



August 28, 2009

Ramesh Balwani

Palo Alto, California 94301

Dear Sunny:

On behalf of Theranos, Inc (the "Company"), I am pleased to extend a conditional offer of employment to you as Vice Chairman, reporting to me. Your semi-monthly salary will be \$4,125.00, approximating an annual salary of \$99,000 per year. You will have periodic performance reviews beginning near your 6-month anniversary, near your 12-month anniversary, and approximately every 12 months thereafter. Your position is classified as exempt; therefore, you are not eligible for overtime. Your proposed start date is September 1, 2009.

Subject to the approval of the Company's Board of Directors, the Company will grant you an option to purchase 600,000 shares of the Company's Common Stock at a price equal to the fair market value of the Common Stock on the date of grant, as determined by the Company's Board of Directors. 25% of the shares subject to the option shall vest 12 months after the date your vesting begins, subject to your continuing employment with the Company, and no shares shall vest before such date. The remaining shares shall vest monthly over the next 36 months in equal monthly amounts, subject to your continuing employment with the Company. This option grant shall be subject to the terms and conditions of the Company's Stock Option Plan and Stock Option Agreement, including vesting requirements. No right to any stock is earned or accrued until such time that vesting occurs, nor does the grant confer any right to continue vesting or employment. In special recognition of your role, the Company will include an early exercise provision in your grant.

At your performance reviews and throughout the time of employment, you will be eligible for additional performance-based rewards, which may include up to 100% of your base stock grant with successful realization of your objectives at each review.

In addition, you will be eligible for protection under the company's Change of Control Agreement, forwarded to you under separate cover.

As a regular full-time employee, you will be eligible to participate in the current employee benefits program. Human Resources will give you an orientation covering all of your benefit options and any contributions to premiums you may be responsible for within your first few days of employment.

Please be advised that our offer of employment is conditioned upon your signing the "At Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement," favorable background and/or reference checks, your signing the "Confirmation of Receipt & Agreement to Handbook Policies," which indicates your agreement to adhere to current company policies and procedures, and your ability to provide Theranos with appropriate documentation confirming your identity and your authorization to work in the United States. Such documentation must be provided to us within three (3) business days of your date of hire, as required by United States law.

You agree that you will not, during your employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity and that you will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

Your employment with Theranos, Inc. is "at will." "At will" is defined as allowing either Employee or Employer to terminate the Agreement at any time, for any reason permitted by law, with or without cause

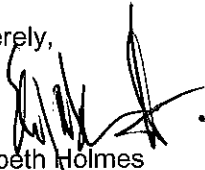
and with or without notice. Additionally, your duties, title, compensation, benefits and reporting structure may be changed or modified at any time at the discretion of the Company, with or without notice.

In the event of any dispute or claim relating to or arising out of our employment relationship, you and the Company agree to initially attempt to resolve the issue informally or with the assistance of a neutral, outside mediator. If a dispute cannot be resolved by these means, the sole and exclusive means for final dispute resolution is through binding arbitration, as described in the Theranos Arbitration Policy. Note that this paragraph is only a short summary of Theranos' employment dispute resolution process; the complete text of the arbitration agreement may be found in the "At Will Employment, Confidential Information, Invention Assignment, and Arbitration Agreement."

In the event of termination of your employment with the Company, or at any other time at the Company's request, you agree to deliver promptly to the Company all property of the Company that is in your possession or control, including but not limited to computers, data, software, drawings, manuals, correspondence, notes, notebooks, sketches, formulae, records, e-mails, service parts, pagers, cell phones, PDAs, memoranda, service documents, customer proposals, price lists, customer lists, access cards or keys to the Company's or customer's facilities, equipment or vehicles, and all other materials and all copies thereof relating to the Company's business or which contain Proprietary Information. You further agree not to make or retain copies of any of the foregoing and will so represent to the Company upon termination of employment.

Sunny, we believe that you will make great contributions to Theranos, and we look forward to your favorable reply and to working with you. If you have any questions prior to your start date, please do not hesitate to contact me or Theranos Human Resources.

Sincerely,



Elizabeth Holmes
President & CEO

Enclosures: Duplicate Offer Letter
At-Will Employment, Confidential Information, Invention Assignment and Arbitration Agreement
Summary of Benefits package

To accept this conditional offer, please sign and date this letter in the space provided below. A duplicate original is enclosed for your records. This letter, along with any agreements relating to proprietary rights between you and the Company, set forth the terms of your employment with the Company and supersede any prior representations or agreements including, but not limited to, any representations made during your recruitment, interviews or pre-employment negotiations, whether written or oral. You confirm that by accepting this offer you will not breach any contract or agreement to which you are a party. This offer of employment will terminate if it is not accepted, signed and returned by August 31, 2009.

Agreed to and accepted:

Signature:



Date: 8/28/2009

Printed Name:

RAMESH BALWANI