

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **December 17, 2007**

RIGEL PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

0-29889

(Commission File No.)

94-3248524

(IRS Employer Identification No.)

**1180 Veterans Boulevard
South San Francisco, CA 94080**

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(650) 624-1100**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amendment and Restatement of Executive Employment Agreement

On December 17, 2008, the Board of Directors of Rigel Pharmaceuticals, Inc. (the "Company") approved the amendment and restatement of Donald G. Payan's employment agreement. Under the revised employment agreement, Dr. Payan is eligible for a base salary of \$420,000 per year, a target bonus opportunity of up to 50% of his base salary, and certain severance benefits upon a qualifying termination of his employment.

If his employment is involuntarily terminated by the Company or its successor without Cause (as defined in the Plan) or by Dr. Payan for Good Reason (as defined in the Plan), in either case, on or within 18 months following a Change of Control (as defined in the Plan), then he will be entitled to the severance benefits provided under the Plan. If his employment is terminated without Cause (as defined in the revised employment agreement) or by Dr. Payan for Good Reason (as defined in the revised employment agreement), in either case, other than on or within 18 months following a Change of Control (as defined in the Plan), Dr. Payan will receive the following severance benefits in exchange for an effective release of claims:

- *Cash Severance Benefit* - a lump sum cash severance benefit equal to 2.0 x (Base Salary + Eligible Bonus);
- *Continued Group Health Plan Benefits* - the Company will pay for his premiums for COBRA continuation coverage (including coverage for his eligible dependents) for up to 18 months, or until such earlier date as he or his dependents cease to be eligible for such coverage;
- *Accelerated Vesting* - the vesting and exercisability of all of his then-outstanding equity awards will be accelerated in full; and
- *Extended Period to Exercise Options* - he may exercise his then-outstanding stock options until the earlier of the original end of the term of such option (generally 10 years from the date of grant) or the one year anniversary of termination.

The Company will reduce Dr. Payan's severance benefits, in whole or in part, by the amount of any other severance benefits, pay in lieu of notice, or other similar benefits payable to him by the Company in connection with his termination.

The revised employment agreement will automatically terminate on December 31, 2010.

The foregoing summary of the revised employment agreement is qualified in its entirety by reference to the complete text of the revised employment agreement, which is filed as Exhibit 10.6 hereto.

Adoption of Change of Control Severance Plan

On December 17, 2007, the Board of Directors of the Company approved a Change of Control Severance Plan (the "Plan") for employees of the Company serving at or above the level of Vice President at the time of termination (the "Eligible Employees," as defined in more detail in the Plan). The Plan provides for the payment of certain benefits to Eligible Employees if an Eligible Employee's employment with the Company is involuntarily terminated by the Company or its successor without Cause (as such term is defined in the Plan) or by the Eligible Employee for Good Reason (as defined in the Plan), in either case, on or within 18 months following a Change of Control (as defined in the Plan).

The Plan provides for the following benefits, in exchange for an effective release of claims:

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Cash Severance Benefit - Eligible Employees shall be entitled to receive a lump sum cash severance benefit as set forth below.

<u>Title at Termination</u>	<u>Amount</u>
CEO or EVP	2.5 x (Base Salary + Eligible Bonus)
SVP or VP (Section 16 reporting officers)	2.0 x (Base Salary + Eligible Bonus)
SVP or VP (non-officers)	1.5 x (Base Salary + Eligible Bonus)

Continued Group Health Plan Benefits - In the event the Eligible Employee timely elects continued coverage of a health, dental or vision plan sponsored by the Company under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company will pay for the Eligible Employee's premiums for COBRA continuation coverage (including coverage for the Eligible Employee's eligible dependents), for up to 18 months, or such earlier date as the Eligible Employee or his or her dependents cease to be eligible for such coverage.

Accelerated Vesting - The vesting and exercisability of all then-outstanding equity awards held by the Eligible Employee will be accelerated in full.

Extended Period to Exercise Options - the Eligible Employee may exercise his or her then-outstanding stock options up until the earlier of the original end of the term of such option (generally 10 years from the date of grant) or the one year anniversary of termination.

Modified Tax Gross-Up - If payments under the Plan are "parachute payments" that are subject to excise taxes imposed by Section 4999 of the Internal Revenue Code, the Company will calculate which of the following two alternative forms of payment shall be paid to the Eligible Employee: (i) payment in full of the severance (a "Full Payment"), or (ii) payment of only a part of the severance so that the Eligible Employee receives the largest payment possible without the imposition of the excise tax under Section 4999 (a "Reduced Payment"). A Full Payment will be made if the quotient obtained by dividing (i) the Full Payment, less the Reduced Payment, by (ii) the Reduced Payment (such quotient, the "Reduction Percentage"), is greater than fifteen percent (15%). If the Full Payment is made, the Company will pay the Eligible Employee an additional payment (a "Gross-Up Payment") equal to (A) the excise tax on the Full Payment, (B) any interest or penalties imposed on the Eligible Employee with respect to the excise tax on the Full Payment, and (C) an additional amount sufficient to pay the excise tax and the federal and state income and employment taxes arising from the payments made by the Company to the Eligible Employee pursuant to (A), (B) and (C). The Company will pay the Reduced Payment if the Reduction Percentage is less than or equal to fifteen percent (15%).

The Company will reduce an Eligible Employee's severance benefits, in whole or in part, by the amount of any other severance benefits, pay in lieu of notice, or other similar benefits payable to the Eligible Employee by the Company in connection with the Eligible Employee's termination.

The foregoing summary of the Plan is qualified in its entirety by reference to the complete text of the Plan, which is filed as Exhibit 10.35 hereto.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.6	Employment Agreement between Rigel and Donald Payan, dated December 17, 2007
10.35	Rigel Pharmaceuticals, Inc. Change in Control Severance Plan

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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 hereunto duly authorized.

RIGEL PHARMACEUTICALS, INC.

Dated: December 19, 2007

By: /s/ DOLLY A. VANCE
Dolly A. Vance
Senior Vice President, General Counsel and
Corporate Secretary

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EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
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RIGEL PHARMACEUTICALS, INC.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“*Agreement*”) is entered by and between Dr. Donald G. Payan (“*Executive*”) and RIGEL PHARMACEUTICALS, INC. (the “*Company*”), a Delaware corporation on December 17, 2007 (the “*Effective Date*”).

WHEREAS, Executive has been providing services to the Company under the terms of an offer letter dated January 16, 1997, as amended (the “*Existing Agreement*”); and

WHEREAS, in connection with certain changes to the Internal Revenue Code of 1986, as amended (the “*Code*”), and for other reasons, the Company and Executive wish to amend the terms of the Existing Agreement as set forth herein, which terms will expressly override the Existing Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, it is hereby agreed by and between the parties hereto as follows, effective as of the Effective Date:

1. EMPLOYMENT BY THE COMPANY.

1.1 Title and Responsibilities. Subject to the terms set forth herein, Executive will continue to be employed by the Company as the person responsible for all of the Company’s scientific research; currently, the Executive holds the title of Executive Vice President, Chief Scientific Officer. Executive will report to the Company’s Chief Executive Officer and the Company’s Board of Directors (the “*Board*”). During his employment with the Company, Executive will devote his best efforts and substantially all of his business time and attention (except for vacation periods and reasonable periods of illness or other incapacity permitted by the Company’s general employment policies) to the business of the Company.

1.2 At-Will Employment. Executive’s relationship with the Company is at-will. The Company will have the right to terminate this Agreement and Executive’s employment with the Company at any time with or without Cause (as defined below), and with or without advance notice. In addition, the Company retains the discretion to modify the terms of Executive’s employment, including but not limited to position, duties, reporting relationship, office location, compensation, and benefits, at any time. Executive’s at-will employment relationship may only be changed in a written agreement approved by the Board and signed by Executive and a duly authorized officer of the Company.

