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 x 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)

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Agenus Inc.

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

x 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):

(4) Proposed maximum aggregate value of transaction:

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¨ Fee paid previously with preliminary materials:

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

(1) Amount Previously paid:

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

(3) Filing Party:

(4) Date Filed:

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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.

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.

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*	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.

CLASS II DIRECTORS TERMS TO EXPIRE IN 2017

Garo H. Armen, Ph.D. Age: 62 Founder, Chairman, and Chief Executive Officer of Agenus Inc. *Director since 1999* *(a) Business & Development* *Advisory Committee (Chair)*	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.

(b) Non-Executive Equity

Award Committee (Sole

Member)

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Tom Dechaene Age: 55 Executive Director, National Bank of Belgium *Director since 1999,* *Lead Director 2006-2009* *(a) Audit and Finance Committee* *(b) Corporate Governance and Nominating Committee*	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. 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.
Shahzad Malik, M.D. Age: 48 General Partner at Advent Venture Partners LLP *Director since 2014*	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 & 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.

NOMINEES FOR CLASS III DIRECTORS TERMS TO EXPIRE IN 2015

Wadih Jordan Age: 80 *Director since 2003* *(a) Compensation Committee* *(Chair)*	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.

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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*	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.

Vote Required

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 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

Members:	***Meetings in 2014: 7***
Brian Corvese, Chair	
Tom Dechaene	
Timothy R. Wright	

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 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 50th 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® 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.

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 50th and 60th 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 50th 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:

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 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.

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® 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 30th 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 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:

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.

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

$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:

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

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

Executive Officer	Insurance Premiums ($)	Housing and Car Allowances ($)	Other Benefits ($)	Total ($)
Garo H. Armen, Ph.D.	20,091		4,865[(2)]	24,956
Christine M. Klaskin	2,666		1,200	3,866
Ozer Baysal	2,579			2,579
Robert Stein	19,978	36,266[(1)]	85,371[(3)]	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.

Executive Officer	Insurance Premiums ($)	Car Service to Base Office ($)	Other Benefits ($)	Total ($)
Garo 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

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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 ($/Share)	Grant Date Fair Value of Stock and Option Awards ($)(3)
Garo H. Armen, Ph.D. Chief Executive Officer	02/14/2014		500,000(1)	3.00	1,072,700
Christine M. Klaskin Vice President, Finance	02/14/2014		100,000(1)	3.00	214,540
Ozer Baysal Chief Business Officer	02/14/2014		86,700(1)	3.00	186,006
Robert Stein Chief Scientific Officer	02/14/2014 01/10/2014		200,000(2) 150,000(3)	3.00 3.14	429,080 377,985
Karen H. Valentine Vice President and General Counsel	02/14/2014		130,000(1)	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.

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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:

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Option Exercise Price ($)**	**Option Expiration Date**	**Number of Shares or Units of Stock that have not vested (#)**	**Market Value of Shares or Units of Stock That Have Not Vested[(1)] ($)**
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		