also authorized the Company to engage a third party financial planning and advisor service on Dr. Stein's behalf and provided Dr. Stein access to a corporate apartment in Lexington, MA.

Compensation Actions in 2015:

*Base Salary:* Our Compensation Committee made no change to Dr. Stein's base salary for 2015.

*Annual Incentive Bonus:* In February 2015, our Compensation Committee approved an annual incentive bonus of \$250,000 to reward Dr. Stein for his performance in 2014, less the \$65,000 previously paid in June 2014 for his performance in the first half of 2014.

*Long-Term Incentives:* In conjunction with a company-wide award in February 2015, Dr. Stein was awarded an option to acquire 125,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. 87,500 shares vest in equal quarterly increments over a three-year period and 37,500 shares vest based on the achievement of performance milestones.

*Karen H. Valentine Vice President and General Counsel*

Compensation Actions in 2014:

*Base Salary:* In January 2014, our Compensation Committee increased Ms. Valentine's base salary by 11% from \$256,520 to \$285,000. In June 2014, our Compensation Committee increased Ms. Valentine's base salary by 5% from \$285,000 to \$300,000.

*Annual Incentive Bonus:* In January 2014, our Compensation Committee increased Ms. Valentine's annual target incentive from 30% to 40% of base salary. In February 2014, our Compensation Committee approved an annual incentive bonus of \$142,369 to reward Ms. Valentine for her performance in 2013. Ms. Valentine's bonus was reduced by the \$1,401 paid by the Company on behalf of Ms. Valentine to cover taxes on the vesting of restricted stock in 2013.

*Long-Term Incentives:* In conjunction with a company-wide award following the closing of the 4-Antibody acquisition in February 2014, Ms. Valentine was awarded an option to acquire 130,000 shares of our common stock at an exercise price per share of \$3.00, representing the fair market value of a share of our common stock on the date of the award, which vests in equal quarterly increments over a three-year period. The option was awarded subject to forfeiture in the event we did not receive stockholder approval of the increase in the number of shares authorized for issuance under the Amended and Restated Certificate of Incorporation (as amended) and the 2009 Equity Incentive Plan, which our stockholders subsequently approved at our 2014 Annual Meeting.

Compensation Actions in 2015:

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*Base Salary:* Our Compensation Committee made no change to Ms. Valentine's base salary for 2015.

*Annual Incentive Bonus:* In February 2015, our Compensation Committee approved an annual incentive bonus of \$200,000 to reward Ms. Valentine for her performance in 2014.



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*Long-Term Incentives:* In conjunction with a company-wide award in February 2015, Ms. Valentine was awarded an option to acquire 80,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. 56,000 shares vest in equal quarterly increments over a three-year period and 24,000 shares vest based on the achievement of performance milestones. Also in connection with a company-wide award in February 2015, Ms. Valentine was awarded an option to acquire 10,000 shares of our common stock at an exercise price per share of \$5.04, representing the fair market value of a share of our common stock on the date of the award. The award was fully-vested at the time of grant and was a years-of-service award made to all employees of the Company who have been employees for at least 10 years or more.

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Board consists entirely of independent directors who are not officers or employees of Agenus. The Compensation Committee charter is posted on the corporate governance section of our website at <http://www.agenusbio.com/finance/corporate-governance>. No material on our website is part of this proxy statement.

The Compensation Committee of the Board has reviewed and discussed with management the foregoing Compensation Discussion and Analysis, and based on such review and discussion, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in this proxy statement on Schedule 14A for filing with the SEC.

By the Compensation Committee,

Wadih Jordan (Chair)

Brian Corvese

Timothy R. Wright

**Table of Contents****COMPENSATION OF EXECUTIVE OFFICERS****Summary Compensation Table**

This table shows certain information about the compensation earned in 2014, 2013, and 2012 by our named executive officers.

Name and Principal Position	Year	Salary (\$)	Stock Awards <sup>(5)</sup> (\$)	Option Awards <sup>(9)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(13)</sup> (\$)	All Other Compensation <sup>(14)</sup> (\$)	Total (\$)
Garo H. Armen, Ph.D. <sup>(1)</sup> Chief Executive Officer	2014	502,360 <sup>(4)</sup>		1,336,213 <sup>(10)</sup>	420,000	24,956	2,283,529
	2013	489,720 <sup>(4)</sup>	212,902	595,620 <sup>(10)</sup>	439,512	40,045	1,777,799
	2012	478,060 <sup>(4)</sup>	615,626 <sup>(6)</sup>	1,085,637	215,598	30,686	2,425,607
Christine M. Klaskin Vice President, Finance	2014	222,855		271,007 <sup>(11)</sup>	103,500	3,866	601,228
	2013	215,710		97,763 <sup>(11)</sup>	145,896	3,814	463,183
	2012	208,545	123,708 <sup>(7)</sup>	244,268	80,891	3,976	661,388
Ozer Baysal <sup>(2)</sup> Chief Business Officer	2014	204,327		261,296 <sup>(12)</sup>	125,400	2,579	593,602
	2013	183,654	106,000	297,137 <sup>(12)</sup>	108,000	1,011	695,802
Robert Stein <sup>(3)</sup> Chief Scientific Officer	2014	323,827		807,065	300,000	141,615	1,572,507
Karen H. Valentine Vice President and General Counsel	2014	289,214		354,192 <sup>(12)</sup>	200,000	20,665	864,071
	2013	256,520		142,367 <sup>(12)</sup>	199,337	19,993	618,217
	2012	244,860	152,614 <sup>(8)</sup>	325,691	110,630	19,585	853,380

(1) As an employee-director, Dr. Armen receives no additional compensation for his services to the Board.

(2) Mr. Baysal was hired on January 2, 2013.

(3) Dr. Stein was hired on January 10, 2014.

(4) Includes \$79,200 in 2014 and \$158,400 in each of 2013 and 2012, paid in shares of our common stock in lieu of cash at Dr. Armen's election as part of his annual base salary.

(5) Based on the fair value of nonvested shares on the grant date. Please see the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed on March 16, 2015 for assumptions applied.

(6) Stock awards for 2012 include the grant date fair values of performance shares, which vest based on the completion of certain milestones as indicated above in the section titled "Compensation Discussion and Analysis - Long-Term Incentives." Assuming the achievement of all milestones, the grant date fair value of the 2012 award is \$267,000, \$133,500 of which is included in the 2012 amount.

(7) Stock awards for 2012 include the grant date fair values of performance shares, which vest based on the completion of certain milestones as indicated above in the section titled "Compensation Discussion and Analysis - Long-Term Incentives." Assuming the achievement of all milestones the grant date fair value of the 2012 award is \$113,475, \$56,738 of which is included in the 2012 amount.

(8) Stock awards for 2012 include the grant date fair values of performance shares, which vest based on the completion of certain milestones as indicated above in the section titled "Compensation Discussion and Analysis - Long-Term Incentives." Assuming the achievement of all milestones the grant date fair value of the 2012 award is \$133,500, \$66,750 of which is included in the 2012 amount.

(9) We use the Black-Scholes option pricing model to value the options granted. Please see the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed on March 16, 2015 for assumptions applied.

(10) Option awards for 2014 and 2013 include the grant date fair values of performance shares awarded in 2013 which vest based on the completion of certain milestones as indicated above in the section titled "Compensation Discussion and Analysis - Long-Term Incentives." Assuming the achievement of all milestones, the grant date fair value of the 2013 award is \$282,333, \$263,513 and \$18,820 of which is included in the 2014 and 2013 amounts, respectively.

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- (11) Option awards for 2014 and 2013 include the grant date fair values of performance shares awarded in 2013 which vest based on the completion of certain milestones as indicated above in the section titled Compensation Discussion and Analysis Long-Term Incentives. Assuming the achievement of all milestones, the grant date fair value of the 2013 award is \$60,500, \$56,467 and \$4,033 of which is included in the 2014 and 2013 amounts, respectively.
- (12) Option awards for 2014 and 2013 includes the grant date fair value of performance shares awarded in 2013 which vest based on the completion of certain milestones as indicated above in the section titled Compensation Discussion and Analysis Long-Term Incentives. Assuming the achievement of all probable milestones the grant date fair value of the 2013 award is \$80,667, \$75,290 and \$5,377 of which is included in the 2014 and 2013 amounts respectively.
- (13) Cash bonuses paid under the Executive Incentive Plan and other.
- (14) Please see the tables below which summarize all other compensation.

*Other Compensation***2014:**

This table shows the components of the All Other Compensation received by our named executive officers in 2014.

<b>Executive Officer</b>	<b>Insurance Premiums (\$)</b>	<b>Housing and Car Allowances (\$)</b>	<b>Other Benefits (\$)</b>	<b>Total (\$)</b>
Garó H. Armen, Ph.D.	20,091		4,865 <sup>(2)</sup>	24,956
Christine M. Klaskin	2,666		1,200	3,866
Ozer Baysal	2,579			2,579
Robert Stein	19,978	36,266 <sup>(1)</sup>	85,371 <sup>(3)</sup>	141,615
Karen H. Valentine	20,665			20,665

- (1) Includes (i) personal use of a Company automobile valued at the full monthly lease rate paid by the Company, (ii) use of a corporate apartment near the Company's headquarters in Lexington, MA, valued at the full rental cost of the apartment, including utilities, for the days used by Dr. Stein, and (iii) a housing allowance for Dr. Stein's primary residence in New York.
- (2) Includes payments for gas, parking and taxi services.
- (3) Includes (i) payments made by the Company on Dr. Stein's behalf in 2014 to a third party financial planning and advisory service and (ii) \$65,775 paid to Dr. Stein as a consultant in 2014 prior to joining the Company as Chief Scientific Officer.

**2013:**

This table shows the components of the All Other Compensation received by our named executive officers in 2013.

<b>Executive Officer</b>	<b>Insurance Premiums (\$)</b>	<b>Car Service to Base Office (\$)</b>	<b>Other Benefits (\$)</b>	<b>Total (\$)</b>
Garó H. Armen, Ph.D.	20,591	10,870	8,584	40,045
Christine M. Klaskin	2,614		1,200	3,814
Ozer Baysal	1,011			1,011
Karen H. Valentine	19,993			19,993

**Table of Contents****2012:**

This table shows the components of the All Other Compensation received by our named executive officers in 2012.

Executive Officer	Insurance Premiums (\$)	Other Benefits (\$)	Total (\$)
Garo H. Armen, Ph.D.	20,074	10,612	30,686
Christine M. Klaskin	2,776	1,200	3,976
Karen H. Valentine	19,585		19,585

**Grants of Plan-Based Awards for 2014**

This table shows our grants of plan-based awards to named executive officers in 2014. All of the awards under the Non-Equity Incentive Plan Compensation column in the Summary Compensation table were made under our Executive Incentive Plan. The awards reflected in the All Other Stock Awards and All Other Option Awards columns were made under our 2009 Equity Incentive Plan. The exercise price of all stock options granted during 2014 was equal to the closing market price of the Company's common stock on the date of the grant.