1.3 Company Employment Policies. The employment relationship between the parties will continue to be governed by the general employment policies and procedures of the Company, including those relating to the protection of confidential information and assignment of inventions.

2. COMPENSATION.

2.1 Salary. Executive will earn a base salary in 2007 at an annualized rate of \$420,000, payable on the Company’s standard payroll dates. Executive will be considered for annual increases in base salary in accordance with Company policy.

2.2 Target Bonus. Subject to annual review by the Board or a duly authorized committee thereof (either, the “*Committee*”), Executive will be eligible to earn a target annual bonus of up to fifty percent (50%) of Executive’s base salary (the “*Target Bonus*”). Whether Executive earns a Target Bonus, and if so, in what amount, will be determined solely by the Committee in its discretion. Executive must remain an active employee through the time the Committee determines bonus amounts for executives of the Company in order to earn any bonus.

2.3 Equity Awards. Executive’s current compensatory equity awards are not affected by this Agreement and will remain in effect in accordance with the terms of the applicable award agreements and stock plan(s).

2.4 Standard Company Benefits. Executive will be entitled to participate in the Company’s employee benefits and compensation plans which may be in effect from time to time and provided by the Company to its executives, under the terms and conditions of such benefit and compensation plans.

3. CONFIDENTIAL INFORMATION.

3.1 Intellectual Property. As a condition of his continued employment, Executive must continue to comply with the Employee Proprietary Information and Inventions Agreement (the “*Proprietary Agreement*”) he has executed previously. Nothing in this Agreement is intended to modify in any respect the Proprietary Agreement, and the Proprietary Agreement will remain in full force and effect.

3.2 Solicitation. As a condition of receiving the Severance Benefits (as defined below), Executive agrees that for one (1) year following the termination of employment with the Company, Executive will not personally initiate or participate in the solicitation of any employee of the Company or any of its affiliates to terminate his or her relationship with the Company or any of its affiliates in order to become an employee for any other person or business entity.

4. TERMINATION OF EMPLOYMENT; CHANGE OF CONTROL

4.1 Termination Without Cause or Resignation for Good Reason – No Change of Control. If the Company terminates Executive’s employment at any time without Cause (and other than as a result of death or disability), or if Executive resigns from all positions he then holds with the Company for Good Reason, and such termination is not a “Qualifying Termination” (as defined below), Executive will be eligible for the following severance benefits (the “*Severance Benefits*”): (i) the Company will make a lump sum severance payment to Executive in an amount equal to two (2) years of

Executive’s then-current base salary plus 200% of the Eligible Bonus, where the Eligible Bonus is an average of the percent earned of the Target Bonus for performance for the last two year multiplied by the current Target Bonus, subject to withholdings and deductions, (ii) if Executive timely elects continued health insurance coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (together with any applicable state law of similar effect, “*COBRA*”), the Company will reimburse Executive for the COBRA premiums for himself and his eligible dependents for eighteen (18) months following the date his employment terminates or until such earlier date as he becomes eligible for health insurance coverage from another source (provided that Executive must promptly inform the Company, in writing, if he becomes eligible for health insurance coverage from another source within eighteen (18) months after the termination), (iii) acceleration of all then-outstanding compensatory equity awards, and (iv) a modification of the post-termination exercise period of such equity awards until the earlier of (a) the original end of the term of each such award (generally 10 years from the date of grant) or (b) the one (1) year anniversary of the date of the Qualifying Termination. Executive will not be entitled to the Severance Benefits unless and until the requirements set forth in Section 5 of this Agreement are satisfied.

(a) **Definition of Cause.** For purposes of this Agreement, “*Cause*” will mean: (1) an intentional action or intentional failure to act by Executive that was performed in bad faith and to the material detriment of the business of the Company; (2) Executive’s intentional refusal or intentional failure to act in accordance with any lawful and proper direction or order of his or her superiors that has not been cured within ten (10) days after written notice from the Company, or that has caused irreparable damage incapable of cure; (3) Executive’s habitual or gross neglect of the duties of employment that has not been cured within ten (10) days after written notice from the Company, or that has caused irreparable damage incapable of cure; (4) Executive’s indictment, charge, or conviction of a felony or any crime involving moral turpitude, or participation in any act of theft or dishonesty, in each case, that has had or could reasonably be expected to have a material detrimental effect on the business of the Company; or (5) Executive’s violation of any material provision of the Proprietary Agreement or violation of any material provision of any other written Company policy or procedure.

(b) **Definition of Change of Control.** For purposes of this Agreement, a “*Change of Control*” has the meaning set forth in the Severance Plan (as defined below).

(c) **Definition of Resignation for Good Reason.** For purposes of this Agreement, a “*Resignation for Good Reason*” means Executive has resigned from all positions he then-holds with the Company (or any successor thereto) if (1): (i) there is a material diminution of Executive’s authority, including but not limited to decision-making authority, duties, or responsibilities; (ii) there is a material reduction in the Executive’s annual base compensation (including the base salary and target bonus opportunity), where material is considered greater than 5%; (iii) the Executive is required to relocate his or her primary work location to a facility or location that would increase the Executive’s one way commute distance by more than twenty (20) miles from the

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(iv) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Executive is required to report, including a requirement that the Executive report to a corporate officer or employee instead of reporting directly to the board of directors of a corporation (or similar governing body with respect to an entity other than a corporation); (v) a material diminution in the budget over which the Executive retains authority; (vi) the Executive is required, as a condition to continued service, to enter into any agreement with the Company or a successor thereto regarding confidentiality, non-competition, non-solicitation or other similar restrictive covenant that is materially more restrictive than under the Proprietary Agreement; (vii) the Company materially breaches its obligations under this Plan or any then-effective written employment agreement with the Executive; or (viii) any acquirer, successor or assign of the Company fails to assume and perform, in all material respects, the obligations of the Company hereunder; and (2) the Executive provides written notice to the Company’s General Counsel within the 60-day period immediately following such action; and (3) such action is not remedied by the Company within thirty (30) days following the Company’s receipt of such written notice; and (4) the Executive’s resignation is effective not later than sixty (60) days after the expiration of such thirty (30) day cure period.

4.2 Qualifying Termination Upon Change of Control. Executive will be an “Eligible Employee” under the Company’s Change of Control Severance Plan (the “*Severance Plan*”). Upon a “Qualifying Termination” (as defined in the Severance Plan), Executive will not receive any part of the Severance Benefits and instead Executive’s rights to receive any severance pay or post-termination benefit continuation will be only as set forth in the Severance Plan and as otherwise required by applicable law.

4.3 Other Terminations. If, at any time, the Company terminates Executive’s employment at any time for Cause or as a result of death or disability, or if Executive resigns other than for Good Reason, Executive’s salary will cease on the date of termination, and Executive will not be entitled to any Severance Benefits, severance pay, pay in lieu of notice or any other such compensation, or any accelerated vesting of any equity awards, other than payment of accrued salary and such other accrued benefits as expressly required in such event by applicable law or the terms of any applicable Company benefit plans or new agreements made at that time.

(a) **Certain Offsets.** The Company will reduce Executive’s Severance Benefits, in whole or in part, by any other severance benefits, pay in lieu of notice, or other similar benefits payable to Executive by the Company that become payable in connection with Executive’s termination of employment, including but not limited to any payments that are owed pursuant to (i) any other severance plan, policy or practice, or any individually negotiated employment contract or agreement with the Company relating to severance benefits, in each case, as is in effect on Executive’s termination date, (ii) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act (the “*WARN Act*”), or (iii) any Company policy or practice providing for Executive to remain on the payroll without being in active service for a limited period of time after being given notice of the termination of Executive’s

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employment. The termination payments and benefits provided under this Agreement are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of Executive’s termination of employment. In the Company’s sole discretion, such reductions may be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company’s statutory obligation. If Executive is indebted to the Company at his or her termination date, the Company reserves the right to offset any severance payments to Executive by the amount of such indebtedness.

