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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2014

Commission File Number 000-30902

**COMPUGEN LTD.**

(Translation of registrant's name into English)

**72 Pinchas Rosen Street  
Tel-Aviv 6951294, Israel**

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-For Form 40-F:

Form 20-F ☒      Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ☐

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## Compugen Ltd.

### Termination and Equity Conversion Agreement with Baize Investments (Israel) Ltd.

On December 29, 2010, Compugen Ltd. (the “Company” or “Compugen”) entered into a Funding Agreement (the “Original Pipeline Funding Agreement”) with Baize Investments (Israel) Ltd. (“Baize”), pursuant to which Baize provided the Company with \$5 million in support of the Company’s therapeutic product candidates in research and development. On December 20, 2011, the Company also entered into a mAb Funding Agreement with Baize, pursuant to which Baize agreed to invest \$8 million in connection with certain research funding for certain mAb product candidates. This agreement was amended on July 24, 2012 and December 27, 2012 (as amended, the “mAb Funding Agreement”).

On April 21, 2013, the Company and Baize entered into the Amendment to Funding Agreements, pursuant to which the mAb Funding Agreement was terminated and the Original Pipeline Funding Agreement was amended (the “Amended Pipeline Funding Agreement”) as follows.

- Until June 30, 2015, Baize had the right to receive 10% of the cash consideration received by Compugen or its affiliates from third parties, less certain pass-through amounts, with respect to the “Combined Program Initial Candidates” (“Amended Initial Participation Rights”). The Combined Program Initial Candidates included (i) the five designated product candidates from the Original Pipeline Funding Agreement and (ii) all mAb product candidates to be developed against the eight specified Targets from the mAb Funding Agreement.
- Not later than June 30, 2015 or, if later, 30 days following the receipt by Baize from Compugen of the annual report for 2014 containing a status report with respect to the Combined Program Initial Candidates Baize was required to select five product candidates from the Combined Program Initial Candidates, as “Selected Products.”
- Beginning July 1, 2015 through December 31, 2030, Baize was to have the right to receive 10% of the cash consideration received by Compugen or its affiliates from third parties, less certain pass-through amounts, with respect to the five Selected Products (the “Amended Final Participation Rights”, together with the Amended Initial Participation Rights, the “Amended Participation Rights”).
- Baize had the right at any time until June 30, 2015 to exchange the Amended Participation Rights for a number of the Company’s ordinary shares to be calculated as the quotient of (i) \$13,000,000 less 50% of any cash consideration paid to Baize as Amended Participation Rights, divided by (ii) the average closing price of the Company’s ordinary shares during the twenty (20) trading days prior to the Actual Exchange Date (the “Exchange Price”); provided however that the Exchange Price was not to be lower than \$3.00 per share, and was not to exceed \$12.00 per share.
- The warrant granted to Baize to purchase up to 500,000 of the Company’s ordinary shares under the Original Pipeline Funding Agreement was terminated, and Compugen had issued Baize a new warrant (the “New Warrant”) to purchase up to 500,000 of the Company’s ordinary shares, exercisable at \$7.50 per share through June 30, 2015.

A more detailed description of these agreements between the Company and Baize is included in the Report on Form 6-K (File No. 000-30902) and filed with the U.S. Securities and Exchange Commission on April 22, 2013, which is incorporated herein by reference.

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On August 20, 2014, the Company and Baize entered into the Termination and Equity Conversion Agreement (the “New Baize Agreement”) pursuant to which:

- The Amended Pipeline Funding Agreement, including all rights to receive the Amended Participation Rights and all rights to receive information concerning the Combined Program Initial Candidates, has been terminated.
- The New Warrant has been terminated.
- The Company has issued to Baize 1,600,000 of its ordinary shares, par value NIS0.01 per share.
- Until December 31, 2015, Baize has the right to receive 5% of the cash consideration received by Compugen or its affiliates from third parties, less certain pass-through amounts, with respect to the Combined Program Initial Candidates.

The foregoing description of the New Baize Agreement does not purport to be complete, and is qualified in its entirety by reference to Exhibit 10.1 attached hereto and incorporated herein by reference.