Executive Officer	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Share)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(3)</sup>
Garo H. Armen, Ph.D. Chief Executive Officer	02/14/2014		500,000 <sup>(1)</sup>	3.00	1,072,700
Christine M. Klaskin Vice President, Finance	02/14/2014		100,000 <sup>(1)</sup>	3.00	214,540
Ozer Baysal Chief Business Officer	02/14/2014		86,700 <sup>(1)</sup>	3.00	186,006
Robert Stein Chief Scientific Officer	02/14/2014 01/10/2014		200,000 <sup>(2)</sup> 150,000 <sup>(3)</sup>	3.00 3.14	429,080 377,985
Karen H. Valentine Vice President and General Counsel	02/14/2014		130,000 <sup>(1)</sup>	3.00	278,902

- (1) Option vests in equal quarterly installments over the next two years beginning February 14, 2015.
- (2) Option vests in three equal annual installments beginning February 14, 2015.
- (3) Option vests in four equal annual installments beginning January 10, 2015.
- (4) According to the terms of the option award, this award expired October 8, 2014.
- (5) We use the Black-Scholes option pricing model to value the options granted. Please see the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed on March 16, 2015 for assumptions applied.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End 2014**

The following table shows outstanding equity awards for the named executive officers as of December 31, 2014:

Name	Option Awards				Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not vested (#)	Market Value of Shares or Units of Stock That Have Not Vested <sup>(1)</sup> (\$)
Garo H. Armen, Ph.D.	87,500		9.48	7/16/19		
	53,037		9.78	9/15/16		
	35,200		13.62	9/12/17		
	42,500		9.42	9/10/18		
	58,333		4.50	1/26/20		
	81,654		6.30	1/4/21		
	119,178		3.36	9/14/21		
	208,335	41,665 <sup>(2)</sup>	5.34	6/14/22		
	100,002	99,998 <sup>(3)</sup>	3.61	6/13/23		
	92,400	47,600 <sup>(4)</sup>	2.72	9/12/23		
	125,001	374,999 <sup>(7)</sup>	3.00	2/14/24		
Christine M. Klaskin	4,537		9.48	7/16/19		
	5,000		10.44	9/13/16		
	2,551		9.78	9/15/16		
	8,150		13.62	9/12/17		
	8,333		9.42	9/10/18		
	12,500		4.50	1/26/20		
	6,666		6.30	1/4/21		
	16,563		3.36	9/14/21		
	46,879	9,371 <sup>(2)</sup>	5.34	6/14/22		
	16,254	16,246 <sup>(3)</sup>	3.61	6/13/23		
	19,800	10,200 <sup>(4)</sup>	2.72	9/12/23		
	25,002	74,998 <sup>(7)</sup>	3.00	2/14/24		
	Ozer Baysal	6,250	18,750 <sup>(5)</sup>	4.24	1/2/23	
6,250		18,750 <sup>(6)</sup>	3.84	4/1/23		
				1/2/23	18,750 <sup>(5)</sup>	74,438
23,754		23,746 <sup>(3)</sup>	3.61	6/13/23		
26,400		13,600 <sup>(4)</sup>	2.72	9/12/23		
21,675		65,025 <sup>(7)</sup>	3.00	2/14/24		
Karen H. Valentine	4,687		9.48	7/16/19		
	2,083		9.78	9/15/16		
	5,000		12.18	12/4/16		
	8,150		13.62	9/12/17		
	8,333		9.42	9/10/18		
	12,500		4.50	1/26/20		
	14,740		6.30	1/4/21		
	19,432		3.36	9/14/21		
	62,500	12,500 <sup>(2)</sup>	5.34	6/14/22		
	23,754	23,746 <sup>(3)</sup>	3.61	6/13/23		
	26,400	13,600 <sup>(4)</sup>	2.72	9/12/23		

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	32,502	97,498 <sup>(7)</sup>	3.00	2/14/24
Robert Stein		150,000	3.14	1/10/24
		200,000 <sup>(8)</sup>	3.00	2/14/24

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- (1) We valued the stock awards using the closing price of our common stock on The NASDAQ Capital Market on December 31, 2014, which was \$3.97 per share, utilizing the same assumptions that we utilize under ASC 718 for our financial reporting.
- (2) The option vests in two equal quarterly installments beginning March 14, 2015, provided the executive remains employed with us.
- (3) The option vests in six equal quarterly installments beginning March 13, 2015, provided the executive remains employed with us.
- (4) The restricted stock vests based on the achievement of performance milestones as determined by the Compensation Committee of the Board of Agenus Inc., as indicated above in the section titled Compensation Discussion and Analysis Long-Term Incentives.
- (5) The award vests in three equal annual installments beginning January 2, 2015, provided the executive remains employed with us.
- (6) The option vests in three equal annual installments beginning April 1, 2014, provided the executive remains employed with us.
- (7) The option vests in nine equal quarterly installments beginning February 14, 2015, provided the executive remains employed with us.
- (8) The option vests in three equal annual installments beginning February 14, 2015.

***Option Exercises and Stock Vested for 2014***

The following table shows information about restricted stock that vested in 2014 and the value realized on those awards by our named executive officers in 2014. No stock options were exercised by our named executive officers in 2014.

Name	Stock Awards	
	Number of Shares Acquired On Vesting (#)	Value Realized On Vesting (\$)
Ozer Baysal	6,250	17,375

***Pension Benefits for 2014***

We do not have any plans providing for payments or other benefits to our named executive officers at, following, or in connection with, retirement.

***Nonqualified Defined Contribution and Other Nonqualified Deferred Compensation Plans for 2014***

We do not have any nonqualified defined contribution plans or other deferred compensation plans for our named executive officers.

***Potential Payments Upon Termination or Change of Control***

We have entered into certain agreements and maintain certain plans that may require us to make certain payments and/or provide certain benefits to our named executive officers in the event of a termination of employment or a change of control. Dr. Armen and Ms. Valentine are each currently party to employment and change of control agreements providing for payments in connection with such officers' termination or a change of control. Ms. Klaskin, Mr. Baysal and Dr. Stein are each party to a change of control arrangement providing for payments in connection with a change of control. A change of control is defined in each of the agreements and plan generally as (i) the acquisition by any individual, entity or group of 50% or more of the common stock of the Company, (ii) a change in the incumbent Board such that incumbent directors cease to constitute at least a majority of our Board, (iii) a sale or other disposition of all or substantially all of the assets of the Company, or

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(iv) approval by the stockholders of the Company of a complete liquidation or dissolution of the Company. The following text and tables summarize the potential payments to each applicable named executive officer assuming that the triggering event occurred on December 31, 2014, the last day of our fiscal year.

*Our Chief Executive Officer*

Under Dr. Armen's employment and change in control agreement, if we terminate Dr. Armen's employment without cause or if he terminates his employment for good reason (as defined), he is entitled to receive from the Company:

his base salary for a period of 18 months, plus a lump sum payment of 150% of the higher of his target incentive bonus for that year or his last actual incentive bonus,

coverage under our medical and dental plans for a period of 18 months following the date of termination,

a lump sum payment of \$15,000 for outplacement assistance,

a gross-up for any taxes with respect to such outplacement assistance payment,

a gross-up payment for any taxes, interest and penalties imposed by Section 4999 of the Code, and

at the Compensation Committee's discretion, the acceleration of vesting of any unvested stock options.

Under Dr. Armen's employment and change in control agreement, *good reason* means the occurrence of any of the following events:

- (i) failure to continue Dr. Armen in the position of Chief Executive Officer,
- (ii) a material and substantial diminution in the nature or scope of his responsibilities, duties or authority,
- (iii) a material reduction in base salary or benefits, or
- (iv) relocation of Dr. Armen's principal office, without his prior consent, to a location more than 30 miles away (in the event of a change of control).

Upon a change of control 50% of any of Dr. Armen's outstanding unvested stock options and shares of unvested restricted stock as of the change of control date become vested and exercisable and, in the case of shares of restricted stock, no longer subject to forfeiture. If a change of control occurs and, within 24 months, we terminate Dr. Armen's employment without cause or if he terminates his employment for good reason, he is entitled to receive from the Company:

a lump sum payment of 24 months of base salary plus two times the higher of his target incentive bonus for that year or his last actual incentive bonus,



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coverage under our medical and dental plans for a period of 24 months following the date of termination,

a lump sum payment of \$15,000 for outplacement assistance,

a gross-up for any taxes with respect to such outplacement assistance payment,

a gross-up payment for any taxes, interest and penalties imposed by Section 4999 of the Code, and

acceleration of vesting for all unvested stock options and unvested restricted stock as of the date of termination.

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Additionally, under Dr. Armen's employment and change in control agreement, he is subject to a non-competition and non-solicitation restrictions for the greater of a period of 18 months post-termination or the period during which he is receiving post-termination payments from us.

<b>Executive Benefits and Payments Upon Termination or Change of Control</b>	<b>Termination in Connection with a Change of Control*</b> (\$)	<b>Termination without Cause or with Good Reason*</b> (\$)
Base Salary	1,030,000	772,500
Bonus Payment	840,000	630,000
Acceleration of Vesting of Equity	515,312	n/a
Perquisites and Other Personal Benefits	48,904	41,888
Gross-up Payments for Change of Control Excise Taxes	n/a	n/a
<i>Total:</i>	2,434,216	1,444,388

We used the following assumptions to calculate these payments:

We valued stock options accelerated using the closing price of our common stock on The NASDAQ Capital Market on December 31, 2014, which was \$3.97 per share, utilizing the same assumptions that we utilize under ASC 718 for our financial reporting. Upon a change of control without termination, the acceleration of vested equity would be valued at \$257,655.

We assumed in each case that termination is not for cause, the executive does not violate his non-competition or non-solicitation agreements with us following termination, the executive does not receive medical and dental insurance coverage from another employer within two years of termination or change of control, and the executive does not incur legal fees requiring reimbursement from us.

We used the same assumptions for health care benefits that we used for our financial reporting under generally accepted accounting principles in the United States.

Gross-up payments assume a December 31, 2014 change of control and termination date. For purposes of these payments, the following are included as parachute payments: cash severance payable upon termination in connection with a change of control, the value of any outplacement services and benefits continuation due in the event of such a termination, and the value of the acceleration of outstanding equity awards, all determined in accordance with applicable tax regulations. We have assumed that all outstanding options are cashed out in the assumed transaction for an amount equal to the excess, if any, of \$3.97 (the closing price of our common stock on December 31, 2014) over the exercise price per share under the option, multiplied by the number of shares subject to the option. Finally, these figures assume that none of the parachute payments will be discounted as attributable to reasonable compensation and no value is attributed to the executive executing a non-competition agreement in connection with the assumed termination of employment.

*Other Named Executive Officers*

Under the employment and change in control agreement for Ms. Valentine, if we terminate Ms. Valentine's employment without cause or if Ms. Valentine terminates her employment for a material reduction in base salary or benefits ( "Compensation Reduction"), Ms. Valentine is entitled to receive from the Company:

her base salary for a period of 12 months plus a lump sum payment of the higher of the officer's target incentive bonus for that year or her last actual incentive bonus,

coverage under our medical and dental plans for a period of 12 months following the date of termination,

a lump sum payment of \$15,000 for outplacement assistance,

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a gross-up for any taxes with respect to such outplacement assistance payment,

a gross-up payment for any taxes, interest and penalties imposed by Section 4999 of the Code, and

at the Compensation Committee's discretion, the acceleration of vesting of any unvested stock options.

Under the employment and change in control agreement for Ms. Valentine, upon a change of control:

50% of any of Ms. Valentine's outstanding unvested stock options and shares of unvested restricted stock as of the change of control date become vested and exercisable, and in the case of restricted stock, no longer subject to forfeiture, and

If a change of control occurs and, within 18 months, we terminate Ms. Valentine's employment without cause or if Ms. Valentine terminates her employment for a Compensation Reduction or good reason (as defined below), Ms. Valentine is entitled to receive from the Company:

a lump sum payment of 18 months of base salary plus 150% of the higher of her target incentive bonus for that year or her last actual incentive bonus,

coverage under our medical and dental plans for a period of 18 months following the date of termination,

a lump sum payment of \$15,000 for outplacement assistance,

a gross-up for any taxes with respect to such outplacement assistance payment,

a gross-up payment for any taxes, interest and penalties imposed by Section 4999 of the Code, and

the acceleration of vesting for all unvested stock options and unvested restricted stock as of the date of termination.

Under the employment and change in control agreement for Ms. Valentine, "good reason" means the occurrence of any of the following events:

- (i) relocation of Ms. Valentine's principal office, without her prior consent, to a location more than 30 miles away,
- (ii) failure of the Company to continue Ms. Valentine in the position held immediately prior to the change of control, or
- (iii) a material and substantial diminution in the nature or scope of her responsibilities, duties or authority.

Under the change of control arrangement with Ms. Klaskin, upon a change of control:

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50% of each of Ms. Klaskin's outstanding unvested stock options and shares of unvested restricted stock as of the change of control date become vested and exercisable, and in the case of restricted stock, no longer subject to forfeiture, and

If a change of control occurs and, within 18 months, we terminate Ms. Klaskin's employment without cause or if Ms. Klaskin terminates her employment for good reason, she is entitled to receive from the Company:

a lump sum payment of 18 months of base salary plus 150% of the higher of her target incentive bonus for that year or her last actual incentive bonus,

coverage under our medical and dental plans for 18 months following the date of termination,

a lump sum payment of \$15,000 for outplacement assistance,

a gross-up for any taxes with respect to such outplacement assistance payment, and

the acceleration of vesting of all unvested stock options and unvested restricted stock as of the date of the change in control.