4.4 Code Section 409A. If the Company (or, if applicable, the successor entity thereto) determines that the severance payments and benefits provided under this Agreement or the Severance Plan (any such payments, the “*Plan Payments*”) constitute “deferred compensation” under Code Section 409A (together, with any state law of similar effect, “*Section 409A*”) and if Executive is a “specified employee” of the Company or any successor entity thereto, as such term is defined in Section 409A(a)(2)(B)(i) (a “*Specified Employee*”), then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Plan Payments will be delayed as follows: on the earliest to occur of (1) the date that is six months and one day after the termination date, and (2) the date of Executive’s death (such earliest date, the “*Delayed Initial Payment Date*”), the Company (or the successor entity thereto, as applicable) will (i) pay to Executive a lump sum amount equal to the sum of the Plan Payments that Executive would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the Plan Payments had not been delayed pursuant to this Section 4.4 and (ii) commence paying the balance of the Plan Payments in accordance with the applicable payment schedules set forth in this Agreement or the Severance Plan, as applicable. Prior to the imposition of any delay on the Plan Payments as set forth above, it is intended that (A) each installment of the Plan Payments be regarded as a separate “payment” for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), (B) all Plan Payments satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(9)(iii), and (C) the Plan Payments consisting of COBRA premiums also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v).

5. RELEASE. As a condition of receiving the Severance Benefits, Executive will execute, and allow to become effective, a release substantially in the form attached hereto as **EXHIBIT A** (with the Company having the authority, in its discretion, to modify the form of the release to comply with applicable law, the “*Release*”) and will continue to comply with his obligations under the Proprietary Agreement. Unless the Release is timely executed by Executive within the time frame set forth therein, delivered to the Company, and becomes effective after the termination of Executive’s employment with the Company (the date on which the Release becomes effective, the “*Release Date*”, which date will in no event be later than February 28 of the year following the year in which termination occurs), Executive will not receive any of the Severance Benefits provided for under this Agreement. Any lump sum Severance Benefits owed to Executive will be paid within ten

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(10) business days following the Release Date, but in no event later than March 15 of the year following the year in which termination occurs.

6. GENERAL PROVISIONS.

6.1 Notices. Any notices provided hereunder must be in writing and will be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission), delivery by express delivery service (e.g. Federal Express), or the third day after mailing by first class mail, to the Company at its primary office location and to Executive at his address as listed on the Company payroll (which address may be changed by either party by written notice).

6.2 Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, and such invalid, illegal or unenforceable provision will be reformed, construed and enforced in such jurisdiction so as to render it valid, legal, and enforceable consistent with the intent of the parties insofar as possible.

6.3 Waiver. If either party should waive any breach of any provisions of this Agreement, he or it will not thereby be deemed to have waived any preceding or succeeding breach of the same or any other provision of this Agreement.

6.4 Entire Agreement. This Agreement, including its exhibits, constitutes the entire agreement between Executive and the Company regarding the subject matter hereof. As of the Effective Date, this Agreement supersedes and replaces any and all other agreements, promises, or representations, written or otherwise, between Executive and the Company with regard to this subject matter, including the Existing Agreement. This Agreement is entered into without reliance on any agreement, promise, or representation, other than those expressly contained or incorporated herein, and, except for those changes expressly reserved to the Company's or Board's discretion in this Agreement, the terms of this Agreement cannot be modified or amended except in a writing signed by Executive and a duly authorized officer of the Company which is approved by the Board.

6.5 Counterparts. This Agreement may be executed in separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement. Signatures transmitted via facsimile will be deemed the equivalent of originals.

6.6 Headings and Construction. The headings of the sections hereof are inserted for convenience only and will not be deemed to constitute a part hereof or to affect the meaning thereof. For purposes of construction of this Agreement, any ambiguities will not be construed against either party as the drafter.

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6.7 Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by Executive, the Company, and their respective successors, assigns, heirs, executors and administrators, except that Executive may not assign any of his duties hereunder and he may not assign any of his rights hereunder without the written consent of the Company.

6.8 Arbitration. To provide a mechanism for rapid and economical dispute resolution, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to this Agreement (including the Release) or its enforcement, performance, breach, or interpretation, or arising from or relating to Executive's employment with the Company or the termination of Executive's employment with the Company, will be resolved, to the fullest extent permitted by law, by final, binding, and confidential arbitration held in San Francisco, California, and conducted by JAMS, Inc. ("**JAMS**"), under its then-applicable Rules and Procedures. **By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or by administrative proceeding.** Executive will have the right to be represented by legal counsel at any arbitration proceeding at his expense. The arbitrator will: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be available under applicable law in a court proceeding; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The Company will bear all fees for the arbitration, except for any attorneys' fees or costs associated with Executive's personal representation. The arbitrator, and not a court, will also be authorized to determine whether the provisions of this paragraph apply to a dispute, controversy or claim sought to be resolved in accordance with these arbitration procedures. Notwithstanding the provisions of this paragraph, the parties are not prohibited from seeking injunctive relief in a court of appropriate jurisdiction to prevent irreparable harm on any basis, pending the outcome of arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and the state courts of any competent jurisdiction.

6.9 Governing Law. All questions concerning the construction, validity and interpretation of this Agreement will be governed by the law of the State of California without regard to conflicts of laws principles.

6.10 Term. This Agreement will automatically terminate on December 31, 2010; provided that no such termination shall affect the right to any unpaid benefit due the Executive under this Agreement.

6.11 Exhibits.

Exhibit A – Release Agreement

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IN WITNESS WHEREOF, the parties have executed this **EMPLOYMENT AGREEMENT** effective as of the Effective Date written above.

RIGEL PHARMACEUTICALS, INC.

By: /s/ Dolly A. Vance
Dolly A. Vance
Senior Vice President, General Counsel and Corporate Secretary

DR. DONALD G. PAYAN

 /s/ Donald G. Payan

EXHIBIT A
RELEASE AGREEMENT

I understand and agree completely to the terms set forth in the Rigel Pharmaceuticals, Inc. Employment Agreement (the "Agreement").

I understand that this Release, together with the Agreement, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or the Employers that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Agreement.

I hereby confirm my obligations under my Proprietary Agreement with the Company and/or the Employer.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company, the Employers, and their current and former directors, officers, employees, stockholders, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns (collectively, the "**Released Parties**") from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Agreement (collectively, the "**Released Claims**"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to my employment with the Company, the Employers or their affiliates, or the termination of that employment; (2) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company, the Employers, or their affiliates; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("**ADEA**"), the federal Employee Retirement Income Security Act of 1974 (as amended), and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, the following are not included in the Released Claims (the "**Excluded Claims**"): (1) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the charter, bylaws, or operating agreements of the Company, or under applicable law; or (2) any rights which are not waivable as a matter of law. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, or the California Department of Fair Employment and Housing, except that I hereby waive my

right to any monetary benefits in connection with any such claim, charge or proceeding. I hereby represent and warrant that, other than the Excluded Claims, I am not aware of any claims I have or might have against any of the Released Parties that are not included in the Released Claims.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA. I also acknowledge that the consideration given for the Released Claims is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) the Released Claims do not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily to sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the Release by providing written notice to an officer of the Company; and (e) the Release will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("**Effective Date**").

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**" I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than twenty-one (21) days following the date it is provided to me, and I must not revoke it thereafter.

EMPLOYEE

Name: _____

Date: _____

RIGEL PHARMACEUTICALS, INC.

CHANGE OF CONTROL SEVERANCE PLAN

Section 1. INTRODUCTION.