A Press Release, dated as of August 21, 2014, attached as Exhibit 99. 1 hereto.

The information contained in this Report on Form 6-K, including the exhibits hereto, is hereby incorporated by reference into the Company’s Registration Statement on Form F-3, File No. 333-185910.

| Exhibits              |                                                                                                                                       |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| <u>Exhibit Number</u> | <u>Description of Exhibit</u>                                                                                                         |
| 10.1                  | Termination and Equity Conversion Agreement, dated August 20, 2014, by and between Compugen Ltd. and Baize Investments (Israel) Ltd.. |
| 99.1                  | Press Release dated August 21, 2014                                                                                                   |

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**Signatures**

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

**COMPUGEN LTD.**

Date: August 21, 2014

By: /s/ Tami Fishman Jutkowitz  
Tami Fishman Jutkowitz  
General Counsel

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TERMINATION AND EQUITY CONVERSION AGREEMENT

This agreement (the "Agreement") is entered into as of August 20, 2014 by and between BAIZE INVESTMENTS (ISRAEL) LTD., a private company organized under the laws of Israel No. 51-430159-1, c/o – The Goldman Group, 55 St. Clair Avenue West, Suite 240, Toronto, Ontario, Canada M4V2Y ("Investor"), and COMPUGEN, Ltd., an Israeli corporation, having a place of business at 72 Pinchas Rosen, Tel Aviv, Israel ("Compugen" and collectively with Investor, the "Parties").

WHEREAS, the Parties had previously entered into (i) that certain Funding Agreement dated December 29, 2010 (the "2010 Agreement") and (ii) that certain Funding Agreement dated December 20, 2011, as amended on July 24, 2012 and December 27, 2012 (the "2011 Agreement").

WHEREAS, on April 21, 2013-, the Parties entered into that certain Amendment to Funding Agreements (the "2013 Amendment"), pursuant to which (i) certain provisions of the 2010 Agreement were amended (and the 2010 Agreement as so amended shall be referred to hereunder as the "Amended 2010 Agreement", (ii) the Compugen Warrant, dated April 21, 2013 was issued to Investor, and (iii) the 2011 Agreement was terminated in its entirety.

WHEREAS, both Parties are interested in terminating the Amended 2010 Agreement in its entirety and the Compugen Warrant and issuing to Investor in consideration thereof (i) 1,600,000 of Compugen's ordinary shares, par value NIS0.01 per share (the "Ordinary Shares"), and (ii) amended rights to receive Cash Consideration, all as set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, the parties hereby agree as follows:

1. DEFINITIONS.

All defined terms used herein but not defined herein, shall have the respective meanings as set forth in the Amended 2010 Agreement (irrespective of its termination hereunder).

2. TERMINATION/ISSUANCE OF ORDINARY SHARES.

2.1 Termination of Agreement. Except as set forth below, the Amended 2010 Agreement shall be terminated in its entirety and all rights and obligations thereunder, including Investor's right to receive Cash Consideration and Investor's Exchange Option, shall be terminated. Notwithstanding the foregoing, Sections 1 (as amended herein), 6, 7.3, 7.4, 7.5, 7.8, 7.10, 7.11 and 7.12 shall survive the termination of the 2010 Agreement, as amended by the 2013 Amendment.

2.2 Termination of Compugen Warrant. The Compugen Warrant, dated April 21, 2013 and issued in connection with the 2013 Amendment, shall be terminated, and Investor shall deliver to Compugen the original Compugen Warrant.

2.3 Issuance of Ordinary Shares. Upon the terms and subject to the conditions contained herein, in consideration of the termination of the Amended 2010 Agreement and the termination of the Compugen Warrant as set forth above in Sections 2.1 and 2.2 of this Agreement, Compugen shall issue and deliver to the Investor, free and clear of any and all liens other than those imposed by Investor, 1,600,000 Ordinary Shares (the "Shares").

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3. AMENDED RIGHT TO RECEIVE CASH CONSIDERATION.