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Under the change of control arrangements with Mr. Baysal and Dr. Stein, upon a change of control:

50% of each officer's outstanding unvested stock options and shares of unvested restricted stock as of the change of control date become vested and exercisable, and in the case of restricted stock, no longer subject to forfeiture, and

If a change of control occurs and, within 18 months, we terminate the officer's employment without cause or if either officer terminates his employment for good reason, he is entitled to receive from the Company:

a lump sum payment of 12 months of base salary plus 100% of the higher of his target incentive bonus for that year or his last actual incentive bonus,

coverage under our medical and dental plans for 12 months following the date of termination,

a lump sum payment of \$10,000 for outplacement assistance,

a gross-up for any taxes with respect to such outplacement assistance payment, and

the acceleration of vesting of all unvested stock options and unvested restricted stock as of the date of the change in control.

Under the change of control arrangement with Ms. Klaskin, Mr. Baysal and Dr. Stein, "good reason" means: (i) a material reduction in his/her base salary, benefits, duties or responsibilities; or (ii) relocation of his/her principal office, without his/her consent, to a location to a location more than 30 miles away.

Additionally, under Ms. Klaskin's, Mr. Baysal's, Dr. Stein's and Ms. Valentine's arrangements, they are each subject to a non-competition and non-solicitation period for the greater of 12 months post-termination or the period during which the officer is receiving post-termination payments from us.

Executive Benefits and Payments Upon Termination	Termination in Connection with a Change of Control*				Termination without Cause or For Compensation Reduction or with Good Reason*			
	Ms. Klaskin	Mr. Baysal	Dr. Stein	Ms. Valentine	Ms. Klaskin	Mr. Baysal	Dr. Stein	Ms. Valentine
or Change of Control								
Base Salary	345,000	209,000	350,000	450,000	n/a	n/a	n/a	300,000
Bonus Payment	155,250	125,400	300,000	300,000	n/a	n/a	n/a	200,000
Acceleration of Vesting of Equity	101,734	188,922	347,314	134,314	n/a	n/a	n/a	n/a
Perquisites and Other Personal Benefits	19,557	12,714	33,517	48,614	n/a	n/a	n/a	38,068
Gross-up Payments for Change of Control Excise								
Taxes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Total:</b>	<b>621,541</b>	<b>536,036</b>	<b>1,030,831</b>	<b>932,928</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>538,068</b>

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\* We used the following assumptions to calculate these payments:

We valued stock options accelerated using the closing price of our common stock on The NASDAQ Capital Market on December 31, 2014, which was \$3.97 per share, utilizing the same assumptions that we utilize under ASC 718 for our financial reporting. Upon a change of control without termination, the acceleration of vested equity would be valued at \$50,867, \$94,461, \$173,657, and \$67,157 for Ms. Klaskin, Mr. Baysal, Dr. Stein and Ms. Valentine, respectively.

We assumed in each case that termination is not for cause, the executive does not violate his or her non-competition or non-solicitation agreements with us following termination, the executive does not receive medical and dental insurance coverage from another employer within 18 months of termination or change of control, and the executive does not incur legal fees requiring reimbursement from us.

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We used the same assumptions for health care benefits that we used for our financial reporting under generally accepted accounting principles in the United States.

Gross-up payments assume a December 31, 2014 change of control and termination date. For purposes of these payments, the following are included as parachute payments: cash severance payable upon termination in connection with a change of control, the value of any outplacement services and benefits continuation due in the event of such a termination, and the value of the acceleration of outstanding equity awards, all determined in accordance with applicable tax regulations. We have assumed that all outstanding options are cashed out in the assumed transaction for an amount equal to the excess, if any, of \$3.97 (the closing price of our common stock on December 31, 2014) over the exercise price per share under the option, multiplied by the number of shares subject to the option. Finally, these figures assume that none of the parachute payments will be discounted as attributable to reasonable compensation and no value is attributed to the executive executing a non-competition agreement in connection with the assumed termination of employment.

*Change of Control Arrangements Under Our 2009 Equity Incentive Plan*

Under our 2009 Equity Incentive Plan, in the event of a change of control (as determined by the Board), the Board may make a provision for the continuation, acceleration or assumption or substitution of unvested options and restricted stock, or provide for a cash-out of outstanding awards.



**Table of Contents****DIRECTOR COMPENSATION**

The following table shows the compensation paid or awarded to each non-employee director for his or her service as a non-employee director in 2014:

Name	Fees Earned or Paid in Cash <sup>(1)</sup> (\$)	Option Awards <sup>(2)</sup> (\$)	All Other Compensation (\$)	Total (\$)
Brian Corvese	58,000	31,367		89,367
Tom Dechaene	46,750	31,367		78,117
Wadiah Jordan	43,750	31,367		75,117
Shahzad Malik	34,000	110,045		144,045
Shalini Sharp	37,750	31,367		69,117
Timothy Wright	77,500	31,367		108,867

(1) Includes fees earned in 2014 but deferred pursuant to our Directors' Deferred Compensation Plan (as amended).

(2) We use the Black-Scholes option pricing model to value the options granted. Please see the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014 as filed on March 16, 2015 for assumptions applied. Each director was granted 15,000 options during 2014 other than Mr. Malik who was awarded 40,000 including his initial stock option grant.

Employee directors do not receive any additional compensation for their service as a director. Each year, the Compensation Committee reviews the compensation we pay to our non-employee directors. The committee compares our Board compensation to compensation paid to non-employee directors by similarly sized public companies in similar businesses. The committee also considers the responsibilities that we ask our Board members to assume and the amount of time required to perform those responsibilities.

**Cash and Equity Compensation for Non-Employee Directors for 2014**

Type of Fee	
Annual retainer	\$ 34,000
Additional annual retainer for Lead Director	\$ 18,000
Additional annual retainer for Audit and Finance Committee Chair	\$ 18,000
Additional annual retainer for Audit and Finance Committee member	\$ 9,000
Additional annual retainer for Compensation Committee Chair <sup>(2)</sup>	\$ 12,000
Additional annual retainer for Compensation Committee member <sup>(3)</sup>	\$ 7,000
Additional annual retainer for Corporate Governance and Nominating Committee Chair <sup>(4)</sup>	\$ 7,500
Additional annual retainer for Corporate Governance and Nominating Committee member <sup>(5)</sup>	\$ 4,500
Additional annual retainer for Business & Development Advisory Committee member <sup>(5)</sup>	\$ 4,500
Initial stock option grant <sup>(1)</sup>	25,000 shares
Annual stock option grant <sup>(1)</sup>	15,000 shares

(1) Each stock option grant vests over three years in equal annual installments. Any unvested portion vests automatically on the last day of the term of a director who does not stand for reelection at the end of his or her term.

(2) Increased from \$7,500 effective July 1, 2014.

(3) Increased from \$5,000 effective July 1, 2014.

(4) Increased from \$6,000 effective July 1, 2014.

(5) Increased from \$3,000 effective July 1, 2014.

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Agenus also reimburses non-employee directors for reasonable travel and out-of-pocket expenses in connection with his or her service as director.

Our Directors' Deferred Compensation Plan (as amended) (the "DDCP") permits each non-employee director to defer all or a portion of his or her cash compensation until his or her service ends or until a specified date. A director may credit his or her deferred cash into an interest bearing account, an equity account, or a combination of both. As a matter of policy, directors are encouraged to elect to defer twenty-five percent of their cash compensation in the form of equity under the DDCP.

The Board has adopted a policy guideline that encourages directors to hold 10,000 shares of our common stock within a reasonable period of time following their election or appointment to the Board. In addition to purchasing shares in the open market, directors may utilize the DDCP or the Agenesis Board Compensation Policy, which allows directors to receive their compensation in stock, to acquire these shares. In accordance with the requirements of the DDCP, elections to defer compensation thereunder must be made prior to the end of the third quarter of the prior calendar year. In some cases, a director, due to securities law restrictions, may be unable to purchase such shares until such election takes effect.

**Table of Contents****OWNERSHIP OF OUR COMMON STOCK****Ownership By Management**

On April 27, 2015, Agenus had 71,485,732 shares of common stock issued and outstanding. This table shows certain information about the beneficial ownership of Agenus common stock, as of that date, by:

each of our current directors,

each nominee for director,

our Chief Executive Officer,

our Principal Financial and Accounting Officer,

our other most highly compensated executive officers who were serving as executive officers as of December 31, 2014 and are named in the Summary Compensation Table, and

all of our current directors and executive officers as a group.

According to SEC rules, we have included in the column "Number of Issued Shares" all shares of common stock over which the person has sole or shared voting or investment power as of April 27, 2015, and we have included in the column "Number of Shares Issuable" all shares of common stock that the person has the right to acquire within 60 days after April 27, 2015 through the exercise of any stock options, the vesting of restricted shares, or in the case of directors, any shares to be distributed under the DDCP. All shares that a person has a right to acquire within 60 days of April 27, 2015 are deemed outstanding for the purpose of computing the percentage beneficially owned by the person, but are not deemed outstanding for the purpose of computing the percentage beneficially owned by any other person.

Unless otherwise indicated, each person has the sole power (or shares the power with a spouse) to invest and vote the shares of common stock listed opposite the person's name. Where applicable, ownership is subject to community property laws. Our inclusion of shares in this table as beneficially owned is not an admission of beneficial ownership of those shares by the person listed in the table. Except as noted, the address of each stockholder is c/o Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421.

Name of beneficial owner	Number of Issued Shares	Number of Shares Issuable <sup>(1)</sup>	Total	Percent of Class
Garo H. Armen, Ph.D. <sup>(2)</sup>	1,609,567 <sup>(3)</sup>	1,517,858 <sup>(4)</sup>	3,127,425	4.3%
Tom Dechaene		71,668 <sup>(5)</sup>	71,668	*
Wadih Jordan		122,667 <sup>(6)</sup>	122,667	*
Timothy R. Wright	1,666	149,554 <sup>(7)</sup>	151,220	*
Brian Corvese		49,166	49,166	*
Shalini Sharp	82,270	152,999	235,269	*
Shahzad Malik, M.D. <sup>(8)</sup>	996,088	13,334	1,009,422	1.4%
Christine M. Klaskin	44,940	225,934	270,874	*
Ozer Baysal	15,600	135,072	150,672	*
Robert Stein		111,458	111,458	*
Karen H. Valentine	51,534	290,434	341,968	*

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All current directors and executive officers as a group (11 persons)	2,801,665	2,840,144 <sup>(9)</sup>	5,641,809	7.6%
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\* Less than one percent

- (1) Shares that can be acquired upon the exercise of stock options or restricted shares vested as of 60 days following April 27, 2015, and in the case of directors, shares to be distributed under the DDCP.
- (2) Excludes shares owned through Antigenics Holdings LLC ( Holdings ). Dr. Armen is Chief Executive Officer, Chairman of the Board of Managers and a member of Holdings which owns 4,046 shares of our common stock.

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- (3) Includes 300,000 shares of our common stock held by the Garo Armen 2014 2 Year GRAT. Dr. Armen is the trustee and has investment authority for the GRAT.
- (4) Includes 284,785 shares issuable upon exercise of warrants.
- (5) Includes 21,668 deferred shares to be distributed in accordance with the terms of our DDCP.
- (6) Includes 72,667 deferred shares to be distributed in accordance with the terms of our DDCP.
- (7) Includes 79,887 deferred shares to be distributed in accordance with the terms of our DDCP.
- (8) Includes 996,088 shares beneficially owned by Advent Venture Partners LLP ( Advent ) for which Dr. Malik is a General Partner and shares voting and investment authority over the shares. Dr. Malik disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (9) Includes 174,222 deferred shares to be distributed in accordance with the terms of our DDCP and excludes shares held by Holdings as described in footnote (2).