The Rigel Pharmaceuticals, Inc. Change of Control Severance Plan (the “*Plan*”) is established effective December 19, 2007. The purpose of the Plan is to provide for the payment of severance benefits to certain eligible executives of Rigel Pharmaceuticals, Inc. (the “*Company*”) who meet the eligibility criteria set forth in Section 2(a) below. This Plan supersedes any severance plan, policy or practice with respect to Qualifying Terminations (as defined below), whether formal or informal, written or unwritten, previously announced or maintained by the Company. This Plan document also is the Summary Plan Description for the Plan.

Section 2. ELIGIBILITY FOR BENEFITS.

(a) **General Rules.** Subject to the requirements of the Plan, the Company will grant the severance benefits described in Section 3 to Eligible Employees.

(1) **Definition of “Eligible Employee.”** For purposes of this Plan, an Eligible Employee is an employee of the Company serving at or above the level of Vice President (including non-officer Vice Presidents) at the time he or she suffers a “Qualifying Termination” (as defined below). The Plan Administrator shall make the determination of whether an employee is an Eligible Employee, and such determination shall be binding and conclusive on all persons. Temporary employees and independent contractors are not eligible for severance benefits under the Plan.

(2) **Obligations of Eligible Employees.** In order to receive any benefits under the Plan:

(i) the Eligible Employee must remain on the job and satisfactorily provide services to the Company until his or her date of termination;

(ii) the Eligible Employee must execute a general waiver and release in substantially the form attached hereto as Exhibit A, Exhibit B or Exhibit C, as applicable, within the time frame set forth therein and such release must become effective in accordance with its terms (with the Company having the authority, in its discretion, to modify the form of the required release to comply with applicable law and to determine the form of the required release, which may be incorporated into a termination agreement or other agreement with the Eligible Employee); and

(iii) the Eligible Employee must remain in compliance with his or her continuing obligations to the Company, including obligations under his or her Employee Proprietary Information and Inventions Assignment Agreement (such form, or any similar form, the “*Proprietary Agreement*”).

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(b) **Exceptions to Benefit Entitlement.** An employee who otherwise is an Eligible Employee will not receive benefits under the Plan (or will receive reduced benefits under the Plan) in the following circumstances, as determined by the Company in its sole discretion:

(1) The employee is covered by any other severance or separation pay plan, policy or practice of the Company or has executed an individually negotiated employment contract or agreement with the Company relating to severance benefits, in either case with respect to severance benefits payable upon an event that constitutes a Qualifying Termination (used herein as defined herein), and such agreement, plan, policy or practice is in effect on his or her termination date. In such case, the employee’s severance benefit upon a Qualifying Termination, if any, shall be governed by the terms of such agreement, plan, policy or practice and shall be governed by this Plan only to the extent that (i) the employee elects to waive and release all claims and rights the employee has to severance pay or benefits upon a Qualifying Termination under such agreement, plan, policy, or practice or (ii) the reduction pursuant to Section 3(c) below does not entirely eliminate benefits under this Plan.

(2) The employee’s employment terminates other than as a result of a Qualifying Termination (including a termination for Cause prior to the effective date of a previously scheduled Qualifying Termination, a termination as a result of death or disability, or the employee voluntarily terminates employment with the Company other than as a Resignation for Good Reason. Voluntary terminations include, but are not limited to, resignation, retirement, failure to return from a leave of absence on the scheduled date and/or termination in order to accept employment with another entity (including but not limited to any entity that is wholly or partly owned (directly or indirectly) by the Company or an affiliate of the Company.)).

(3) The employee has not signed an enforceable Proprietary Agreement covering the employee’s period of employment with the Company (and with any predecessor) and does not confirm in writing that he or she is and shall remain subject to the terms of that Proprietary Agreement.

(4) Following notice of a Qualifying Termination, the employee’s behavior rises to level of Cause for termination.

(c) An involuntary termination without “*Cause*” means an involuntary termination of an employee’s employment by the Company other than as a result of death or disability and other than for one of the following reasons:

(1) an intentional action or intentional failure to act by the employee that was performed in bad faith and to the material detriment of the business of the Company or an Employer;

(2) an employee’s intentional refusal or intentional failure to act in accordance with any lawful and reasonable order of his or her superiors that has not been cured within ten (10) days after written notice from the Company, or that has caused irreparable damage incapable of cure;

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(3) an employee’s habitual or gross neglect of the duties of employment that has not been cured within ten (10) days after written notice from the Company, or that has caused irreparable damage incapable of cure;

(4) an employee’s indictment, charge, or conviction of a felony or any crime involving moral turpitude, or participation in any act of theft or dishonesty, in each case, that has had or could reasonably be expected to have a material detrimental effect on the business of the Company; or

(5) an employee’s violation of any material provision of the Proprietary Agreement or violation of any material provision of any other written Company policy or procedure.

(d) A “*Change of Control*” means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following

events:

(1) a sale, lease or other disposition of all or substantially all of the assets of the Company, other than a sale, lease or other disposition of all or substantially all of the assets of the Company to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are owned by stockholders of the Company in substantially the same proportions as their ownership of the outstanding voting securities of the Company immediately prior to such sale, lease or other disposition;

(2) a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than fifty percent (50%) of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than fifty percent (50%) of the combined outstanding voting power of the parent of the surviving entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their ownership of the outstanding voting securities of the Company immediately prior to such transaction; or

(3) any "Exchange Act Person" becomes the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction.

(e) An "**Exchange Act Person**" means any natural person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended), except that "Exchange Act Person" shall not include (1) the Company or any subsidiary of the Company, (2) any employee benefit plan of the Company or any subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, (3) an underwriter temporarily holding securities pursuant to an offering of such securities, (4) an entity owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company; or (5) any natural person, entity or "group" (within the meaning of

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Section 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended) that, as of the effective date of this Plan, is the owner, directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the combined voting power of the Company's then outstanding securities.

(f) A "**Qualifying Termination**" means an involuntary termination without Cause or a Resignation for Good Reason in either case on or within eighteen (18) months following the effective date of the Change of Control.

(g) A "**Resignation for Good Reason**" means the Eligible Employee has resigned from all positions he or she then-holds with the Company (or any successor thereto):

(1) one of the following actions has been taken:

(i) there is a material diminution of Eligible Employee's authority, including but not limited to decision-making authority, duties, or responsibilities;

(ii) there is a material reduction in the Eligible Employee's annual base compensation (including the base salary and target bonus opportunity), where material is considered greater than 5%;

(iii) the Eligible Employee is required to relocate his or her primary work location to a facility or location that would increase the Eligible Employee's one way commute distance by more than twenty (20) miles from the Eligible Employee's primary work location as of immediately prior to such change;

(iv) A material diminution in the authority, duties, or responsibilities of the supervisor to whom the Eligible Employee is required to report, including a requirement that the Eligible Employee report to a corporate officer or employee instead of reporting directly to the board of directors of a corporation (or similar governing body with respect to an entity other than a corporation);

(v) A material diminution in the budget over which the Eligible Employee retains authority;

(vi) the Eligible Employee is required, as a condition to continued service, to enter into any agreement with the Company or a successor thereto regarding confidentiality, non-competition, non-solicitation or other similar restrictive covenant that is materially more restrictive than under the Proprietary Agreement;

(vii) the Company materially breaches its obligations under this Plan or any then-effective written employment agreement with the Eligible Employee; or

(viii) any acquirer, successor or assign of the Company fails to assume and perform, in all material respects, the obligations of the Company hereunder; and

(2) the Eligible Employee provides written notice to the Company's General Counsel within the 60-day period immediately following such action; and

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(3) such action is not remedied by the Company within thirty (30) days following the Company's receipt of such written notice; and

(4) the Eligible Employee's resignation is effective not later than sixty (60) days after the expiration of such thirty (30) day cure period.

Section 3. AMOUNT OF BENEFIT.

