

## NOTICE OF EXERCISE

### COMMON STOCK PURCHASE WARRANT

To: THERANOS, INC.

1. The undersigned hereby elects to purchase 200,000 shares of Common Stock ("**Stock**") of Theranos, Inc. (the "**Company**") pursuant to the terms of the attached Common Stock Purchase Warrant (the "**Warrant**"), and tenders herewith payment of the aggregate exercise price therefor and any transfer taxes payable pursuant to the terms of the Warrant, together with an Investment Representation Statement in form and substance satisfactory to legal counsel to the Company.

2. The shares of Stock to be received by the undersigned upon exercise of the Warrant are being acquired for its own account, not as a nominee or agent, and not with a view to resale or distribution of any part thereof, and the undersigned has no present intention of selling, granting any participation in, or otherwise distributing the same. The undersigned further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or to any third person, with respect to the Stock. The undersigned believes it has received all the information it considers necessary or appropriate for deciding whether to purchase the Stock.

3. The undersigned understands that the shares of Stock are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in transactions not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act of 1933, as amended (the "**Securities Act**"), only in certain limited circumstances. In this connection, the undersigned represents that it is familiar with Rule 144 promulgated under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

4. The undersigned hereby agrees that, if requested by the managing underwriter of the initial underwritten public offering of the Company's securities filed under the Securities Act (the "**Company's IPO**"), the undersigned shall enter an agreement not to sell or otherwise transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale, of any Common Stock (or other securities) of the Company held by the undersigned (other than those included in the registration) during the one hundred eighty (180) day period following the effective date of the Company's IPO (or such other period up to an additional 35 days as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto). The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions and may stamp each such certificate with the second legend set forth in Section 5 hereof with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of such one hundred eighty (180) day period (subject to extension as noted above).

5. The undersigned understands the instruments evidencing the Stock may bear the following legends, in addition to any legend required by applicable state securities laws:

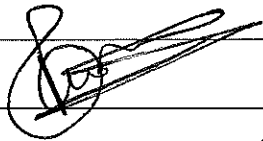
THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF CERTAIN STATES. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE, INCLUDING A LOCK-UP PERIOD OF UP TO 180 DAYS (SUBJECT TO EXTENSION) IN THE EVENT OF A PUBLIC OFFERING.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the Warrantholder has executed this Notice of Exercise effective this 14th day of April, 2010 ✓.

WARRANTHOLDER

By:  \_\_\_\_\_

Name: Ramesh Balwani ✓

[NOTICE OF EXERCISE OF THERANOS, INC. COMMON STOCK PURCHASE WARRANT]

## INVESTMENT REPRESENTATION STATEMENT

PURCHASER : Ramesh Balwani

COMPANY : THERANOS, INC.

SECURITIES : THE WARRANT ISSUED ON October 30, 2009 (THE  
"WARRANT") AND THE SECURITIES ISSUED OR ISSUABLE  
UPON EXERCISE THEREOF

DATE : April 14, 2010

In connection with the purchase of the above-listed Securities, the undersigned Purchaser represents to the Company the following:

(a) The undersigned is sufficiently aware of the Company's business affairs and financial condition to reach an informed and knowledgeable decision to acquire the Securities. The undersigned is purchasing these Securities for its own account for investment purposes only and not with a view to, or for the resale in connection with, any "distribution" thereof for purposes of the Securities Act of 1933, as amended (the "Securities Act").

(b) The undersigned understands that the Securities have not been registered under the Securities Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of its investment intent as expressed herein.

(c) The undersigned further understands that the Securities must be held indefinitely unless subsequently registered under the Securities Act or unless an exemption from registration is otherwise available (such as Rule 144 under the Securities Act). Moreover, the undersigned understands that the Company is under no obligation to register the Securities. In addition, the undersigned understands that the certificate evidencing the Securities may be imprinted with a legend which prohibits the transfer of the Securities unless they are registered or such registration is not required in the opinion of counsel for the Company.

(d) The undersigned is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer thereof (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions, which may include, among other things, the availability of certain current public information about the Company; the resale occurring not less than a specified period after a party has purchased and paid for the security to be sold; the number of shares being sold during any three-month period not exceeding specified limitations; the sale being effected through a "broker's transaction," a transaction directly with a "market maker" or a "riskless principal transaction" (as those terms are defined in the Securities Act or the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder); and the filing of a Form

144 notice, if applicable. There can be no assurances that the requirements of Rule 144 will be met, or that the Securities will ever be saleable.

(e) The undersigned further understands that at the time the undersigned wishes to sell the Securities there may be no public market upon which to make such a sale, and that, even if such a public market then exists, the Company may not be satisfying the current public information requirements of Rule 144, and that, in such event, the undersigned may be precluded from selling the Securities under Rule 144 even if the other applicable requirements of Rule 144 have been satisfied.

(f) The undersigned further understands that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the SEC has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

Signature of Purchaser:

By:  \_\_\_\_\_

Name: Ramesh Balwani

Exercise proceeds from Ramesh (Sunny) Balwani

Warrants	200,000 shares x \$0.36	\$ 72,000.00
ISO option	277.777 shares x \$0.36	\$ 99,999.72
NQ option	322,223 shares x \$0.36	\$116,000.28
	Total	<u>\$288,000.00</u>

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## Prior Day Transaction Detail

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**Account:** 7A62BA4C71A2BD63 - 0000001892535137  
Therano's Operating Acct

**As of Date:** 04/14/2010

**Transaction Type:** Incoming Money Transfer

**Currency:** USD

**Amount:** 288,000.00

**Reference One:**

**Reference Two:** 0000000000

### Additional Information

Immediate Funds : 288,000.00  
1 Day Float : 0.00  
2+ Day Float : 0.00  
WIRE # 008755 ORG RAMESH BALWANI FED # 026942

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Comerica Treasury Management Connect Web (SM) Version 4.2