3.1 Revised Right to Cash Consideration. With respect to the 13 Designated Product Candidates and Targets (the "Candidates") previously identified on Appendices A1 and A2 to the 2013 Amendment, Investor shall have the right to receive Revised Cash Consideration. "Revised Cash Consideration" shall mean the amounts payable by Compugen to the Investor in respect of Gross Cash, which shall equal five percent (5%) of Net Cash. "Gross Cash" shall mean such consideration with respect to the Candidates as described in the Amended 2010 Agreement, received by Compugen or its affiliates from third parties on or before December 31, 2015. "Net Cash" shall mean Gross Cash minus Pass-Through Amounts. "Pass-Through Amounts" shall have the meaning set forth in the 2010 Agreement, as amended by the 2013 Amendment.

3.2 Determination of Payment of Revised Cash Consideration. Subject to the provisions of this Agreement and without derogating of any of the Investor's rights hereunder, any determination of the requirement to pay Revised Cash Consideration with respect to a certain event or transaction, and if so, the amount of any such Revised Cash Consideration payment, will be made solely by Compugen's Chairman of the Board or CEO, in a detailed written notice to the Investor.

3.3 Covered IP. In the event that a transaction occurs that covers both (i) Compugen intellectual property ("IP") related to the Candidates for which Compugen determines payment of Revised Cash Consideration is required hereunder ("Covered IP"), and (ii) IP that is not related to the Candidates and therefore Compugen determines payment of Revised Cash Consideration is not required hereunder, Compugen will use reasonable judgment to determine the percentage of the total IP licensed or transferred (the "Percentage") that the Covered IP represents, and Investor shall be entitled to receive Revised Cash Consideration in an amount equal to the Percentage multiplied by 5% of the Net Cash received for such transaction, provided that (x) in no event shall the Percentage be lower than 25%, and (y) the reasonable judgment determination of the Percentage by Compugen shall not be subject to the audit provision set forth in Section 3.4 below.

3.4 Audit Right. No more than once in any twelve month period prior to December 31, 2015, plus once during the period January 1, 2016 through February 15, 2016, Investor will have the right, to have a third party certified public accountant, reasonably acceptable to Compugen, audit the calculation of any Revised Cash Consideration previously received by Investor and/or the determination by Compugen that a Revised Cash Consideration is not required with respect to any publicly announced event or transaction. Such third party will be obligated to sign a CDA with Compugen and will not share any details of its findings with Investor other than whether or not the amount of such Revised Cash Consideration was less than required pursuant to the terms of the Agreement, or if a Revised Cash Consideration is required due to the publicly announced event or transaction. Investor will pay the out of pocket costs for any such audit unless the audit results in a determination that the amount of such Revised Cash Consideration was less than required, or in the event that the third party determined that a Revised Cash Consideration is required when Compugen has determined that such payment is not required.

3.5 No Information Right. Investor shall have no rights to receive from the Company any information in addition to the information the Company regularly makes available to its Shareholders.

3.6. Subject to 3.4 above, each Party will pay its own legal and other costs with respect to the preparation and finalizing of this Agreement and the consummation of the transactions contemplated by it.

4. REPRESENTATIONS AND WARRANTIES OF COMPUGEN.

As an inducement to Investor to enter into this Agreement, Compugen hereby makes as of the date hereof, the following representations and warranties to Investor:

4.1 Organization and Qualification. Compugen is a corporation duly organized, validly existing and in good standing under the laws of the State of Israel and has full power and authority and the legal right to own or license and operate its property and assets and to carry on its business as it is now being conducted.

4.2 Authority. Compugen has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder. Compugen has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered by Compugen and, assuming the due authorization, execution and delivery by Investor, constitutes a valid and binding agreement and is enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors' rights generally and, subject to general principles of equity, including good faith and fair dealing, regardless of whether in a proceeding at equity or at law, and except as indemnification and contribution provisions may be limited by applicable law).

4.3 Valid Issuance of Shares. The issuance of the Shares has been duly authorized by all requisite corporate action. When the Shares are issued and delivered in accordance with the terms of this Agreement for the consideration expressed herein, the Shares will be duly and validly issued and outstanding, fully paid, and nonassessable, and will be free of restrictions on transfer other than restrictions on transfer under applicable Israeli laws and United States federal and state securities laws and, except as otherwise set forth herein, Investor shall be entitled to all rights accorded to a holder of Ordinary Shares. Compugen has reserved a sufficient number of Ordinary Shares for issuance to Investor in accordance with its obligations under this Agreement.