(a) **Severance Benefits.** Subject to the terms and conditions of the Plan, the severance benefits that shall be provided to Eligible Employees under the Plan are set forth in Appendix A.

(b) **Additional Benefits.** Notwithstanding the foregoing, the Company may, in its sole discretion, authorize benefits in an amount in addition to those benefits set forth in Section 3(a) to an Eligible Employee. The provision of any such benefits to an Eligible Employee shall in no way obligate the Company to provide such benefits to any other Eligible Employee or to any other employee, even if similarly situated. Receipt of benefits under this Plan pursuant to such exceptions may be subject to a covenant of confidentiality and non-disclosure.

(c) **Certain Reductions.** The Company shall reduce an Eligible Employee's severance benefits under this Plan, in whole or in part, by any other

severance benefits, pay in lieu of notice, or other similar benefits payable to the Eligible Employee by the Company in connection with the Eligible Employee's Qualifying Termination, including but not limited to any payments or benefits that are due pursuant to (i) any other severance plan, policy or practice, or any individually negotiated employment contract or agreement with the Company relating to severance benefits, in each case, as is in effect on the Eligible Employee's termination date, (ii) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act (the "*WARN Act*"), or (iii) any Company policy or practice providing for the Eligible Employee to remain on the payroll without being in active service for a limited period of time after being given notice of the termination of the Eligible Employee's employment. The benefits provided under this Plan are intended to satisfy, to the greatest extent possible, any and all statutory obligations that may arise out of an Eligible Employee's termination of employment, and the Plan Administrator shall so construe and implement the terms of the Plan. In the Company's sole discretion, such reductions may be applied on a retroactive basis, with severance benefits previously paid being recharacterized as payments pursuant to the Company's statutory obligation.

(d) **Parachute Payments.** If any payment or benefit (including payments and benefits pursuant to this Plan) that an Eligible Employee would receive in connection with a Change of Control from the Company or otherwise ("*Payment*") would (1) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "*Code*"), and (2) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "*Excise Tax*"), then the Company shall cause to be determined, before any amounts of the Payment are paid to the Eligible Employee, which of the following two alternative forms of payment shall be paid to the Eligible Employee: (i) payment in full of the entire amount of the Payment (a "*Full Payment*"), or (ii) payment of only a part of the

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Payment so that the Eligible Employee receives the largest payment possible without the imposition of the Excise Tax (a "*Reduced Payment*"). The determination shall be made as follows:

(1) A Full Payment shall be made if the quotient obtained by dividing (i) the Full Payment, less the Reduced Payment, by (ii) the Reduced Payment (such quotient, the "*Reduction Percentage*"), is greater than fifteen percent (15%). If the Full Payment is made, the Company shall pay, and the Eligible Employee shall be entitled to receive, an additional payment (a "*Gross-Up Payment*") from the Company in an amount equal to (A) the Excise Tax on the Full Payment, (B) any interest or penalties imposed on the Eligible Employee with respect to the Excise Tax on the Full Payment, and (C) an additional amount sufficient to pay the Excise Tax and the federal and state income and employment taxes arising from the payments made by the Company to the Eligible Employee pursuant to (A), (B) and (C). For purposes of determining the amount of the Gross-Up Payment, the Eligible Employee shall be deemed to have: (x) paid federal income taxes at the highest marginal rate of federal income and employment taxation for the calendar year in which the Gross-Up Payment is to be made, and (y) paid applicable state and local income taxes at the highest rate of taxation for the calendar year in which the Gross-Up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Except as otherwise provided herein, the Eligible Employee shall not be entitled to any additional payments or other indemnity arrangements in connection with the Payment or the Gross-Up Payment.

(2) A Reduced Payment shall be made in the event that the Reduction Percentage is less than or equal to fifteen percent (15%). If a Reduced Payment is made, the Eligible Employee shall have no rights to any additional payments and/or benefits constituting the Payment beyond the amount of the Reduced Payment. The reduction in the Payment shall occur in the following order unless the Eligible Employee elects in writing a different order (*provided, however*, that such election shall be subject to Company approval if made on or after the date on which the event that triggers the Payment occurs): (i) reduction of cash payments; (ii) cancellation of accelerated vesting of equity awards other than stock options; (iii) cancellation of accelerated vesting of stock options; and (iv) reduction of other benefits paid to the Eligible Employee. In the event that acceleration of compensation from the Eligible Employee's equity awards is to be reduced, such acceleration of vesting shall be canceled in the reverse order of the date of grant unless the Eligible Employee elects in writing a different order for cancellation.

(3) The independent professional firm engaged by the Company for general tax audit purposes as of the day prior to the effective date of the Change of Control shall make all determinations required to be made under this Section 3(d). If the independent professional firm so engaged by the Company is serving as an advisor, accountant or auditor for the individual, entity or group affecting the Change of Control, the Company shall appoint a nationally recognized professional firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such firm required to be made hereunder. The firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and the Eligible Employee within thirty (30) calendar days after the date on which the Eligible Employee's right to a Payment is triggered (if requested at that time by the Company or the Eligible Employee) or such other time as requested by the Company or the Eligible Employee. If the firm determines

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that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and the Eligible Employee with an opinion reasonably acceptable to the Eligible Employee that no Excise Tax will be imposed with respect to such Payment. If the firm determines that an Excise Tax is payable with respect to a Payment and that a Gross-Up Payment is due to the Eligible Employee under Section 3(d)(1), the Company shall pay the Gross-Up Payment not later than thirty (30) days after the date on which the Eligible Employee remits the Excise Tax to the appropriate taxing authorities. Any good faith determinations of the firm made hereunder shall be final, binding and conclusive upon the Company and the Eligible Employee.

(e) **Code Section 409A.** If the Company (or, if applicable, the successor entity thereto) determines that the payments and benefits provided under the Plan (the "*Plan Payments*") constitute "deferred compensation" under Code Section 409A (together, with any state law of similar effect, "*Section 409A*") and an Eligible Employee is a "specified employee" of the Company or any successor entity thereto, as such term is defined in Section 409A(a)(2)(B)(i) (a "*Specified Employee*"), then, solely to the extent necessary to avoid the incurrence of the adverse personal tax consequences under Section 409A, the timing of the Plan Payments shall be delayed as follows: on the earliest to occur of (1) the date that is six months and one day after the termination date, and (2) the date of the Eligible Employee's death (such earliest date, the "*Delayed Initial Payment Date*"), the Company (or the successor entity thereto, as applicable) shall (i) pay to the Eligible Employee a lump sum amount equal to the sum of the Plan Payments that the Eligible Employee would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the Plan Payments had not been delayed pursuant to this Section 3(e) and (ii) commence paying the balance of the Plan Payments in accordance with the applicable payment schedules set forth in Appendix A. Prior to the imposition of any delay on the Plan Payments as set forth above, it is intended that (A) each installment of the Plan Payments provided in Appendix A be regarded as a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), (B) all Plan Payments provided in Appendix A satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4) and 1.409A-1(b)(9) (iii), and (C) the Plan Payments consisting of COBRA premiums also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v).

Section 4. COMPANY PROPERTY.

(a) **Return of Company Property.** An Eligible Employee will not be entitled to any severance under the Plan unless and until the Eligible Employee returns all Company Property. For this purpose, "*Company Property*" means all paper and electronic company documents (and all copies thereof) created and/or received by the Eligible Employee during his or her period of employment with the Company and other Company Property which the Eligible Employee had in his or her possession or control at any time, including, but not limited to, Company and/or Employer files, notes, drawings records, plans, forecasts, reports, studies, analyses, proposals, agreements, financial information, research and development information, sales and marketing information, operational and personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, leased vehicles, computers, computer equipment,

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software programs, facsimile machines, mobile telephones, servers), credit and calling cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company and/or an Employer (and all reproductions thereof in whole or in part). As a condition to receiving benefits under the Plan, Eligible Employees must not make or retain copies, reproductions or summaries of any such Company Property. However, an Eligible Employee is not required to return his or her personal copies of documents evidencing the Eligible Employee's hire, termination, compensation, benefits and stock options and any other documentation received as a shareholder of the Company.