**Ownership By Certain Beneficial Owners**

This table shows certain information, based on filings with the SEC, about the beneficial ownership of our capital stock as of April 27, 2015 by each person known to us owning beneficially more than 5% of any class of our capital stock. Unless otherwise indicated in a footnote to this table, each person has the sole power to invest and vote the shares of common stock listed opposite the person's name.

Name and Address of beneficial Owner	Title of Class	Number of Shares	Percent of Class
Brad M. Kelley	Common	1,591,039	2.2%
1410 Moran Road Franklin, TN 37069-6300	Series A-1	31,620 <sup>(1)</sup>	100%
Incyte Corporation	Preferred		
1801 Augustine Cut-Off Wilmington, DE 19803	Common	7,763,968 <sup>(2)</sup>	10.9%
QVT Financial LP	Common	6,915,630 <sup>(3)</sup>	9.7%
1177 Avenue of the Americas, 9 <sup>th</sup> Floor New York, NY 10036			
BlackRock, Inc.	Common	4,253,469 <sup>(4)</sup>	6.0%
55 East 52 <sup>nd</sup> Street New York, NY 10022			

- (1) Mr. Kelley owns 31,620 shares of our Series A-1 Convertible Preferred Stock, our only shares of outstanding Series A-1 preferred stock. These shares have an initial conversion price of \$94.86 and are currently convertible into 333,333 shares of our common stock. If Mr. Kelley had converted all 31,620 shares of Series A-1 Convertible Preferred Stock into shares of common stock as of April 27, 2015, he would have held 1,924,372 shares of our common stock, or 2.7% of the shares outstanding.
- (2) As reported in the Schedule 13G as filed by Incyte Corporation on February 20, 2015.
- (3) As reported in the Schedule 13G as filed by QVT Financial LP on January 13, 2015.
- (4) As reported in the Schedule 13G as filed by BlackRock, Inc. on February 2, 2015. Blackrock, Inc. reports sole dispositive power over all 4,253,469 shares and sole voting power over 4,156,483 shares.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Our executive officers, directors, and 10% stockholders are required under Section 16(a) of the 1934 Act, to file reports of ownership and changes in ownership of our securities with the SEC.

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Based solely on a review of the copies of reports furnished to us, we believe that during our 2014 fiscal year, our directors, executive officers, and 10% stockholders complied with all applicable Section 16(a) filing requirements, with the following exceptions: a Form 4 reporting the annual stock option award for each director of the Company was filed one day late.

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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

**Related Party Transactions**

**Incyte**

In January 2015, Agenus and 4-Antibody entered into a global license, development and commercialization agreement (the Collaboration Agreement) with Incyte Corporation and a wholly-owned subsidiary thereof, pursuant to which the parties agreed to develop and commercialize novel immuno-therapeutics using Agenus' proprietary antibody discovery platforms. The collaboration is initially focused on four checkpoint modulator programs directed at GITR, OX40, LAG-3 and TIM-3. In February 2015, Incyte made upfront payments to Agenus totaling \$25.0 million. The parties will share all costs and profits for the GITR and OX40 antibody programs on a 50:50 basis, with Agenus eligible to receive potential milestone payments. Incyte is obligated to reimburse Agenus for all development costs that it incurs in connection with the LAG-3 and TIM-3 antibody programs, and Agenus will be eligible to receive potential milestone payments and royalties in connection with these programs.

For each profit-share product, Agenus will be eligible to receive up to \$20.0 million in future contingent development milestones. For each royalty-bearing product, Agenus will be eligible to receive (i) up to \$155.0 million in future contingent development, regulatory, and commercialization milestone payments and (ii) tiered royalties on global net sales at rates generally ranging from 6%-12%. For each royalty-bearing product, Agenus will also have the right to elect to co-fund 30% of development costs incurred following initiation of pivotal clinical trials in return for an increase in royalty rates.

Under the Collaboration Agreement, Incyte also agreed to certain standstill provisions that preclude it from acquiring more than 15% of Agenus outstanding voting stock, including shares acquired pursuant to the Stock Purchase Agreement described below, and requires that such stock be held solely for investment purposes.

In January 2015, Agenus and Incyte Corporation also entered into a Stock Purchase Agreement (the Stock Purchase Agreement), pursuant to which Incyte purchased, on February 18, 2015, approximately 7.76 million shares of Agenus common stock for an aggregate purchase price of \$35 million, or approximately \$4.51 per share. As of April 27, 2015, Incyte owns approximately 10.9% of the outstanding shares of Agenus common stock. Under the Stock Purchase Agreement, Incyte has agreed not to dispose of any of the shares before February 18, 2016, and Agenus has agreed to register the shares for resale under the Securities Act of 1933, as amended.

**Advent**

Effective February 12, 2014, the Board elected Shahzad Malik, M.D. as a director with a term expiring at the 2014 Annual Meeting. Dr. Malik's election to the Board was pursuant to the terms of the Share Exchange Agreement (the Exchange Agreement) providing for our acquisition of all of the outstanding capital stock of 4-Antibody. Other than the foregoing, there are no arrangements or understandings between Dr. Malik and any other person pursuant to which Dr. Malik was appointed as a director. Dr. Malik is a General Partner of Advent Venture Partners LLP (Advent). Advent, through its affiliated entities was, collectively, 4-Antibody's largest shareholder prior to the completion of the transactions contemplated by the Exchange Agreement. Advent and its affiliated entities, and not Dr. Malik in his individual capacity, received 996,088 shares of our common stock, having a value of approximately \$3 million, as consideration at the closing of the acquisition. Additionally, Advent and its affiliated entities, and not Dr. Malik in his individual capacity, received approximately \$6.2 million in February 2015 in connection with the achievement of certain milestones under the Exchange Agreement. Other than the transactions previously disclosed in the Company's Current Reports on Form 8-K filed with the SEC on January 13, 2014 and February 13, 2014, Dr. Malik is not a party to any material plan, contract or arrangement entered into or materially amended in connection with his election to the Board.

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**Related Party Transaction Policies and Procedures**

The Audit and Finance Committee of the Board is responsible for reviewing and approving all material transactions with any related party on a continuing basis. Related parties can include any of our directors or executive officers, certain of our stockholders, and their immediate family members. This obligation is set forth in writing in our Audit and Finance Committee Charter. A copy of the Audit and Finance Committee Charter is posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement. In evaluating related party transactions, our Audit and Finance Committee members apply the same standards of good faith and fiduciary duty they apply to their general responsibilities as a committee of the Board and as individual directors. The Audit and Finance Committee will approve a related party transaction when, in its good faith judgment, the transaction is fair to, and in the best interest of, Agenus.

To identify related party transactions each year, we submit and require our directors and executive officers to complete Director and Officer Questionnaires identifying any transactions with us in which the officer or director or their family members have an interest. We also review related party transactions due to the potential for a conflict of interest. A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with our interests. Our Code of Ethics requires all directors, officers, and employees who may have a potential or apparent conflict of interest to immediately notify our Chief Compliance Officer for review and approval by management and our Corporate Governance and Nominating Committee. A copy of our Code of Ethics is posted on the corporate governance section of our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement.



**Table of Contents****EQUITY PLANS****Securities Authorized For Issuance Under Equity Compensation Plans**

The following table provides information about the securities authorized for issuance under our equity compensation plans as of December 31, 2014:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights<sup>(1)</sup></b> <b>(a)</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b> <b>(b)</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plan (Excluding Securities Reflected in Column (a))<sup>(2)</sup></b> <b>(c)</b>
Equity compensation plans approved by security holders	6,777,493	\$ 4.43	2,529,859
Equity compensation plans not approved by security holders			
<b>Total</b>	<b>6,777,493</b>		<b>2,529,859</b>

(1) Includes 172,657 shares issuable under our DDCP at a weighted average price of \$5.79.

(2) Includes 138,790 shares that may be issued under our 2009 Employee Stock Purchase Plan and 3,372 shares available under our DDCP.

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**PROPOSAL 2 TO APPROVE AN AMENDMENT TO OUR 2009 EQUITY INCENTIVE PLAN (AS AMENDED) TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK AUTHORIZED FOR ISSUANCE UNDER SUCH PLAN FROM 10,200,000 TO 14,200,000**

**Description of Proposed Amendment to the Plan**

The Board has adopted, subject to stockholder approval, an amendment to our 2009 Equity Incentive Plan. The purpose of the amendment is to increase the number of shares authorized for issuance under the 2009 Equity Incentive Plan from 10,200,000 to 14,200,000.

All our executive officers and directors, including our nominees for director, are eligible for awards under the 2009 Equity Incentive Plan. Dr. Armen, Ms. Valentine, Ms. Klaskin, Dr. Stein, and Mr. Baysal are also stockholders and may vote their shares for approval of the adoption of the amendment to the 2009 Equity Incentive Plan. Dr. Malik is an indirect beneficial owner of our common stock in his capacity as General Partner of Advent Venture Partners LLP. For a description of Dr. Malik's beneficial ownership of shares of our common stock, please see *Ownership of Our Common Stock* *Ownership By Management* on page 44.

***Rationale for Proposed Increase in Share Pool***

The Company operates in an extremely competitive environment with respect to the hiring and retention of qualified employees. As a result, our approach to compensation considers the full range of compensation techniques that enable us to compete with our peers to attract and retain key personnel. Equity compensation is one of the critical components of our compensation package because it (i) develops a culture of ownership among our employees, (ii) aligns the interests of employees and non-employee directors with the interests of our other stockholders and (iii) preserves our cash resources.

In furtherance of our efforts to develop a culture of ownership, align the interests of our management team with stockholders and conserve cash, since 2006 the Company has delivered a significant portion of annual incentive bonuses paid to our management team in shares of the Company's common stock, particularly during periods when the Company's cash resources have been scarce and the Company deemed it prudent to preserve its cash balance. In addition, from 2009 through June 25, 2014, our Chief Executive Officer, Dr. Armen, at his election and for the purposes of preserving the Company's cash, opted to receive stock in lieu of cash for approximately 30% of his base salary. From 2009 through 2012, Dr. Armen received approximately 50% of his total annual base salary and target bonus in shares of common stock, whereby the cash component of such compensation has been utilized largely for the purpose of meeting his payroll tax obligations, including on the value of shares received in lieu of cash.

In 2014, the addition of our subsidiary, 4-Antibody, and significant staffing activity in R&D resulted in an increase in our employee population from 68 to 132 employees over the course of the year, 38 of whom joined us in connection with the acquisition of 4-Antibody in February 2014. In 2015, we intend to continue building up our R&D capabilities and capacity to support our global alliance with Incyte and to make certain key strategic hires. To date, we have successfully competed for top talent, often in direct competition with much larger pharmaceutical companies with greater access to resources. Equity awards under the 2009 Equity Incentive Plan are an essential part of our compensation package, are central to our employment value proposition, and are necessary for us to continue competing for top talent as we grow.

The proposed share increase under the 2009 Equity Incentive Plan in Proposal 2 would facilitate our ability to continue to grant equity incentives, which are vital to our ability to attract and retain the highly skilled individuals required to support the Company's anticipated growth in the extremely competitive labor markets in which we compete. Our employees are some of our most valuable assets, and such awards are crucial to our ability to motivate individuals in our service to achieve our goals. We strongly believe that the approval of the proposed share increase is instrumental to our continued success. Accordingly, we are seeking stockholder approval of an increase in the number of shares issuable under our 2009 Equity Incentive Plan.

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If Proposal 2 is approved, there would be 4,834,376 shares available for grant under the 2009 Equity Incentive Plan. We believe this proposed increase represents a measured, responsible use of Company stock.

In setting the amount of the increase for which stockholder approval is being sought, the Board considered the historical amounts of equity awards granted by Agenus in the past three years. In 2012, 2013 and 2014, Agenus made equity awards representing a total of 1,656,307 shares, 1,720,352 shares and 3,303,689 shares, respectively. The weighted average number of shares of Agenus common stock outstanding in 2012, 2013 and 2014 were 23,628,903, 29,765,547 and 59,753,552, respectively. The Company's three-year average burn rate is 6.7%. We believe our historical burn rate is reasonable for a company of our size in our industry. We will continue to monitor our equity use in future years to ensure our burn rate is within competitive market norms.