4.4 No Violation. Neither the execution and delivery of this Agreement by Compugen nor the consummation of the transactions contemplated hereby will: (a) violate or conflict with or result in any breach of any provision of its Articles of Association; (b) violate or conflict with, or result in a breach of any provision of, or require any consent, waiver or approval or result in a default or give rise to any right of termination, cancellation, modification or acceleration (or an event that, with the giving of notice, the passage of time or otherwise, would constitute a default or give rise to any such right) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, contract, indenture or other instrument or obligation to which Compugen or any of its subsidiaries is a party or by which Compugen or any of its subsidiaries or any of their respective properties or assets may be bound; or (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Compugen or any of its subsidiaries or by which any of their respective properties or assets are bound, except, in case of clauses (b) and (c), as have not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, assets, liabilities, results of operations, or financial condition of Compugen and its subsidiaries taken as a whole or the ability of Compugen to timely perform its obligations under and consummate the transactions contemplated by this Agreement.

4.5 Exemption from Registration. Subject to, and in reliance on, the representations, warranties and covenants made herein by Investor, the issuance of the Shares in accordance with the terms and on the basis of the representations and warranties set forth in this Agreement, may and shall properly occur pursuant to one or more applicable exemptions from the registration requirements of the Securities Act of 1933, as amended (the “**Securities Act**”)

5. REPRESENTATIONS AND WARRANTIES OF INVESTOR.

As an inducement to Compugen to enter into this Agreement, Investor hereby makes as of the date hereof, the following representations and warranties to Compugen:

5.1 Organization and Qualification. Investor is duly organized, validly existing and in good standing under the laws of the State of Israel and has full power and authority and the legal right to own or license and operate its property and assets and to carry on its business as it is now being conducted.

5.2 Authority. Investor has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder. Investor has taken all necessary action on its part required to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder. This Agreement has been duly executed and delivered by Investor and, assuming the due authorization, execution and delivery by Compugen, constitutes a valid and binding agreement and is enforceable in accordance with its terms (subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws affecting creditors’ rights generally and, subject to general principles of equity, including good faith and fair dealing, regardless of whether in a proceeding at equity or at law, and except as indemnification and contribution provisions may be limited by applicable law).

5.3 No Violation. Neither the execution and delivery of this Agreement by Investor nor the consummation of the transactions contemplated hereby will: (a) violate or conflict with or result in any breach of any provision of its Articles of Association; (b) violate or conflict with, or result in a breach of any provision of, or require any consent, waiver or approval or result in a default or give rise to any right of termination, cancellation, modification or acceleration (or an event that, with the giving of notice, the passage of time or otherwise, would constitute a default or give rise to any such right) under, any of the terms, conditions or provisions of any note, bond, mortgage, lease, license, agreement, contract, indenture or other instrument or obligation to which Investor or any of its affiliates is a party or by which Investor or any of its affiliates or any of their respective properties or assets may be bound; or (c) violate any order, writ, injunction, decree, statute, rule or regulation applicable to Investor or any of its affiliates or by which any of their respective properties or assets are bound, except, in case of clauses (b) and (c), as have not had and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Investor to timely perform its obligations under and consummate the transactions contemplated by this Agreement.



5.4 Investment Purpose/Sophistication of Investor. Investor is acquiring the Shares solely for the purpose of investment and not with a view to, or for offer or sale in connection with, any distribution thereof. Investor (a) is an "accredited investor" as defined in Rule 501 of Regulation D promulgated under the Securities Act; (b) is a sophisticated investor; and (c) by virtue of its business or financial experience, is capable of evaluating the merits and risks of the investment in the Shares. Investor has been provided an opportunity to ask questions of and receive answers from representatives of Compugen concerning the terms and conditions of this Agreement and the investment in the Shares contemplated hereby. Investor is able to bear the economic risk of holding the Shares for an indefinite period (including total loss of its investment), and (either alone or together with its advisors) has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

5.5 OCS Undertaking. As of the date hereof and upon the issuance of the Shares, the Investor will not hold 5% or more of the Company's issued share capital or of the voting rights in the Company. In the event that, upon the issuance of the Shares the Investor holds 5% or more of the Company's issued share capital or of the voting rights in the Company, then, upon such issuance, the investor shall deliver to the Company an executed copy of an Undertaking towards the OCS substantially in the form attached hereto as Annex A or in any other form required by the OCS.

