

To: Christian Holmes[cholmes@theranos.com]; Nicholas Menchel[nmenchel@theranos.com]; Max Fosque[mfosque@theranos.com]
From: Sunny Balwani
Sent: Mon 3/17/2014 7:07:23 PM
Importance: Normal
Subject: RE: Update: Week ending 3/16
Received: Mon 3/17/2014 7:07:23 PM

I spoke with Tracy and communicated this to her clearly that this can not happen again. she understands. Thanks.

From: Christian Holmes
Sent: Monday, March 17, 2014 11:08 AM
To: Sunny Balwani; Nicholas Menchel; Max Fosque
Subject: RE: Update: Week ending 3/16

Just met with Allison.

The call was initiated by Tracy – Allison said the intent of the call was to dig into possible reasons for delays in turn-around time in the lab. Mark then expressed concern around our sales activities generating demand for tests that we send out vs. run in house, and how we might improve turn-around time by deprioritizing docs (w/ respect to sales focus) who order tests that are send outs (the specific example was a panel that OBGYN docs frequently order, with 1 test requiring a send out w/ turn-around time of 4 days).

Allison was looped into the call but understands the need for Max/Nick to be the sole responsible party for dealing with CLIA, and to be consulted first with any questions here. I'm confident there will not be any other issues like this on her end.

I can hold the same discussion with Tracy, unless Sunny you are doing so directly.

Please let me know if I can offer more background here.

Thanks

From: Christian Holmes
Sent: Monday, March 17, 2014 9:44 AM
To: Sunny Balwani; Nicholas Menchel; Max Fosque
Subject: RE: Update: Week ending 3/16

Will do

From: Sunny Balwani
Sent: Monday, March 17, 2014 9:40 AM
To: Nicholas Menchel; Max Fosque
Cc: Christian Holmes
Subject: RE: Update: Week ending 3/16

Start with Allison directly. This should have NEVER happened. She should have received clear goals and instructions and her interfacing with Lab – let alone organizing other meetings with Lab is no where on her agenda, goals and objectives in my books. This is why I have explicitly refused to give her access to CLIA lab sitting area as you may know.

Cc:ing Christian here so he can make sure he has communicated clearly to her.

I don't want a repeat of this. all communication with CLIA lab from anyone in the company must go thru you 2. When they have moved to Newark/EMS, then this will also apply to R&D teams, not just non-R&D teams.

Thanks.

From: Nicholas Menchel
Sent: Monday, March 17, 2014 9:37 AM
To: Sunny Balwani; Max Fosque
Subject: RE: Update: Week ending 3/16

I got a call from Tracy and Kim on Friday after they had got off the phone with Mark and Allison. I didn't confirm which Allison, but I assume Hsieh. I'm not sure but she may have been the one to initiate the call or may have set it up at the request of Tracy/Kim. I'll talk with Christian about following up with Allison, and Max and I will also follow up with Tracy/Kim/Mark/Adam so that everyone's clear on the chain of communication going forward.

Thanks.

From: Sunny Balwani

Sent: Monday, March 17, 2014 12:04 AM

To: Nicholas Menchel; Max Fosque

Subject: Fwd: Update: Week ending 3/16

Please see below. She mentions a call she had with Mark Pandori? Why and how did that happen? All contact with CLIA from field MUST go thru the 2 of u - always. And vice versa. That is your defined role.

Please clarify this with 2 GMs in the field and Mark and Adam. Thanks and let me know in real time if there are ANY issues around this. This is a line in the sand a non negotiable.

Thanks.

Begin forwarded message:

From: Kimberly Alfonso <kalfonso@theranos.com>

Date: March 16, 2014 at 9:30:45 PM PDT

To: Sunny Balwani <sbalwani@theranos.com>

Subject: Update: Week ending 3/16

Hi Sunny - please see below for this week's update(s). Let me know if you'd like to discuss concerns live and please advise on needs. Thanks!

Recruiting

- 20 interviews in PHX / 3 in PA / 1 rep offer
- Next week: 8 interviews scheduled in PHX / 3 in PA
- Trainer candidate rejected (**please advise**)
- 2 MM candidates need to see Elizabeth (**is skype an option?**)
- Car allowances updated (thank you for your significant support here!)

Sales

- PHX: patients for month have already surpassed all of February; week flat potentially due to Spring Break
- Palo Alto: 2 reps covering store for 1 week with 2 strong days (9 patients); expect turn in next 2 weeks
- Execution: Continue to review call plan, selling model and messaging daily with reps. Closing for action on every call.
- CRM: first demo occurred this week, 2nd scheduled for next week; on schedule per project plan
- Allison in PHX: Spent ½ day in field with Lynn, mtg with myself (& Tracy) and tour of WAG stores (3 total)
- Mtg with Allison: Reviewed current collateral, timelines for next wave and longer terms plans. Specifically for next steps:
 - Coupons delivered Monday, patient brochure delivered Friday
 - Postcard (with new locations) to print in 1 week
 - Poster for doc offices to print in 2 weeks
 - Folders for doc offices to print by March 28
 - Physician brochure brief to KA for review next week
 - Resources low for personalized/customized lab reqs
 - Display/convention material needs/feedback with design team
- Allison committed to sending weekly report of docs sending patients to us across all stores
- Wired reprint delivered Thursday; in field with reps next week
- Lunch with BOT (Devon): Fantastic feedback, will continue weekly with preselected/large offices
- IMD Data proposal expected next week
- Pre-meeting materials: Nothing current developed, will work on next week
- Capitol day follow-up: Meeting with WAG Monday (3/17)
- Jeff Gerard (Sutter Regional President) called me, scheduling live meeting

- Tentatively scheduled sales team 'launch mtg' in Scottsdale office for April 10-11
- IT: iPads for reps on day 1 issue solved; printers for reps arrived, delivery to reps next week

Office:

- Storage cabinet delivered
- Clear boards & quotes to be hung next week
- Furniture to be delivered next week (lobby, nook & work stations)

Concerns

- VP v FS: Starting to hear from offices disappointment with volume of VP. **Do we have gating for weekly/monthly updates to test list?**
- Turn-around times high → meeting with Tracy, Allison & Mark Pandori
 - Mark extremely concerned with volume generated by sales reps
 - Discussed not calling on OBGYNs until OB panels can be done in house; **please advise**
 - Per OB concern, discussed only calling on doc segments using assays on our lab form; **please advise**

Needs

- Resources to help Allison with personalized/customized lab req forms (daily docs requests)
- Managed Markets Dir/Mgr progress - is skype an option with Elizabeth?
- Feedback on MD candidate
- Feedback on Steven Wilson to understand why rejected; change candidate profile accordingly
- Approval to begin securing space at and/or attending conferences/conventions
 - local opportunities on J Drive
 - ACO Conference in Phila in May

Kimberly Alfonso
General Manager, Sales & Business Development
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