In setting the amount of the increase for which stockholder approval is being sought in Proposal No. 2, the Board also considered the total amount of stock options and restricted stock outstanding under existing grants. Agenus had outstanding, as of April 27, 2015, 71,485,732 shares, including unvested shares of restricted stock. Accordingly, our 7,784,139 outstanding options and unvested shares of restricted stock as of April 27, 2015 (commonly referred to as the "overhang") represent approximately 10.9% of our outstanding shares. For these purposes, outstanding shares include unvested restricted shares of our common stock awarded and outstanding as of the applicable date. The closing market price of our common stock on the NASDAQ Capital Market on April 27, 2015 was \$7.24 per share.

If Proposal 2 is not approved, there would be only 834,376 shares available for grant under the 2009 Equity Incentive Plan as of April 27, 2015. This would limit the Company's ability to provide equity incentive for its planned new hires, as well as its employees and management team. In turn, this would place the Company at a competitive disadvantage because our ability to attract, motivate and retain key personnel would be compromised during this critical period of growth.

### **Description of the 2009 Equity Incentive Plan**

The following is a brief summary of the 2009 Equity Incentive Plan. This summary of the 2009 Equity Incentive Plan is qualified in its entirety by reference to the full text of the 2009 Equity Incentive Plan and Amendment No. Four to the 2009 Equity Incentive Plan which are included as Appendix A and B, respectively, in this proxy statement.

### ***Types of Awards***

The 2009 Equity Incentive Plan provides for the grant of incentive stock options intended to qualify under Section 422 of the Code, nonstatutory stock options, restricted stock, unrestricted stock and other equity-based awards, such as stock appreciation rights, phantom stock awards, and restricted units, which we refer to collectively as Awards. All Awards are based on our common stock. The closing price of our common stock on April 27, 2015 was \$7.24.

*Incentive Stock Options and Nonstatutory Stock Options.* For each option granted under the 2009 Equity Incentive Plan, our Board shall determine the number of shares of our common stock covered by the option, the exercise price (which may not be less than 100% of fair market value of the share subject thereto at the time of grant), the duration (which may not exceed ten years), and the conditions and limitations applicable to the exercise of the option and the common stock issued thereunder, including vesting provisions, repurchase provisions and restrictions relating to applicable securities laws. Option grants intended by the Board to qualify as incentive stock options shall be subject to and construed consistently with the requirements of Section 422 of the Code. The 2009 Equity Incentive Plan permits the following forms of payment of the exercise price of options: (i) cash, check or wire transfer of funds; (ii) promissory note; (iii) shares of common stock owned by the participant valued at fair market value (as determined by the Board or as determined pursuant to the applicable option agreement); (iv) so-called "cashless exercise" or "net issuance"; and (v) arrangements with a broker or other financial institution for the prompt payment of the exercise price to the Company.

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No option granted under the 2009 Equity Incentive Plan shall contain any provision entitling the optionee to the automatic grant of additional options in connection with any exercise of the original option.

*Stock Awards and Restricted Stock Awards.* The Board shall determine the terms and conditions of any stock award granted under the 2009 Equity Incentive Plan entitling recipients to acquire shares of our common stock. The Board may provide that a stock award is subject to forfeiture should the conditions in the applicable award not be satisfied before the end of the applicable restriction period.

*Other Stock-Based Awards.* The Board shall have the right to grant other awards based on or with reference to our common stock or its trading price having such terms or conditions as the Board may determine.

***Transferability of Awards***

Except as the Board may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the participant, shall be exercisable only by the participant.

***Eligibility to Receive Awards***

Employees, officers, directors, consultants and advisors of the Company and its subsidiaries are eligible to receive Awards under the 2009 Equity Incentive Plan. Incentive stock options may only be granted to employees of the Company and its subsidiaries.

The granting of Awards under the 2009 Equity Incentive Plan is discretionary, and the individuals who may become participants and receive Awards under the 2009 Equity Incentive Plan, and the number of shares they may acquire, are not determinable. The Company (and its subsidiaries) had 146 employees on April 27, 2015 and six non-employee directors, all of whom are eligible to receive Awards under the 2009 Equity Incentive Plan.

***Administration***

The 2009 Equity Incentive Plan is administered by our Board. The Board has the authority to grant and amend Awards, to adopt, amend and repeal the rules relating to the 2009 Equity Incentive Plan, and to interpret and correct the provisions of the 2009 Equity Incentive Plan and any Award. Our Board may delegate authority under the 2009 Equity Incentive Plan to one or more committees or subcommittees of our Board. The Board has authorized the Compensation Committee of the Board to administer certain aspects of the 2009 Equity Incentive Plan. To the extent permitted by law, the Board may delegate to an officer the power to grant Awards, provided that only the Board may grant Awards to any executive officer of the Company. The 2009 Equity Incentive Plan requires that all discretionary Awards to non-employee directors will only be granted and administered by a committee, each member of which is an independent director as defined in NASDAQ's stock market listing standards.

The Board is required to make appropriate adjustments in connection with the 2009 Equity Incentive Plan and any outstanding Awards to reflect stock splits, stock dividends, recapitalizations, spin-offs and other similar changes in capitalization. Our Board may at any time provide that any Award will become immediately exercisable in full or in part, free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be, even if such acceleration may cause adverse tax consequences under Sections 280G, 4999, 422, or other sections of the Code.

The 2009 Equity Incentive Plan also contains provisions addressing the consequences of any acquisition of the Company. In connection with an acquisition of the Company, by merger, sale of all or substantially all the assets or capital stock of the Company, or any other change in control or acquisition of the Company, as determined by the Board, the Board shall make appropriate provision for any outstanding Awards on the same basis or on different basis as our Board determines for:

continuation of the Awards by the Company;

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assumption or substitution of Awards by the acquirer or surviving entity;

upon written notice, termination of all unexercised Awards unless the vested portion is exercised within a specified period following the date of such notice;

a cash payment to the holder of an unexercised Award equal to the difference between the fair market value of the Award and its exercise price, if applicable, or the vested portion thereof, including any vesting that may be accelerated; or

any combination of the foregoing.

### ***Substitute Options***

In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, our Board may grant Awards in substitution for any stock or stock-based awards granted by such entity or an affiliate thereof. Substitute Awards shall be granted under the 2009 Equity Incentive Plan on such terms as our Board deems appropriate and, except as required under Section 422 and related provisions of the Code, substitute options shall not count against the overall share limit under the 2009 Equity Incentive Plan.

### ***Provisions for Foreign Participants***

The Board may modify Awards granted to participants who are foreign nationals or employed outside the United States or establish sub-plans or procedures under the 2009 Equity Incentive Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

### ***Amendment or Termination***

The Board may at any time amend, suspend or terminate the 2009 Equity Incentive Plan, subject to stockholder approval under any applicable legal, regulatory or listing requirement, or any outstanding Award, provided that the consent of the participant shall be required if such action would materially and adversely affect the participant. No Award may be made under the 2009 Equity Incentive Plan after the ten-year anniversary of its adoption, but Awards previously granted may extend beyond that date.

### ***Dividends and Cash Awards***

The Board may issue an Award that provides the participant with dividends or dividend equivalents or cash payments in lieu of or in addition to an Award.

### ***Loans***

The Board may authorize loans or cash payments to participants in connection with an Award. Loans may be secured by any security, including common stock, underlying or related to such Award, provided that no loan may exceed the fair market value of the security subject to such Award.

### **Federal Income Tax Consequences Related to the 2009 Equity Incentive Plan**

This summary of the United States federal income tax consequences to the Company and recipients of Awards granted under the 2009 Equity Incentive Plan is based on the federal tax laws in effect as of the date of this proxy statement. This summary is very general and changes to these laws, or administrative or judicial interpretations of them, could alter the tax consequences described below. Additionally, this discussion does not address state or local tax, federal employment tax, or other federal tax consequences that may be associated with the 2009 Equity Incentive Plan. Award recipients should consult their own tax advisors about how these rules affect their own particular tax situation.

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### ***Incentive Stock Options***

A participant generally will not recognize income upon the grant of an incentive stock option. Also, except as described below, a participant will not recognize income upon exercise of an incentive stock option if the participant has been employed by the Company or its corporate parent or 50% or more-owned corporate subsidiary at all times beginning with the option grant date and ending three months before the date the participant exercises the option. If the participant has not been so employed during that time, then the participant will be taxed as described below under Nonstatutory Stock Options. The exercise of an incentive stock option may, however, subject the participant to the alternative minimum tax. The Company will not be entitled to a deduction as a result of the grant or exercise of an incentive stock option.

If the shares received pursuant to the exercise of an incentive stock option are disposed of within two years from the date of grant or within one year from the date of exercise, the participant will recognize ordinary income equal to the excess of the sale price over the price paid for the shares. The Company will be entitled to a deduction for the same amount. If the shares received pursuant to the exercise of an incentive stock option are disposed of more than two years from the date of grant and more than one year after the option was exercised, then the participant will recognize long-term capital gain or long-term capital loss on the spread. The Company will not be entitled to a deduction as a result of the disposition.

### ***Nonstatutory Stock Options***

A participant generally will not recognize taxable income upon the grant of a nonstatutory stock option. A participant will recognize ordinary income upon the exercise of a nonstatutory stock option equal to the excess of the then fair market value of the stock over the exercise price. The participant's basis for determining gain or loss upon the subsequent disposition of such shares acquired upon exercise will be the amount paid for such shares plus any ordinary income recognized as a result of the exercise of the option. Upon disposition, the difference between the sale price and the participant's basis in the shares will be treated as a capital gain or loss and generally will be characterized as long-term capital gain or loss if the shares have been held for more than one year upon disposition.

In general, there will be no federal income tax deduction allowed to the Company upon the grant or termination of a nonqualified stock option or a sale or disposition of the shares acquired upon the exercise of a nonqualified stock option. However, upon the exercise of a nonqualified stock option, the Company may be entitled to a deduction for federal income tax purposes equal to the amount of ordinary income that a participant is required to recognize as a result of the exercise, provided that the deduction is not otherwise disallowed under the Code.

### ***Restricted Stock Awards***

A participant will not recognize income upon the grant of restricted stock unless an election under Section 83(b) of the Code is made within 30 days of the date of grant. If a timely election is made pursuant to Section 83(b) of the Code, a participant will recognize ordinary income at grant equal to the excess of the then fair market value of the stock over the purchase price. If the participant does not make a Section 83(b) election, the participant will not recognize income until the stock vests, at which point the participant will recognize ordinary income equal to the excess of the fair market value of the stock on the vesting date over the purchase price. The participant's basis for determining gain or loss upon the subsequent disposition of shares acquired as stock awards will be the amount paid for such shares plus any ordinary income recognized either when the stock is received or when the stock becomes vested, as applicable.

Upon the disposition of any stock received as a stock award under the 2009 Equity Incentive Plan, the difference between the sale price and the recipient's basis in the shares will be treated as a capital gain or loss and generally will be characterized as long-term capital gain or loss if, at the time of disposition, the shares have

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been held for more than one year since the recipient recognized compensation income with respect to such shares. The Company may be entitled to a deduction in the year in which ordinary income is recognized by the participant; provided that the deduction is not otherwise limited under the Code.

***Other Stock-Based Awards***

The tax consequences associated with other stock-based Awards granted under the 2009 Equity Incentive Plan will vary depending on the type of Award and its specific terms. Among the relevant factors are whether or not the Award has a readily ascertainable fair market value, whether or not the Award is subject to forfeiture provisions or restrictions on transfer, the nature of the property to be received by the participant under the Award and the participant's holding period and tax basis for the Award or underlying common stock.

***Tax Consequences to the Company***

Compensation paid to certain covered employees of public companies that exceeds \$1 million is not deductible under Section 162(m) of the Code unless certain conditions are met, including whether the compensation qualifies as performance-based compensation. Thus, any deductions available to the Company for grants under the 2009 Equity Incentive Plan will be subject to the limitations of Section 162(m) of the Code.