6. RESTRICTIONS ON SALE/TRANSFER.

6.1 Securities Act Restrictions. Investor acknowledges that the Shares are being issued pursuant to an exemption from registration under the applicable law (including the Securities Act and Israeli law) and that the Shares may only be sold or transferred pursuant to an exemption from registration under the applicable law (including the Securities Act and Israeli law). Investor also acknowledges that Investor has been provided certain material non-public information in connection with the Annual Report delivered by Compugen to Investor on April 16, 2014, as well as in phone calls and meetings during the term of the various agreements and is restricted from trading in Compugen's securities under applicable securities laws (in the U.S. and Israel) until such time as such information is no longer material or has been disseminated to the public.

6.2 Other Restrictions. Investor agrees that, without the written consent of Compugen, the Shares shall not be used to secure a margin or other loan, unless these restrictions have been waived by the written consent of the company, which will not be unreasonably withheld. For the avoidance of doubt, it is agreed and understood that it would be reasonable for Compugen to withhold its consent if the lender or the pledgee do not agree in writing to be bound by the sale restriction terms provided for, or referred to, in the above agreement.

6.3 Legends. The certificate(s) evidencing the Shares shall bear legends in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON THE TRANSFER THEREOF PURSUANT TO THE TERMS OF AN AGREEMENT, DATED 20 AUGUST, 2014, BETWEEN THE HOLDER AND THE COMPANY AND SUCH SECURITIES MAY NOT BE USED TO SECURE A MARGIN OR OTHER LOAN UNTIL SUCH RESTRICTIONS HAVE BEEN WAIVED BY THE WRITTEN CONSENT OF THE COMPANY.

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION NOR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED EXCEPT (A) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S OF THE SECURITIES ACT, (B) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (C) PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, THE SUBSTANCE OF WHICH SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

THE SALE, PLEDGE, HYPOTHECATION, ASSIGNMENT OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE RESTRICTIONS OF APPLICABLE LAW, INCLUDING ISRAELI LAW."

7. PUBLICITY.

Promptly following the execution of this Agreement, Compugen shall be permitted to file a Form 6-K with the U.S. Securities and Exchange Commission disclosing the material terms of the transactions contemplated hereby and including this Agreement as an exhibit thereto. Except as required by law or court order or as otherwise permitted under this Agreement, all other publicity, press releases and public announcements, in each case relating to this Agreement and/or the transactions contemplated hereby shall be reviewed in advance by, and shall be subject to the written approval (such approval not to be unreasonably conditioned, withheld or delayed) of both Compugen and Investor; provided that such publicity, press releases and other public announcements shall not disclose any confidential information of the other party hereunder.

8. MISCELLANEOUS.

8.1 Governing Law/Forum. This Agreement shall be exclusively governed by and construed and interpreted according to the laws of the State of Israel, excluding its conflict of law provisions, and be subject to the exclusive jurisdiction of the competent courts of Tel Aviv – Jaffa or Petah-Tikva. Notwithstanding the above Investor is aware that certain securities matters related to the Shares are subject to United States securities law.

8.2 Entire Agreement. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein. This Agreement supersedes all prior agreements (including, without limitation, the 2010 Agreement) and understandings among the Parties with respect to the subject matter hereof.

8.3 Amendments and Waivers. No provision of this Agreement may be amended or waived other than by an instrument in writing signed by Compugen and by Investor.

8.4 Notices. All notices required to be given under this Agreement shall be in writing, by mail, courier or hand delivery to the addresses which may be designated by each Party from time to time in a writing complying with this Notice provision, and shall be deemed received on the date confirmed on: (1) the return receipt for certified mail sent return receipt requested; or (2) the receipt for notices sent by Airborne, Federal Express or other reliable overnight courier; or (3) two (2) Business Days following delivery by Facsimile (with receipt of proper transmission).