(b) **Transition of Work.** An Eligible Employee will not be entitled to any severance benefit under the Plan unless and until the Eligible Employee (1) has satisfactorily transitioned his or her work and information concerning his or her work to the Company to the extent reasonably requested in writing by the Company and (2) has provided the Company with all logins, passwords, passcodes and similar information created by the Eligible Employee for documents, email and electronic files that the Eligible Employee created or used on Company systems.

Section 5. TIME OF PAYMENT AND FORM OF BENEFIT.

Except as otherwise provided in Section 3, all severance benefits under the Plan shall be paid at the time and in the form provided in Appendix A following the Eligible Employee's satisfaction of all of the requirements under the Plan. All payments under the Plan will be subject to applicable withholding for federal, state and local taxes. If an Eligible Employee is indebted to the Company at his or her termination date, the Company reserves the right to offset any severance payments under the Plan by the amount of such indebtedness. Additionally, if an Eligible Employee is subject to withholding for taxes related to any non-Plan benefits, the Company may offset any severance payments under the Plan by the amount of such withholding taxes. However, payments under the Plan will not be subject to any other deductions such as, but not limited to, 401(k) plan contributions and/or 401(k) loan repayments or other employee benefit and benefit plan contributions.

Section 6. RIGHT TO INTERPRET PLAN; AMENDMENT AND TERMINATION.

(a) **Exclusive Discretion.** The Plan Administrator is the Company. As Plan Administrator, the Company is the named fiduciary charged with the responsibility for administering the Plan. The Plan Administrator shall have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Plan and to construe and interpret the Plan and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, but not limited to, the eligibility to participate in the Plan and amount of benefits paid under the Plan. The Plan Administrator may delegate any or all of its administrative duties to an officer of the Company and any such delegation shall convey with it the full discretionary authority of the Plan Administrator to carry out the delegated duties. The Company or the Plan Administrator shall indemnify and hold harmless any person to whom it delegated its responsibilities; *provided, however*, such person does not act with gross negligence or willful misconduct. The rules,

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interpretations, computations and other actions of the Plan Administrator or its delegate shall be binding and conclusive on all persons.

(b) **Termination; Amendment.**

(1) This Plan will automatically terminate on December 31, 2010 if no Change of Control has occurred by that date. If a Change of Control has occurred by that date, this Plan will terminate on the date that is eighteen (18) months and one (1) day after the effective date of the Change of Control; *provided, however*, that no such termination shall affect the right to any unpaid benefit of any Eligible Employee whose Qualifying Termination date has occurred prior to such date, and such unpaid benefit rights shall continue to be governed by the terms of this plan.

(2) The Company reserves the right to amend this Plan (including the exhibits and appendices hereto) and the benefits provided hereunder at any time prior to a Change of Control of the Company; *provided, however*, that no such amendment shall affect the right to any unpaid benefit of any Eligible Employee whose Qualifying Termination date has occurred prior to amendment of the Plan.

(3) Any purported amendment or termination of this Plan (and the exhibits and appendices hereto) upon or following a Change of Control of the Company will not be effective as to any Eligible Employee who has not consented, in writing, to such amendment or termination. Any action amending or terminating the Plan shall be in writing and executed by a duly authorized executive officer of the Company.

Section 7. NO IMPLIED EMPLOYMENT CONTRACT.

The Plan shall not be deemed (i) to give any employee or other person any right to be retained in the employ of the Company or (ii) to interfere with the right of the Company to discharge any employee or other person at any time, with or without cause, which right is hereby reserved.

Section 8. LEGAL CONSTRUCTION.

This Plan is intended to be governed by and shall be construed in accordance with the Employee Retirement Income Security Act of 1974 (*ERISA*) and, to the extent not preempted by ERISA, the laws of the State of California (without regard to principles of conflict of laws).

Section 9. CLAIMS, INQUIRIES AND APPEALS.

(a) **Applications for Benefits and Inquiries.** Any application for benefits, inquiries about the Plan or inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing by an applicant (or his or her authorized representative). The Plan Administrator is:

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Rigel Pharmaceuticals, Inc.
Attn: General Counsel
1180 Veterans Boulevard
South San Francisco, CA 94080

(b) **Denial of Claims.** In the event that any application for benefits is denied in whole or in part, the Plan Administrator must provide the applicant with written or electronic notice of the denial of the application, and of the applicant's right to review the denial. Any electronic notice will comply with the regulations of the U.S. Department of Labor. The notice of denial will be set forth in a manner designed to be understood by the applicant and will include the following:

(1) the specific reason or reasons for the denial;

(2) references to the specific Plan provisions upon which the denial is based;

(3) a description of any additional information or material that the Plan Administrator needs to complete the review and an explanation of why such information or material is necessary; and

(4) an explanation of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following a denial on review of the claim, as described in Section 10(d) below.

This notice of denial will be given to the applicant within ninety (90) days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional ninety (90) days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial ninety (90) day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the application.

(c) **Request for a Review.** Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within sixty (60) days after the application is denied. A request for a review shall be in writing and shall be addressed to:

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Rigel Pharmaceuticals, Inc.
Attn: General Counsel
1180 Veterans Boulevard
South San Francisco, CA 94080

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The applicant (or his or her representative) shall have the opportunity to submit (or the Plan Administrator may require the applicant to submit) written comments, documents, records, and other information relating to his or her claim. The applicant (or his or her representative) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim. The review shall take into account all comments, documents, records and other information submitted by the applicant (or his or her representative) relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(d) **Decision on Review.** The Plan Administrator will act on each request for review within sixty (60) days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional sixty (60) days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial sixty (60) day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the review. The Plan Administrator will give prompt, written or electronic notice of its decision to the applicant. Any electronic notice will comply with the regulations of the U.S. Department of Labor. In the event that the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will set forth, in a manner calculated to be understood by the applicant, the following:

(1) the specific reason or reasons for the denial;

(2) references to the specific Plan provisions upon which the denial is based;

(3) a statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim; and

(4) a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA.

(e) **Rules and Procedures.** The Plan Administrator will establish rules and procedures, consistent with the Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the applicant's own expense.

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(f) **Exhaustion of Remedies.** No legal action for benefits under the Plan may be brought until the applicant (i) has submitted a written application for benefits in accordance with the procedures described by Section 10(a) above, (ii) has been notified by the Plan Administrator that the application is denied, (iii) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 10(c) above, and (iv) has been notified that the Plan Administrator has denied the appeal. Notwithstanding the foregoing, if the Plan Administrator does not respond to an applicant's claim or appeal within the relevant time limits specified in this Section 10, the applicant may bring legal action for benefits under the Plan pursuant to Section 502(a) of ERISA.

Section 10. BASIS OF PAYMENTS TO AND FROM PLAN.

The Plan shall be unfunded, and all benefits under the Plan shall be paid only from the general assets of the Company. An Eligible Employee's right to receive payments under the Plan is no greater than that of the Company's unsecured general creditors. Therefore, if the Company were to become insolvent, the Eligible Employee might not receive benefits under the Plan.

Section 11. OTHER PLAN INFORMATION.

(a) **Employer and Plan Identification Numbers.** The Employer Identification Number assigned to the Company (which is the "*Plan Sponsor*" as that term is used in ERISA) by the Internal Revenue Service is 94-3248524. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 510.

(b) **Ending Date for Plan's Fiscal Year and Type of Plan.** The date of the end of the fiscal year for the purpose of maintaining the Plan's records is December 31. The Plan is a welfare benefit plan.