***Other Tax Considerations***

A participant who receives accelerated vesting, exercise or payment of awards contingent upon or in connection with a change of control may be deemed to have received an excess parachute payment under Section 280G of the Code. In such event, the participant may be subject to a 20% excise tax and the Company may be denied a tax deduction for such payments.

It is the intention of the Company that awards will comply with Section 409A of the Code regarding nonqualified deferred compensation arrangements or will satisfy the conditions of applicable exemptions. However, if an award is subject to and fails to comply with the requirements of Section 409A, the participant may recognize ordinary income on the amounts deferred under the award, to the extent vested, prior to the time when the compensation is received. In addition, Section 409A imposes a 20% penalty tax, as well as interest, on the participant with respect to such amounts.

The Patient Protection and Affordable Care Act, which was enacted on March 23, 2010, introduced a new Net Investment Income Tax imposed by Section 1411 of the Internal Revenue Code. For taxable years beginning after December 31, 2012, dividends paid to and capital gains recognized by individuals with incomes over certain threshold amounts may be subject to a 3.8 percent tax on this Net Investment Income.

**Vote Required**

To approve Proposal 2, stockholders holding a majority of Agenus common stock present or represented by proxy at the 2015 Annual Meeting and voting on the matter must vote FOR Proposal 2. Abstentions and broker non-votes will not be counted as votes cast or shares voting on Proposal 2 and will have no effect on the vote.

***The Board of Directors recommends a vote FOR Proposal 2.***

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**PROPOSAL 3 TO APPROVE AN AMENDMENT TO OUR DIRECTORS DEFERRED COMPENSATION PLAN (AS AMENDED)  
TO INCREASE THE NUMBER OF SHARES OF COMMON STOCK AUTHORIZED FOR ISSUANCE UNDER SUCH PLAN  
FROM 225,000 TO 325,000**

The Board has adopted, subject to stockholder approval, an amendment to our DDCP, to increase the number of shares of our common stock available for issuance under the DDCP from 225,000 shares to 325,000. The current amount of shares available for issuance under the DDCP is insufficient to enable the Company to continue operation of the DDCP. We believe the DDCP is beneficial to the Company and stockholders in enabling us to preserve our cash flow.

The following summary of the DDCP is qualified in its entirety by reference to the full text of the DDCP and the proposed amendment to the DDCP. The DDCP, as amended, is filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089 filed on June 11, 2007). The Third Amendment to the DDCP is filed as Appendix E to our Definitive Proxy Statement on Schedule 14A filed on April 27, 2009. The Fourth Amendment to the DDCP is filed as Exhibit 10.1 to our Current Report on Form 8-K (File No. 0-29089 filed on December 14, 2010). The Fifth Amendment to the DDCP is filed as Appendix B to our Definitive Proxy Statement on Schedule 14A filed on May 3, 2011. The Sixth Amendment to the DDCP is filed as Appendix C to our Definitive Proxy Statement on Schedule 14A filed on April 24, 2012. The proposed amendment to our DDCP is included as Appendix C to this proxy statement.

The DDCP allows each member of the Board who is not also an officer or employee of the Company to defer receipt of all or a portion of the cash compensation payable to him or her for service on our Board. Compensation may be deferred until termination of service as a director or, subject to certain restrictions, such other date as may be specified by the director. All of our current directors, except Dr. Armen, are eligible to participate in the DDCP. The DDCP is currently administered by the Company's Vice President, Finance, who has sole responsibility for interpreting the plan.

A director may elect to participate in the DDCP no later than September 30 of the year before the calendar year in which the deferral of compensation will begin and will designate to defer 25, 50, 75 or 100 percent of his or her total cash compensation. A deferral account is established for each participating director, which consists of a subaccount for amounts earning interest, denominated on a dollar basis (the cash account), and a subaccount for amounts invested in hypothetical shares of our common stock, which is denominated on a share basis (the stock account). Pursuant to the deferral agreement, each participant indicates the percentage of future deferrals to be invested in the cash account and the stock account, which investments occur on a quarterly basis. Amounts deferred to the cash account bear interest at the rate paid on one-year Treasury bills. Amounts deferred to the stock account are converted on a quarterly basis into a number of units representing shares of our common stock equal to the amount of compensation which the participant has elected to defer to the stock account divided by the applicable stock price for our common stock (the average closing price of our common stock for all trading days during the applicable calendar quarter as reported by The NASDAQ Capital Market or as reported by another system or organization selected by the administrator of the DDCP). A participant with amounts held in the stock account will be eligible for cash and stock dividends in the form of stock units on the date we pay any such dividends on shares of our common stock. Upon a stock dividend, recapitalization, merger, consolidation, or other change affecting common stock, an appropriate adjustment shall be made to each participant's stock account. The stock account is maintained for bookkeeping purposes only. Prior to receiving a distribution of the stock account, units representing shares distributed to a participant's stock account are not considered actual shares of our common stock for any purpose, and a participant will have no right as a stockholder with respect to such units.

Distributions from the deferral account will be paid in a lump sum or in annual installments for a period of up to five years and commence in the calendar year following a participant's termination of service as a director or, subject to certain restrictions, such other calendar year as may be specified by the participant. Distributions



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consist of (a) cash in the amount credited to the participant's account (prorated, if paid in installments) and (b) the number of shares of our common stock equal to the number of units credited to his or her stock account (prorated, if paid in installments). Prior to distribution, units representing shares credited to a participant's stock account are only considered outstanding in calculating our earnings per share and a participant has no rights as a stockholder with respect to such shares.

The DDCP is unfunded, and the Company has no obligation to set aside, segregate, or deposit any funds or assets of any kind to meet its obligations under the plan. The rights of any participant, beneficiary, or other person under the DDCP will be solely those of a general unsecured creditor of our Company. If a participant would receive a payment from his or her stock account in excess of the number of shares remaining under the DDCP, the participant shall receive cash. The Company may, without the consent of any participant, beneficiary, or other person amend the DDCP at any time, but no amendment may reduce the amount previously credited to a participant's deferral account. The Company may terminate the DDCP at any time, and the Company may, in its discretion, distribute amounts according to the participant's deferral election or in a lump sum as soon as practicable after the plan's termination date.

**Vote Required**

To approve Proposal 3, stockholders holding a majority of Agenus common stock present or represented by proxy at the 2015 Annual Meeting and voting on the matter must vote FOR Proposal 3. Abstentions and broker non-votes will not be counted as votes cast or shares voting on Proposal 3 and will have no effect on the vote.

*The Board of Directors recommends a vote FOR Proposal 3.*

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**PROPOSAL 4 TO RATIFY THE APPOINTMENT OF KPMG LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015**

Our Audit and Finance Committee has selected KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015. Although stockholder approval of the selection of KPMG LLP is not required by law, our Board believes that it is advisable to give stockholders an opportunity to ratify this selection.

If stockholders do not approve this proposal at the 2015 Annual Meeting, our Audit and Finance Committee will reconsider their selection of KPMG LLP. If stockholders do ratify this appointment, the Audit and Finance Committee, which has direct authority to engage our independent registered public accounting firm, may appoint a different independent registered public accounting firm at any time during the year if the Audit and Finance Committee determines that the change would be in the best interests of Agenus and our stockholders.

The Audit and Finance Committee has approved all services provided to Agenus by KPMG LLP during 2014. Representatives of KPMG LLP are expected to be present at the 2015 Annual Meeting. They will have the opportunity to make a statement if they desire to do so and will also be available to respond to appropriate questions from stockholders.

**Audit Fees**

Fees incurred by us for professional services rendered by KPMG LLP for the audit of the annual consolidated financial statements and of the effective operation of internal control over financial reporting, included in our Annual Report on Form 10-K, for the reviews of the consolidated financial statements included in our Forms 10-Q and for comfort letters, consents and review of registration statements were \$639,751 for 2014 and \$389,724 for 2013.

**Audit-Related Fees**

Fees paid to KPMG LLP for the audit of our 401(k) Retirement Plan were \$27,146 in 2014 and \$28,700 in 2013.

**Tax Fees**

Fees paid to KPMG LLP associated with tax compliance and tax consultation services for Antigenics Therapeutics Ltd. were 1,000 Euros in 2014 and 2013.

**All Other Fees**

We paid no other fees to KPMG LLP for 2014 or 2013.

**Pre-Approval of Audit and Non-Audit Services**

All of the KPMG LLP fees for 2014 and 2013 shown above were pre-approved by the Audit and Finance Committee. The Audit and Finance Committee pre-approves all audit and other permitted non-audit services provided by our independent registered public accounting firm. Pre-approval is generally provided for up to one year, is detailed as to the particular category of services and is subject to a monetary limit. Our independent registered public accounting firm and senior management periodically report to the Audit and Finance Committee the extent of services provided by the independent registered public accounting firm in accordance with the pre-approval, and the fees for the services performed to date. The Audit and Finance Committee may also pre-approve particular services on a case-by-case basis.

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***Vote Required***

To approve Proposal 4, a majority of the votes cast by stockholders present in person or by proxy and voting on the matter must vote FOR Proposal 4. If your shares are held by your broker in street name, and you do not vote your shares, your brokerage firm has authority to vote your unvoted shares on Proposal 4. If the broker does not vote your unvoted shares, there will be no effect on the vote because these broker non-votes are not considered to be voting on the matter. Abstentions and broker non-votes will not be counted as votes cast or shares voting on Proposal 4, and will have no effect on the vote.

***The Board of Directors recommends a vote FOR Proposal 4.***

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**REPORT OF THE AUDIT AND FINANCE COMMITTEE**

The Audit and Finance Committee of the Board consists entirely of independent directors who are not officers or employees of Agenus. The Board has adopted a written charter for the Audit and Finance Committee, the current version of which is available on our website at <http://investor.agenusbio.com/corporate-governance>. No material on our website is part of this proxy statement.

In the course of its oversight of the Company's reporting process, the Audit and Finance Committee of the Board has (1) reviewed and discussed with management the Company's audited consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting for the fiscal year ended December 31, 2014, (2) discussed with KPMG LLP, our independent registered public accounting firm, the matters required to be discussed pursuant to Public Company Accounting Oversight Board Auditing Standard No. 16 (Communications with Audit Committees), including the quality of the Company's accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements, and (3) discussed with KPMG LLP matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from KPMG LLP pursuant to applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit and Finance Committee concerning independence.

Based on the foregoing review and discussions, the Audit and Finance Committee recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 for filing with the SEC.

By the Audit and Finance Committee,

Brian Corvese, Chair

Tom Dechaene

Timothy R. Wright

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**ADDITIONAL INFORMATION**

**Stockholder Proposals for 2016 Annual Meeting of Stockholders**

*Proposals to be included in the Company's proxy statement.* Under SEC rules, if a stockholder wants us to include a proposal in our proxy statement and form of proxy for presentation at our 2016 Annual Meeting of Stockholders, the proposal must comply with Rule 14a-8 under the Exchange Act and must also meet the advance notice requirements in our bylaws applicable to all stockholder proposals (as described in the following paragraphs).

*All Proposals.* Under our by-laws, a stockholder must follow certain procedures to nominate persons for election as directors or to introduce an item of business at an annual meeting of stockholders. Among other requirements, these procedures require any nomination or proposed item of business to be submitted in writing to our Chairman of the Board or Corporate Secretary at our principal executive offices. Assuming our 2016 Annual Meeting of Stockholders is not more than 30 days before or 30 days after June 24, 2016, if you wish to bring business before the 2016 Annual Meeting of Stockholders, you must give us written notice by January 12, 2016.

However, if at least 60 days' notice or prior public disclosure of the date of the 2016 Annual Meeting of Stockholders is given or made and the date of the 2016 Annual Meeting of Stockholders is not within 30 days before or after June 24, 2016, notice by the stockholder must be received by the Company 45 days prior to the date of the 2016 Annual Meeting of Stockholders. If less than 60 days' notice or prior public disclosure of the date of the 2016 Annual Meeting of Stockholders is given or made and the date of the 2016 Annual Meeting of Stockholders is not within 30 days before or after June 24, 2016, notice by the stockholder must be received by the Company no later than 15 days after the date Agenus sends notice of the 2016 Annual Meeting of Stockholders. If a stockholder fails to provide timely notice of a proposal to be presented at the 2016 Annual Meeting of Stockholders, the proxies designated by the Board will have discretionary authority to vote on the proposal.