If to Compugen:

Compugen Ltd.  
Pinchas Rosen Street #72  
Tel Aviv 69512, Israel  
Fax: 03-765-8555  
Attention: General Counsel

With a copy (which shall not constitute a notice) to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.  
One Financial Center  
Boston, MA 20111  
Attn: Brian P. Keane, Esq.  
Fax: (617) 542-2241

If to Investor:

Baize Investment (Israel) Ltd, c/o – The Goldman Group,  
55 St. Clair Avenue West, Suite 240,  
Toronto, Ontario, Canada M4V2Y7  
Attention: Mr. Murray Goldman

With a copy (which shall not constitute a notice) to:

Adv. Ehud Arad  
1 Kremintzki St.  
Tel-Aviv 6789901, Israel  
Fax: 03-6246999

8.5 No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rules of strict construction will be applied against any Party.

8.6 Further Assurances. Each Party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

8.7 Successors and Assigns. Except as provided in this Agreement, neither Party may delegate, assign, transfer or attempt to delegate, assign or transfer this Agreement or its rights or obligations under this Agreement without the prior written consent of the other Party, and any assignment without such consent shall constitute a material breach of this Agreement and have no force or effect; *provided, however*, that for purposes of this Agreement, a change of control, merger, reverse merger or similar transaction of a Party shall not be deemed to be an assignment of this Agreement.

8.8 Headings. The headings of this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

8.9 Counterparts. This Agreement may be executed in identical counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement. This Agreement, once executed by a party, may be delivered to the other party hereto by facsimile transmission or email *.pdf* of a copy of this Agreement bearing the signature of the party so delivering this Agreement.

*[Remainder of page left blank. Signature page follows.]*

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

**BAIZE INVESTMENTS (ISRAEL) LTD.**

**COMPUGEN LTD.**

By: /s/ Murray Goldman

Name: Murray Goldman

Title: President

By: /s/ Anat Cohen-Dayag

Name: Anat Cohen-Dayag

Title: President & CEO

Annex A

To: The Research Committee  
The Office of the Chief Scientist  
Jerusalem

Relating to projects that have been financed by or are currently being financed by the Office of the Chief Scientist of the Ministry of Industry, Trade and Labor (the "OCS") \_\_\_\_\_ [Please specify project title and OCS' file number] and to projects of the Company (as this term is defined below) that may be financed by the OCS in the future (the "Projects").

**Undertaking**

We, the undersigned, of \_\_\_\_\_ [Foreign investor's name] a company incorporated, organized and existing under the laws of \_\_\_\_\_ and whose registered office is at \_\_\_\_\_ ("\_\_\_\_\_"), having, by an agreement dated \_\_\_\_\_, committed to invest in \_\_\_\_\_ Ltd. (the "Company"), in exchange for [number and type of shares] \_\_\_\_\_ shares of the Company;

Recognizing that the Company's research and development Projects are currently, have been or will be financially supported by the Government of the State of Israel, through the OCS under and subject to the provisions of The Encouragement of Research and Development in Industry Law 5744-1984 (the "R&D Law") and the regulations, rules and procedures promulgated there under;

Recognizing that the R&D Law places strict constraints on the transfer of know-how and/or production rights, making all such transfers subject to the absolute discretion of the OCS' research committee (the "Research Committee"), acting in accordance with the aims of the R&D Law and requiring that any such transfer receive the prior written approval of the Research Committee;

**Hereby declare and undertake:**

1. To observe strictly all the requirements of the R&D Law and the regulations, rules and procedures promulgated there under, as applied to the Company and as directed by the Research Committee, in particular those requirements stipulated under Sections 19, 19A and 19B of the R&D Law relating to the prohibitions on the transfer of know-how and/or production rights.
2. As a shareholder of the Company, to make all reasonable efforts that the Company shall observe strictly all the requirements of the R&D Law and the regulations, rules and procedures promulgated there under, as applied to the Company and as directed by the Research Committee, in particular those requirements stipulated under Sections 19, 19A and 19B of the R&D Law relating to the prohibitions on the transfer of know-how and/or production rights.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name (block letters) and signature of Authorized Company Representative and Company Seal