(c) **Agent for the Service of Legal Process.** The agent for the service of legal process with respect to the Plan is:

Rigel Pharmaceuticals, Inc.
Attn: General Counsel

(d) **Plan Sponsor and Administrator.** The Plan Sponsor and the “*Plan Administrator*” of the Plan is:

Rigel Pharmaceuticals, Inc.
Attn: General Counsel
1180 Veterans Boulevard
South San Francisco, CA 94080

The Plan Sponsor’s and Plan Administrator’s telephone number is (650) 624-1100 and facsimile number is (650) 624-1101.

Section 12. STATEMENT OF ERISA RIGHTS.

Participants in this Plan are entitled to certain rights and protections under ERISA. If you are an Eligible Employee, you are considered a participant in the Plan and, under ERISA, you are entitled to:

(a) **Receive Information About Your Plan and Benefits**

(1) Examine, without charge, at the Plan Administrator’s office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;

(2) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) Summary Plan Description. The Administrator may make a reasonable charge for the copies; and

(3) Receive a summary of the Plan’s annual financial report, if applicable. The Plan Administrator is required by law to furnish each participant with a copy of this summary annual report.

(b) **Prudent Actions by Plan Fiduciaries.** In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

(c) **Enforce Your Rights.** If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules as set forth in detail in Section 10 herein.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan, if applicable, and do not receive them within 30 days, you may file suit in a Federal court and you are not required to follow the claims procedure set forth in Section 10 herein. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have completed the claims and appeals procedure described in Section 10 and have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

(d) **Assistance with Your Questions.** If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration or accessing its website at <http://www.dol.gov/ebsa/>.

Section 13. GENERAL PROVISIONS.

(a) **Notices.** Any notice, demand or request required or permitted to be given by either the Company or an Eligible Employee pursuant to the terms of this Plan shall be in writing and shall be deemed given when delivered personally or deposited in the U.S. mail, with postage prepaid, and addressed to the parties, in the case of the Company, at the address set forth in Section 12(d) and, in the case of an Eligible Employee, at the address as set forth in the Company’s employment file maintained for the Eligible Employee as previously furnished by the Eligible Employee or such other address as a party may request by notifying the other in writing.

(b) **Transfer and Assignment.** The rights and obligations of an Eligible Employee under this Plan may not be transferred or assigned without the prior written consent of the Company. This Plan shall be binding upon any person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company without regard to whether or not such person or entity actively assumes the obligations hereunder. Following a Change of Control, any references to the “Company” in this Plan shall be deemed to be references also to any successor to the company.

(c) **Waiver.** Any party’s failure to enforce any provision or provisions of this Plan shall not in any way be construed as a waiver of any such provision or provisions, nor prevent any party from thereafter enforcing each and every other provision of this Plan. The rights granted the parties herein are cumulative and shall not constitute a waiver of any party’s right to assert all other legal remedies available to it under the circumstances.

(d) **Severability.** Should any provision of this Plan be declared or determined to be invalid, illegal or unenforceable, the validity, legality and

enforceability of the remaining provisions shall not in any way be affected or impaired.

(e) **Section Headings.** Section headings in this Plan are included for convenience of reference only and shall not be considered part of this Plan for any other purpose.

Section 14. CIRCULAR 230 DISCLAIMER.

THE FOLLOWING DISCLAIMER IS PROVIDED IN ACCORDANCE WITH THE INTERNAL REVENUE SERVICE'S CIRCULAR 230 (21 CFR PART 10). ANY ADVICE IN THIS PLAN IS NOT INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED BY YOU FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON YOU. ANY ADVICE IN THIS PLAN WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF PARTICIPATION IN THE COMPANY'S CHANGE OF CONTROL SEVERANCE PLAN. YOU SHOULD SEEK ADVICE BASED ON YOUR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Section 15. EXECUTION.

To record the adoption of the Plan as set forth herein, effective as of December 17, 2007, Rigel Pharmaceuticals, Inc. has caused its duly authorized officer to execute the same this 17th day of December, 2007.

RIGEL PHARMACEUTICALS, INC.

By: /s/ Dolly A. Vance
Dolly A. Vance
Senior Vice President, General Counsel
and Corporate Secretary

For Employees Age 40 or Older
Individual Termination

EXHIBIT A

RELEASE AGREEMENT

I understand and agree completely to the terms set forth in the Rigel Pharmaceuticals, Inc. Change of Control Severance Plan (the "Plan").

I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or the Employers that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under my Proprietary Agreement with the Company and/or the Employer.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company, the Employers, and their current and former directors, officers, employees, stockholders, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns (collectively, the "**Released Parties**") from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Agreement (collectively, the "**Released Claims**"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to my employment with the Company, the Employers or their affiliates, or the termination of that employment; (2) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company, the Employers, or their affiliates; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("**ADEA**"), the federal Employee Retirement Income Security Act of 1974 (as amended), and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, the following are not included in the Released Claims (the "**Excluded Claims**"): (1) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the charter, bylaws, or operating agreements of the Company, or under applicable law; or (2) any rights which are not waivable as a matter of law. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, or the California Department of Fair Employment and Housing, except that I hereby waive my right to any monetary benefits in connection with any such claim, charge or proceeding. I hereby represent and warrant that, other than the Excluded

Claims, I am not aware of any claims I have or might have against any of the Released Parties that are not included in the Released Claims.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA. I also acknowledge that the consideration given for the Released Claims is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) the Released Claims do not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have twenty-one (21) days to consider this Release (although I may choose to voluntarily sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the Release by providing written notice to an officer of the Company; and (e) the Release will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("**Effective Date**").

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**" I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than twenty-one (21) days following the date it is provided to me, and I must not revoke it thereafter.

EMPLOYEE

Name: _____

Date: _____

For Employees Age 40 or Older
Group Termination

**EXHIBIT B
RELEASE AGREEMENT**

I understand and agree completely to the terms set forth in the Rigel Pharmaceuticals, Inc. Change of Control Severance Plan (the "Plan").

I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or the Employers that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under my Proprietary Agreement with the Company and/or the Employer.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company, the Employers, and their current and former directors, officers, employees, stockholders, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns (collectively, the "**Released Parties**") from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Agreement (collectively, the "**Released Claims**"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to my employment with the Company, the Employers or their affiliates, or the termination of that employment; (2) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company, the Employers, or their affiliates; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act of 1967 (as amended) ("**ADEA**"), the federal Employee Retirement Income Security Act of 1974 (as amended), and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, the following are not included in the Released Claims (the "**Excluded Claims**"): (1) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the charter, bylaws, or operating agreements of the Company, or under applicable law; or (2) any rights which are not waivable as a matter of law. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, or the California Department of Fair Employment and Housing, except that I hereby waive my right to any monetary benefits in connection with any such claim, charge or proceeding. I hereby represent and warrant that, other than the Excluded

Claims, I am not aware of any claims I have or might have against any of the Released Parties that are not included in the Released Claims.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I may have under the ADEA. I also acknowledge that the consideration given for the Released Claims is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised by this writing, as required by the ADEA, that: (a) the Released Claims do not apply to any rights or claims that arise after the date I sign this Release; (b) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (c) I have forty-five (45) days to consider this Release (although I may choose to voluntarily sign it sooner); (d) I have seven (7) days following the date I sign this Release to revoke the Release by providing written notice to an officer of the Company; and (e) the Release will not be effective until the date upon which the revocation period has expired unexercised, which will be the eighth day after I sign this Release ("**Effective Date**").

I have received with this Release all of the information required by the ADEA, including without limitation a detailed list of the job titles and ages of all employees who were terminated in this group termination and the ages of all employees of the Company in the same job classification or organizational unit who were not terminated, along with information on the eligibility factors used to select employees for the group termination and any time limits applicable to this group termination program.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "**A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**" I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than forty-five (45) days following the date it is provided to me, and I must not revoke it thereafter.