**Householding of Meeting Materials**

Some banks, brokers, and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our proxy statement or annual report may have been sent to multiple stockholders in your household. We will promptly provide a separate copy of either document to you if you contact Investor Relations at Agenus Inc., 3 Forbes Road, Lexington, Massachusetts 02421, or telephone or e-mail Investor Relations at 800-962-2436 or IR@agenusbio.com. If you want to receive separate copies of the annual report and proxy statement in the future or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holders, or you may contact us.

**Documents Incorporated by Reference**

The 2009 Equity Incentive Plan, the DDCP and the financial statements from our Annual Report on Form 10-K for the year ended December 31, 2014 are incorporated by reference herein.

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**APPENDIX A**

**AGENUS**

**2009 EQUITY INCENTIVE PLAN (AS AMENDED)**

**1. Purpose and Eligibility**

The purpose of this 2009 Equity Incentive Plan (the Plan ) of Agenus Inc., a Delaware corporation (the Company ), is to provide stock options and other equity interests in the Company (each an Award ) to employees, officers, directors, consultants and advisors of the Company and its Subsidiaries, all of whom are eligible to receive Awards under the Plan, other than a person who has irrevocably elected not to be eligible. Any person to whom an Award has been granted under the Plan is called a Participant. Additional definitions are contained in Section 8.

**2. Administration**

a. Administration by Board of Directors. The Plan will be administered by the Board of Directors of the Company (the Board ). The Board, in its sole discretion, shall have the authority to grant and amend Awards, to adopt, amend and repeal rules relating to the Plan and to interpret and correct the provisions of the Plan and any Award. All decisions by the Board shall be final and binding on all interested persons. Neither the Company nor any member of the Board shall be liable for any action or determination relating to the Plan or any Award.

b. Appointment of Committees. To the extent permitted by applicable law, the Board may delegate any or all of its powers under the Plan to one or more committees or subcommittees of the Board (a Committee ). All references in the Plan to the Board shall mean any such other Committee or the Board, as applicable. Discretionary Awards to non-employee directors will only be granted and administered by a Committee, each member of which is an independent director as defined in the applicable NASDAQ Marketplace Rules.

c. Delegation to Officers. To the extent permitted by applicable law, the Board may delegate to one or more officers of the Company the power to grant Awards to employees or officers of the Company or any of its present or future parent or subsidiary corporations and to exercise such other powers under the Plan as the Board may determine, provided that no officer shall be authorized to grant Awards to any executive officer of the Company (as defined by Rule 3b-7 under the Securities Exchange Act of 1934, as amended (the Exchange Act )) or to any officer of the Company (as defined by Rule 16a-1 under the Exchange Act).

**3. Stock Available for Awards**

a. Number of Shares. Subject to adjustment under Section 3(b), the aggregate number of shares of Common Stock of the Company (the Common Stock ) that may be issued pursuant to the Plan is 10,200,000 shares. If any Award expires, or is terminated, surrendered or forfeited, in whole or in part, the unissued Common Stock covered by such Award shall again be available for the grant of Awards under the Plan. If shares of Common Stock issued pursuant to the Plan are repurchased by, or are surrendered or forfeited to, the Company at no more than the original purchase price thereof, such shares of Common Stock shall again be available for the grant of Awards under the Plan. The Board may adopt such share counting rules as it deems appropriate, provided that such rules are not inconsistent with the Plan.

b. Adjustment to Common Stock. In the event of any stock split, stock dividend, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off, split-up, or other similar change in capitalization or event, (i) the number and class of securities available for Awards under the Plan, (ii) the number and class of securities, vesting schedule and exercise price per share subject to each outstanding Option, (iii) the repurchase price per security subject to repurchase, and (iv) the terms of each other outstanding Award shall be adjusted by the Board (or substituted Awards may be made) to avoid an unfair result. If Section 7(e)(i) applies for any event, this Section 3(b) shall not be applicable.

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### 4. Stock Options

- a. General. The Board may grant options to purchase Common Stock (each, an Option ) and determine the number of shares of Common Stock to be covered by each Option, the exercise price of each Option and the conditions and limitations applicable to the exercise of each Option and the Common Stock issued upon the exercise of each Option, including vesting provisions, repurchase provisions and restrictions relating to applicable federal or state securities laws, as it considers advisable. Subject to adjustment as provided in Section 3(b), the aggregate number of shares of Common Stock subject to Options or Stock Appreciation Rights that may be granted during any one calendar year to any one Participant shall not exceed 1,000,000 shares.
- b. Incentive Stock Options. An Option that the Board intends to be an incentive stock option, as defined in Section 422 of the Code (an Incentive Stock Option ), shall be granted only to employees of the Company and any other entity the employees of which are entitled to receive Incentive Stock Options under the Code. Subject to adjustment as provided in Section 3(b), in no event shall more than 1,000,000 shares of Common Stock be available for issuance pursuant to the exercise of Incentive Stock Options granted under the Plan. All Incentive Stock Options that are granted pursuant to the Plan shall be subject to, and shall be construed consistently with, the requirements of Section 422 of the Code. The Board and the Company shall have no liability if an Option or any part thereof that is intended to be an Incentive Stock Option does not qualify as such. An Option or any part thereof that does not qualify as an Incentive Stock Option is referred to herein as a Nonstatutory Stock Option .
- c. Exercise Price. The Board shall establish the exercise price (or determine the method by which the exercise price shall be determined) at the time each Option is granted and specify such exercise price in the applicable option agreement, provided, however, that the exercise price shall be not less than 100% of the fair market value of the shares subject thereto at the time of grant, as determined by the Board.
- d. Duration of Options. Each Option shall be exercisable at such times and subject to such terms and conditions as the Board may specify in the applicable option agreement, provided, however, that no Option will be granted for a term in excess of 10 years.
- e. Exercise of Option. Options may be exercised only by delivery to the Company of a written notice of exercise signed by the proper person, or any other form of notice approved by the Board, together with payment in full as specified in Section 4(f) for the number of shares for which the Option is exercised.
- f. Payment Upon Exercise. No shares shall be delivered pursuant to any exercise of an Option until the Company receives payment in full of the option exercise price in the manner provided in the applicable option agreement. Methods of payment may include any of the following or any combination thereof or any other form of lawful consideration: (i) cash, check or wire transfer of funds; (ii) promissory note; (iii) shares of Common Stock owned by the Participant valued at fair market value (as determined by the Board or as determined pursuant to the applicable option agreement); (iv) so-called cashless exercise or net issuance ; and (v) arrangements with a broker or other financial institution for the prompt payment of the exercise price to the Company.
- g. Prohibition of Repricing. The Board is prohibited from amending any outstanding Option granted under the Plan to provide an exercise price per share that is lower than the then-current exercise price per share of such outstanding Option without stockholder approval. The Board is also prohibited from cancelling any outstanding Option and grant in substitution therefor new Options covering the same or a different number of shares of Common Stock and having an exercise price per share lower than the then-current exercise price per share of the cancelled Option without stockholder approval.
- h. No Reload Rights. No Option granted under the Plan shall contain any provision entitling the optionee to the automatic grant of additional Options in connection with any exercise of the original Option.

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### **5. Stock Awards**

a. **Grants.** The Board may grant Awards entitling recipients to acquire shares of Common Stock for any lawful consideration (a Stock Award ). The Board may, but need not, provide that such Stock Award shall be subject to forfeiture to the Company in the event that conditions specified by the Board in the applicable Award are not satisfied prior to the end of the applicable restriction period or periods established by the Board for such Award (a Restricted Stock Award ).

b. **Terms and Conditions.** The Board shall determine the terms and conditions of any such Stock Award. In the case of a Restricted Stock Award, any stock certificates issued in respect thereof shall be registered in the name of the Participant and, unless otherwise determined by the Board, deposited by the Participant, together with a stock power endorsed in blank, with the Company (or its designee). After the expiration of the applicable restriction periods, the Company (or such designee) shall deliver the certificates no longer subject to such restrictions to the Participant or, if the Participant has died, to the beneficiary designated by a Participant, in a manner determined by the Board, to receive amounts due or exercise rights of the Participant in the event of the Participant's death (the Designated Beneficiary ). In the absence of an effective designation by a Participant, Designated Beneficiary shall mean the Participant's estate.

### **6. Other Stock-Based Awards**

The Board shall have the right to grant other Awards based upon or with reference to the Common Stock or the trading price thereof and having such terms and conditions as the Board may determine, including, without limitation, the grant or sale of shares of stock based upon certain conditions, the grant of securities convertible into Common Stock and the grant of stock appreciation rights, phantom stock awards or stock units, which may be settled in cash or stock.

### **7. General Provisions Applicable to Awards**

a. **Transferability of Awards.** Except as the Board may otherwise determine or provide in an Award, Awards shall not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution, and, during the life of the Participant, shall be exercisable only by the Participant. References to a Participant, to the extent relevant in the context, shall include references to authorized transferees.

b. **Documentation.** Each Award shall be evidenced by an instrument in such form as the Board shall determine or as executed by an officer of the Company pursuant to authority delegated by the Board. Each Award may contain terms and conditions in addition to those set forth in the Plan, provided that such terms and conditions do not contravene the provisions of the Plan. If a person to whom an Award has been granted fails to execute and deliver to the Company within the time specified by the Company the form of Award instrument specified by the Company, such Award shall be voidable by the Company at its election, with or without notice to such person.

c. **Board Discretion.** The terms of each type of Award need not be identical, and the Board need not treat Participants uniformly.

d. **Termination of Status.** The Board shall determine the effect on an Award of the disability, death, retirement, authorized leave of absence or other change in the employment or other status of a Participant and the extent to which, and the period during which, the Participant, or the Participant's legal representative, conservator, guardian or Designated Beneficiary, may exercise rights under the Award.

e. **Acquisition of the Company.**

(i) **Consequences of an Acquisition.** In connection with an Acquisition (as defined below), the Board or the board of directors of the surviving or acquiring entity (as used in this Section 7(e)(i), also the Board )



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shall as to outstanding Awards (on the same basis or on different bases as the Board shall specify) make appropriate provision for the continuation of such Awards by the Company or the assumption of, or substitution for, such Awards by the surviving or acquiring entity and by substituting on an equitable basis for the shares then subject to such Awards either (a) the consideration payable with respect to the outstanding shares of Common Stock in connection with the Acquisition, (b) shares of stock of the surviving or acquiring corporation or (c) such other securities or other consideration as the Board deems appropriate, the fair market value of which (as determined by the Board in its sole discretion) shall not materially differ from the fair market value of the shares of Common Stock subject to such Awards immediately preceding the Acquisition. In addition to, in lieu of, or in combination with the foregoing, with respect to unexercised Options or other unexercised Awards, the Board may, on the same basis or on different bases as the Board shall specify, upon written notice to the affected Participants, provide that one or more such Options or Awards (or the vested portion thereof) must be exercised, in whole or in part, within a specified number of days of the date of such notice, at the end of which period such unexercised Options or unexercised Awards (or the vested portion thereof) shall terminate in their entirety, and/or provide that one or more unexercised Options or unexercised Awards (or the vested portion thereof), in whole or in part, shall be terminated in their entirety in exchange for a cash payment equal to the fair market value (as determined by the Board in its sole discretion) for the shares subject to such unexercised Options or unexercised Awards (or the vested portion thereof) minus the exercise price thereof, if applicable. Unless otherwise determined by the Board (on the same basis or on different bases as the Board shall specify), any repurchase rights, vesting provisions or other rights of the Company that relate to an Option or other Award shall continue to apply to consideration, including cash, that has been substituted, assumed or amended for an Option or other Award pursuant to this paragraph. The Company may hold in escrow all or any portion of any such consideration in order to effectuate any continuing restrictions.

(ii) Acquisition Defined. An Acquisition shall mean: (x) the sale of the Company by merger in which the stockholders of the Company in their capacity as such no longer own a majority of the outstanding equity securities of the Company (or its successor); or (y) any sale of all or substantially all of the assets or capital stock of the Company (other than in a spin-off or similar transaction) or (z) any other change of control or acquisition of the business of the Company, as determined by the Board.