**Compugen Reacquires Baize's Financial Interest in Pipeline  
Product Candidates**

***Baize to be issued 1,600,000 Compugen ordinary shares  
and is entitled to reduced revenue sharing until December 31, 2015***

TEL AVIV, ISRAEL, August 21, 2014 - Compugen Ltd. (NASDAQ: CGEN) announced today the signing of a termination and equity conversion agreement with Baize Investments (Israel) Ltd. ("Baize"), pursuant to which the Company has reacquired Baize's participation rights for certain Pipeline Program candidates. In addition, a warrant to purchase 500,000 Compugen ordinary shares at \$7.50 per share previously issued to Baize has been cancelled.

In consideration thereof, Compugen will issue to Baize 1,600,000 ordinary shares, and Baize will have the right to receive up to 5% of the cash consideration received by the Company from third parties with respect to Pipeline Program candidates covered by the prior agreement until December 31, 2015. Under the previous agreements, pursuant to which Baize had invested a total of \$13 million, Baize had the right to receive 10% of such cash consideration until June 30, 2015, and thereafter 10% for five selected Pipeline Program candidates until December 31, 2030.

Dr. Anat Cohen-Dayag, Compugen's President and CEO, stated, "The past investments by Baize were instrumental in allowing us to accelerate, at a critical time for our company, the R&D efforts with respect to our Pipeline Program, particularly in the area of therapeutic mAb generation against Compugen-discovered targets for cancer immunotherapy. In view of the potential of the specific product candidates that were included in the Baize agreement, we believe that eliminating Baize's long-term financial interest in such product candidates through this exchange to equity is in the best interests of Compugen and its shareholders. Moreover, in view of the fact that Compugen now has a diversified early stage pipeline with many more candidates than those subject to Baize's participation rights, this new agreement will allow Baize to benefit, along with all other Compugen shareholders, in all of our potential future successes."

Murray Goldman, President of Baize, stated, "I am very pleased that Baize was given the opportunity to financially support Compugen's past development as it began to focus its unique discovery capabilities toward important areas of unmet medical need. Now, as Compugen advances multiple product candidates, in addition to the specific candidates for which Baize previously had a financial interest, I look forward to participating as a shareholder in all the achievements of this very unique company."

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A Form 6-K with the termination and exchange agreement as an attachment has been filed with the U.S. Securities and Exchange Commission.

**About Compugen**

Compugen is a leading drug discovery company focused on therapeutic proteins and monoclonal antibodies to address important unmet needs in the fields of immunology and oncology. The Company utilizes a broad and continuously growing integrated infrastructure of proprietary scientific understandings and predictive platforms, algorithms, machine learning systems and other computational biology capabilities for the *in silico* (by computer) prediction and selection of product candidates, which are then advanced in its Pipeline Program. The Company's business model includes collaborations covering the further development and commercialization of product candidates at various stages from its Pipeline Program and various forms of research and discovery agreements, in both cases providing Compugen with potential milestone payments and royalties on product sales or other forms of revenue sharing. Compugen's wholly-owned U.S. subsidiary located in South San Francisco is developing monoclonal antibody therapeutic candidates against its novel drug targets. For additional information, please visit Compugen's corporate website at [www.cgen.com](http://www.cgen.com).

**Forward-Looking Statement Disclaimer**

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements related to the future success of Compugen and the advantages of the new arrangement with Baize. Forward-looking statements can be identified by the use of terminology such as "may," "expectations," "approximately," "further" and "potential" and describe opinions about future events. These forward-looking statements involve known and unknown risks and uncertainties that may cause the actual results, performance or achievements of Compugen to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Some of these risks and other factors are discussed in the "Risk Factors" section of Compugen's Annual Report on Form 20-F for the year ended December 31, 2013 as filed with the Securities and Exchange Commission, as well as other documents that may be subsequently filed by Compugen from time to time with the Securities and Exchange Commission. In addition, any forward-looking statements represent Compugen's views only as of the date of this release and should not be relied upon as representing its views as of any subsequent date. Compugen does not assume any obligation to update any forward-looking statements unless required by law.

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