EMPLOYEE

Name: _____

Date: _____

EXHIBIT C
RELEASE AGREEMENT

I understand and agree completely to the terms set forth in the Rigel Pharmaceuticals, Inc. Change of Control Severance Plan (the "Plan").

I understand that this Release, together with the Plan, constitutes the complete, final and exclusive embodiment of the entire agreement between the Company, affiliates of the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company or the Employers that is not expressly stated therein. Certain capitalized terms used in this Release are defined in the Plan.

I hereby confirm my obligations under my Proprietary Agreement with the Company and/or the Employer.

Except as otherwise set forth in this Release, I hereby generally and completely release the Company, the Employers, and their current and former directors, officers, employees, stockholders, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns (collectively, the "Released Parties") from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Agreement (collectively, the "Released Claims"). The Released Claims include, but are not limited to: (1) all claims arising out of or in any way related to my employment with the Company, the Employers or their affiliates, or the termination of that employment; (2) all claims related to my compensation or benefits, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company, the Employers, or their affiliates; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act (as amended). Notwithstanding the foregoing, the following are not included in the Released Claims (the "Excluded Claims"): (1) any rights or claims for indemnification I may have pursuant to any written indemnification agreement with the Company to which I am a party, the charter, bylaws, or operating agreements of the Company, or under applicable law; or (2) any rights which are not waivable as a matter of law. In addition, nothing in this Release prevents me from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, or the California Department of Fair Employment and Housing, except that I hereby waive my right to any monetary benefits in connection with any such claim, charge or proceeding. I hereby represent and warrant that, other than the Excluded Claims, I am not aware of any claims I have or might have against any of the Released Parties that are not included in the Released Claims.

I acknowledge that I have read and understand Section 1542 of the California Civil Code which reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." I hereby expressly waive and relinquish all rights and benefits under that section and any law of any jurisdiction of similar effect with respect to my release of any claims hereunder.

I hereby represent that I have been paid all compensation owed and for all hours worked, I have received all the leave and leave benefits and protections for which I am eligible, and I have not suffered any on-the-job injury for which I have not already filed a workers' compensation claim.

I acknowledge that to become effective, I must sign and return this Release to the Company so that it is received not later than fourteen (14) days following the date it is provided to me.

EMPLOYEE

Name: _____

Date: _____

APPENDIX A
RIGEL PHARMACEUTICALS, INC.
CHANGE OF CONTROL SEVERANCE PLAN

Severance benefits provided to Eligible Employees under the Rigel Pharmaceuticals, Inc. Change of Control Severance Plan (the "Plan") are as follows:

1. **Severance Benefits.** Subject to the exceptions set forth in Section 2 of the Plan, each Eligible Employee who suffers a Qualifying Termination and who meets all of the requirements set forth in the Plan, including, without limitation, executing and letting become effective a general waiver and release in substantially the form attached to the Plan as Exhibit A, Exhibit B or Exhibit C, as applicable, within the applicable time period set forth therein, shall receive severance benefits as set forth in this Appendix A.

(a) **Cash Severance.** The Company shall make a lump sum payment of "Cash Severance" to the Eligible Employee in an amount determined as follows:

<u>Title at Termination</u>	<u>Amount</u>
CEO or EVP	2.5 x (Base Salary + Eligible Bonus)
SVP or VP (Section 16 reporting officers)	2.0 x (Base Salary + Eligible Bonus)

Subject to Section 3(e) of the Plan, the Cash Severance will be paid in a lump sum on the first regular payroll date following the effective date of the general waiver and release, but in no event later than March 15 of the year following the year in which the Qualifying Termination occurs.

- (b) **COBRA Premium Benefit.** If the Eligible Employee was enrolled in a group health plan (*i.e.*, medical, dental, or vision plan) sponsored by the Company or an affiliate of the Company immediately prior to the Qualifying Termination, the Eligible Employee may be eligible to continue coverage under such group health plan (or to convert to an individual policy) at the time of the Eligible Employee's termination of employment under the Consolidated Omnibus Budget Reconciliation Act of 1985 (together with any state law of similar effect, "**COBRA**"). The Company will notify the Eligible Employee of any such right to continue such coverage at the time of termination pursuant to COBRA. No provision of this Plan will affect the continuation coverage rules under COBRA, except that the Company's payment, if any, of applicable insurance premiums, or waiver of any cost of coverage under any self-funded group health plan, will be credited as payment by the Eligible Employee for purposes of the Eligible

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Employee's payment required under COBRA. Therefore, the period during which an Eligible Employee may elect to continue the Company's or its affiliate's group health plan coverage at his or her own expense under COBRA, the length of time during which COBRA coverage will be made available to the Eligible Employee, and all other rights and obligations of the Eligible Employee under COBRA (except the obligation to pay insurance premiums that the Company pays, if any, or, with respect to a self-funded plan, any obligation to pay the cost of coverage to the Company that the Company waives, if any) will be applied in the same manner that such rules would apply in the absence of this Plan.

If an Eligible Employee timely elects continued coverage under COBRA, the Company shall pay the full amount of the Eligible Employee's COBRA premiums, or shall provide coverage under any self-funded plan, on behalf of the Eligible Employee for the Eligible Employee's continued coverage under the Company's group health plans, including coverage for the Eligible Employee's eligible dependents, for up to eighteen (18) months following the Eligible Employee's Qualifying Termination; *provided, however*, that no such premium payments shall be made, and no coverage shall be provided under any self-funded group health plan, following the date on which the Eligible Employee and his eligible dependents cease (or would cease) to be eligible for continued coverage under COBRA. Each Eligible Employee shall be required to notify the Company immediately if the Eligible Employee becomes covered by a group health plan of a subsequent employer. Upon the conclusion of such period of insurance premium payments made by the Company, or the provision of coverage under a self-funded group health plan, the Eligible Employee will be responsible for the timely payment of the full amount of premiums (or payment for the cost of coverage) required under COBRA for the duration of the COBRA period.

For purposes of this Section 1(b), any applicable insurance premiums that are paid by the Company shall not include any amounts payable by the Eligible Employee under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are the sole responsibility of the Eligible Employee.

- (c) **Accelerated Vesting.** The vesting and exercisability of all then-outstanding compensatory equity awards held by the Eligible Employee shall be accelerated such that the awards are fully vested and exercisable as of the date of the Qualifying Termination.
- (d) **Extended Period to Exercise Post Termination.** If the Eligible Employee has signed an agreement to extend the period to exercise post termination within thirty (30) days after becoming eligible to participate in the Plan, the Company will amend such Eligible Employee's then-outstanding stock options to extend the post-termination exercise period of such options that is applicable upon a Qualifying Termination until the earlier of (i) the original end of the term of each such option (generally 10 years from the date of grant) or (ii) the one (1) year anniversary of the date of the Qualifying Termination.

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2. **Definitions:** The following definitions shall apply for purposes of this Appendix A:

- (a) **"Base Salary"** shall mean the greater of the Eligible Employee's base salary in effect immediately prior to (i) the Change of Control or (ii) the date of the Qualifying Termination. Base Salary does not include variable forms of compensation such as bonuses, incentive compensation, commissions, expenses or expense allowances.
- (b) **"Eligible Bonus"** shall mean the product of (i) the average percentage of the target annual incentive bonus earned by the Eligible Employee for performance during the two fiscal years immediately prior to the fiscal year in which the Qualifying Termination occurs and (ii) the target annual incentive bonus, expressed in dollars, which the Eligible Employee is eligible to earn in the fiscal year in which (A) the Change of Control occurs or (B) the Qualifying Termination occurs, whichever of (A) or (B) is greater.

The foregoing severance benefits are subject to all of the terms and conditions of the Plan, including reduction against any other severance owed to the Eligible Employee.

Appendix A Adopted: _____, 200

Rigel Pharmaceuticals, Inc.

By: _____

Title: _____

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