(iii) Assumption of Options Upon Certain Events. In connection with a merger or consolidation of an entity with the Company or a Subsidiary or the acquisition by the Company of property or stock of an entity, the Board may grant Awards under the Plan in substitution for stock and stock-based awards issued by such entity or an affiliate thereof. The substitute Awards shall be granted on such terms and conditions as the Board considers appropriate in the circumstances. Substitute Options may be granted on such terms as the Board deems appropriate in the circumstances, notwithstanding any limitations on Options contained elsewhere herein. Substitute Options shall not count against the overall share limit set forth in Section 3(a), except as may be required by reason of Section 422 and related provisions of the Code.

f. Withholding. Each Participant shall pay to the Company, or make provisions satisfactory to the Company for payment of, any taxes required by law to be withheld in connection with Awards to such Participant no later than the date of the event creating the tax liability. The Board may allow Participants to satisfy such tax obligations in whole or in part by transferring shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their fair market value (as determined by the Board or as determined pursuant to the applicable Award). The Company may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to a Participant. The Board may impose such restrictions in connection therewith as may be necessary to avoid any transaction that might give rise to liability under Section 16(b) of the Exchange Act.

g. Amendment of Awards. The Board may amend, modify or terminate any outstanding Award under certain circumstances including, but not limited to, if the Board determines that the provisions of the Plan or any Award are in contravention of any law or regulation of any governmental entity or self-regulatory organization with jurisdiction over the Company, or would have material adverse effects on the taxation of the Company or

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the Participant. In connection therewith, the Board may substitute for any such Award another Award of the same or a different type, change the date of exercise or realization, convert an Incentive Stock Option to a Nonstatutory Stock Option or effect any other modification or amendment, provided that the Participant's consent to such action shall be required unless the Board determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

h. Conditions on Delivery of Stock. The Company will not be obligated to deliver any shares of Common Stock pursuant to the Plan or to remove restrictions from shares previously delivered under the Plan until (i) all conditions of the Award have been met or removed to the satisfaction of the Company, (ii) in the opinion of the Company's counsel, all other legal matters in connection with the issuance and delivery of such shares have been satisfied, including any applicable securities laws and any applicable stock exchange or stock market rules and regulations, and (iii) the Participant has executed and delivered to the Company such representations or agreements as the Company may consider appropriate to satisfy the requirements of any applicable laws, rules or regulations.

i. Acceleration. The Board may at any time provide that any Options shall become immediately exercisable in full or in part, that any Restricted Stock Awards shall be free of some or all restrictions, or that any other stock-based Awards may become exercisable in full or in part or free of some or all restrictions or conditions, or otherwise realizable in full or in part, as the case may be, despite the fact that the foregoing actions may (i) cause the application of Sections 280G and 4999 of the Code if a change in ownership or control of the Company occurs, or (ii) disqualify all or part of the Option as an Incentive Stock Option. In the event of the acceleration of the exercisability of one or more outstanding Options, including pursuant to paragraph (e)(i), the Board may provide, as a condition of full exercisability of any or all such Options, that the Common Stock or other substituted consideration, including cash, as to which exercisability has been accelerated shall be restricted and subject to forfeiture back to the Company at the option of the Company at the cost thereof upon termination of employment or other relationship, with the timing and other terms of the vesting of such restricted stock or other consideration being equivalent to the timing and other terms of the superseded exercise schedule of the related Option.

j. Settlement. The Board shall determine whether Awards are settled in whole or in part in cash, Common Stock, other securities of the Company, Awards or other property.

k. Dividends and Cash Awards. In the discretion of the Board, any Award under the Plan may provide the Participant with (i) dividends or dividend equivalents payable currently or deferred with or without interest, and (ii) cash payments in lieu of or in addition to an Award.

l. Loans. The Board may authorize the making of loans or cash payments to Participants in connection with any Award under the Plan, which loans may be secured by any security, including Common Stock, underlying or related to such Award (provided that such Loan shall not exceed the fair market value of the security subject to such Award), and which may be forgiven upon such terms and conditions as the Board may establish at the time of such loan or at any time thereafter.

m. Use for Settlement or Compensation. Awards may be made available as a form of payment in the settlement of other Awards granted under the Plan or as payment in lieu of compensation to which a Participant is otherwise entitled.

8. Miscellaneous

a. Definitions.

(i) Company, for purposes of eligibility under the Plan, shall include any present or future subsidiary corporations of Agenus Inc., as defined in Section 424(f) of the Code (a Subsidiary), and any future parent corporation of Agenus Inc., as defined in Section 424(e) of the Code. For purposes of Awards other

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than Incentive Stock Options, the term Company shall include any other business venture in which the Company has a direct or indirect significant interest, as determined by the Board in its sole discretion.

(ii) Code means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(iii) employee, for purposes of eligibility under the Plan (but not for purposes of Section 4(b)), shall include a person to whom an offer of employment has been extended by the Company.

b. No Right to Employment, Service on the Board or Other Status. No person shall have any claim or right to be granted an Award, and the grant of an Award shall not be construed as giving a Participant the right to continued employment, service on the Board or any other relationship with the Company. The Company expressly reserves the right at any time to dismiss or otherwise terminate its relationship with a Participant free from any liability or claim under the Plan.

c. No Rights As Stockholder. Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed with respect to an Award until becoming the record holder thereof.

d. Effect on Other Benefit Plans. Unless specifically provided otherwise in an applicable Award, the amount of any compensation deemed to be received by a Participant as a result of the receipt or exercise of an Award will not constitute earnings with respect to which any other benefits of such Participant are determined, including without limitation benefits under any pension, profit sharing, life insurance or salary continuation plan.

e. Authorization of Sub-Plans. The Board may from time to time establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Board shall establish such sub-plans by adopting supplements to this Plan containing (i) such limitations on the Board's discretion under the Plan as the Board deems necessary or desirable or (ii) such additional terms and conditions not otherwise inconsistent with the Plan as the Board shall deem necessary or desirable. All supplements adopted by the Board shall be deemed to be part of the Plan, but each supplement shall apply only to Participants within the affected jurisdiction and the Company shall not be required to provide copies of any supplement to Participants in any jurisdiction which is not the subject of such supplement. Without limiting the generality of the foregoing, the Board may modify Awards granted to Participants who are foreign nationals or employed outside the United States or establish sub-plans or procedures under the Plan to recognize differences in laws, rules, regulations or customs of such foreign jurisdictions with respect to tax, securities, currency, employee benefit or other matters.

f. Effective Date and Term of Plan. The Plan shall become effective on the date on which it is approved by the Company's stockholders. No Awards shall be granted under the Plan after the completion of ten years from the date on which the Plan was approved by the Company's stockholders, but Awards previously granted may extend beyond that date.

g. Amendment of Plan. The Board may amend, suspend or terminate the Plan or any portion thereof at any time, subject to any required stockholder approval under any applicable legal, regulatory or listing requirement.

h. Governing Law. The provisions of the Plan and all Awards made hereunder shall be governed by and interpreted in accordance with the laws of Delaware, without regard to any applicable conflicts of law.

This Plan was originally approved by the Board of Directors on March 12, 2009.

This Plan was originally approved by the Stockholders on June 10, 2009.

Amendment No. 1 to this Plan was approved by the Board of Directors on March 15, 2012.

Amendment No. 1 to this Plan was approved by the Stockholders on June 13, 2012.

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Amendment No. 2 to this Plan was approved by the Board of Directors on March 7, 2013.

Amendment No. 2 to this Plan was approved by the Stockholders on June 12, 2013.

Amendment No. 3 to this Plan was approved on by the Board of Directors on February 26, 2014.

Amendment No. 3 to this Plan was approved by the Stockholders on April 23, 2014.

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**APPENDIX B**  
**FOURTH AMENDMENT TO**  
**AGENUS**  
**2009 EQUITY INCENTIVE PLAN**

The 2009 Equity Incentive Plan (as amended) of Agenus, Inc. (the Plan ) be and hereby is amended as follows:

1. Section 3(a) of the Plan is hereby amended by deleting the first sentence thereof and replacing it with the following:

Subject to adjustment under Section 3(b), the aggregate number of shares of Common Stock of the Company (the Common Stock ) that may be issued pursuant to the Plan is 14,200,000 shares.

Except as set forth above, the remainder of the Plan remains in full force and effect.

*Approved by the Board of Directors March 12, 2015*

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**APPENDIX C**  
**SEVENTH AMENDMENT TO**  
**AGENUS**  
**DIRECTORS DEFERRED COMPENSATION PLAN**

The Directors Deferred Compensation Plan, as amended, of Agenus Inc. (the Plan ) be and hereby is amended as follows:

1. Section 2.6 of the Plan is hereby amended by deleting the first sentence thereof and replacing it with the following:

The aggregate number of shares of common stock which have been reserved for issuance under this plan is 325,000. Except as set forth above, the remainder of the Plan remains in full force and effect.

*Approved by the Board of Directors March 12, 2015*

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*AGENUS INC.*

*3 FORBES ROAD*

*LEXINGTON, MA 02421*

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

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time on June 23, 2015. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

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

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone and follow the instructions. Your shares will be voted according to your instructions. If you vote over the telephone, your vote must be received by 11:59 P.M. Eastern Time on June 23, 2015.

**VOTE BY MAIL**

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

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

KEEP THIS PORTION FOR YOUR RECORDS

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

<p><b>The Board of Directors recommends you vote FOR the following:</b></p>	<table border="0"> <tr> <td style="padding-right: 10px;"><b>For</b></td> <td style="padding-right: 10px;"><b>Withhold</b></td> <td style="padding-right: 10px;"><b>For All</b></td> </tr> <tr> <td style="padding-right: 10px;"><b>All</b></td> <td style="padding-right: 10px;"><b>All</b></td> <td style="padding-right: 10px;"><b>Except</b></td> </tr> <tr> <td style="padding-right: 10px;">..</td> <td style="padding-right: 10px;">..</td> <td style="padding-right: 10px;">..</td> </tr> </table>	<b>For</b>	<b>Withhold</b>	<b>For All</b>	<b>All</b>	<b>All</b>	<b>Except</b>	..	..	..	<p>To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.</p>
<b>For</b>	<b>Withhold</b>	<b>For All</b>									
<b>All</b>	<b>All</b>	<b>Except</b>									
..	..	..									

**1. Election of Directors**

**Nominees**

01 Wadih Jordan                      02 Shalini Sharp

**The Board of Directors recommends you vote FOR the following proposals:**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
<b>2.</b> To approve an amendment to our 2009 Equity Incentive Plan (as amended) to increase the number of shares authorized for issuance under such plan from 10,200,000 to 14,200,000.	..	..	..
<b>3.</b> To approve an amendment to our Directors' Deferred Compensation Plan (as amended) to increase the number of shares of common stock authorized for issuance under such plan from 225,000 to 325,000.	..	..	..
<b>4.</b> To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2015.	..	..	..

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date
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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:** The Form 10-K, Notice & Proxy Statement is/are available at [www.proxyvote.com](http://www.proxyvote.com).

**AGENUS INC.**

**Annual Meeting of Stockholders**

**June 24, 2015 at 5:00 PM**

**This proxy is solicited on behalf of the Board of Directors**

The undersigned stockholder(s) of Agenus Inc. (the Company ) hereby appoint(s) Garo H. Armen, PhD and Christine M. Klaskin, and each of them acting singly, the attorneys and proxies of the undersigned, with full power of substitution, to vote on behalf of the undersigned all of the shares of capital stock of the Company that the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company to be held on June 24, 2015, and at all adjournments thereof, hereby revoking any proxy heretofore given with respect to such shares.

**THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED BY THE UNDERSIGNED STOCKHOLDER(S). IF NO SPECIFICATION IS MADE, THIS PROXY WILL BE VOTED FOR ALL PROPOSALS. IN THEIR DISCRETION, THE PROXIES ARE ALSO AUTHORIZED TO VOTE UPON SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING. PLEASE SIGN AND MAIL THIS PROXY TODAY.**

**Continued and to be signed on reverse side**

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