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THERANOS MASTER PURCHASE AGREEMENT

This Master Purchase Agreement ("Agreement") dated September 20, 2010 ("Effective Date") is by and between:

SAFEWAY			
Full Legal Name	Safeway Inc.	Safeway Signatory	Steven A. Burd
Jurisdiction of Incorporation	Delaware	Title	Chief Executive Officer
Principal Business Address	5918 Stoneridge Mall Road Pleasanton, CA 94588-3229	Telephone	
Company Phone Number	(925) 467-3000	Email	steve.burd@safeway.com
Company Fax Number	(925) 467-3230		
THERANOS			
Full Legal Name	Theranos, Inc.	Theranos Signatory	Elizabeth Holmes
Jurisdiction of Incorporation	Delaware	Title	President and CEO
Principal Business Address	3200 Hillview Avenue Palo Alto, CA 94304	Telephone	
Company Phone Number	650-838-9292	Email	eholmes@theranos.com
Company Fax Number	650-838-9165		

This Agreement is comprised of:

Schedule A: Program Overview
Schedule B: Purchasing Terms and Conditions
Schedule C: Support and Maintenance Terms
Schedule D: Pricing
Schedule E: Definitions
Schedule F-1: Initial Note
Schedule F-2: Additional Note
Schedule G: Food Retailers
Schedule H: Theranos Pharmaceutical Clinical Trials Infrastructure

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The parties agree to the terms set forth in this Agreement, including each attached Schedule, each of which is fully incorporated herein by reference. This Agreement may be signed in counterparts each of which will be deemed an original and together shall constitute one and the same Agreement.

SAFEWAY INC.	**THERANOS, INC.**
_____	_____
(Authorized Representative - Signature)	(Authorized Representative - Signature)
_____	ELIZABETH HOLMES
(Authorized Representative – Printed)	(Authorized Representative – Printed)
_____	PRESIDENT & CEO
(Title)	(Title)

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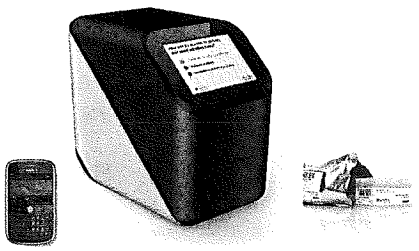
SCHEDULE A

PROGRAM OVERVIEW

This Schedule sets forth the Program, including the objectives of the Program. The terms and conditions governing this Schedule are set forth in Schedule B, attached. If and to the extent this Schedule provides additional terms and/or conflicting terms to the terms and conditions set forth in Schedule B, the terms of Schedule B will prevail. The capitalized terms as used in this Agreement are defined in the body of this Agreement and in Schedule E, attached.

1. Background.

Theranos has developed, and is developing, generations of "mini-lab" devices that can run any blood test in real-time for less than the traditional cost of central lab tests. The Theranos Systems will run routine laboratory tests and proprietary tests that detect the appearance of diseases, enabling early intervention and initiation of treatment long before complications emerge.



In-store blood testing from a single finger-stick could transform the role of retailers and pharmacies in healthcare. It is estimated that 80% of physicians' diagnoses are a result of laboratory tests. By putting the right tools and information in the hands of clinicians at a retail pharmacy, Theranos could play a major role in realizing the true potential of pharmacies in improving patient health and reducing national healthcare costs. In addition to driving new traffic into stores and increasing ownership of the totality of health needs for store customers, pharmacies will fundamentally improve patient outcomes, be better predictors of the health of consumers, and reduce the costs of healthcare.

In introducing Theranos Systems at Safeway, Safeway could become the hub for early detection and treatment of critical ailments to prevent the complications that lead to extraordinary healthcare costs and, ultimately, fatalities.

Equally, the Theranos infrastructure at Safeway is a powerful clinical studies infrastructure for pharmaceutical drug development, post-marketing, and safety studies. Theranos' investment in clinical development over the past six years can be applied to making Safeway a hub for pharmaceutical programs consistent with the terms outlined in Schedule H.

Theranos Systems installed at Safeway's stores could bring cutting edge, personalized, and preventive healthcare into pharmacies without the need for complex infrastructure and the overhead associated with it. Safeway will enable fast, efficient and scalable health services at a convenient location; this service will quickly drive even more new, predictable and repeat customer traffic in stores.

The ability to run blood tests from a finger-stick in thirty (30) minutes or less at Safeway's stores creates a new workflow and a new diagnostic paradigm for health care. Patients will be able to come to Safeway for most of their health needs. The time saved will reduce visits to hospitals and paperwork prone to medical errors, while enabling more accurate and earlier treatment, improving the outcomes of the patients who get this service at Safeway.

Individuals' biochemical profiles will link to targeted recommendations through "smart" software and self-learning software applications that facilitate behavior modification. Health information and nutritional recommendations provide insight into improvements in lifestyle, diet, and other resources available through Safeway's stores. Safeway's *Health Assistant* software will provide "smart" individualized support, links to prescriptions and health resources through mobile and online portals for a total customer

lifestyle/health solution. Trusted health solutions could build customer loyalty and result in Safeway becoming the center for continuity of care for store customers and members.

2. **Program Objectives.** The objectives of this Program include:

    a. Make blood testing faster and far more accessible, effective, and actionable by introducing a more cost-effective, real-time blood testing service at Safeway stores nationwide and, if the parties later agree, in Canada, to the extent permissible under applicable laws and regulations of various jurisdictions. Substantially similar methodology will be employed with respect to disease predictive tests as they become available.

    b. Empower Safeway and Safeway Health LLC or its successor(s) ("Safeway Health") to play a more active role in patient health management and well-being. Theranos Systems include a decision support system, which will be accessible through the touch screens on the devices or through the web browser. This decision support system will deliver real-time, actionable information to clinicians and consumers by providing analysis, interpretations and recommendations for behavior modification based on patient test results.

    c. Generate health care cost savings by reducing direct out-of-pocket costs of lab tests and visits.

    d. Early intervention and reduced hospitalization through early detection of the onset of disease.

    e. Introduce a new revenue and profit stream for Safeway through this disruptive technology, associated services, and distribution rights to other retail grocers.

3. **Program Managers.** Each party will assign a program manager to this Program. The responsibilities of each party's program manager include: (i) serve as the interface with the other party; (ii) develop a mutually agreed upon detailed "Program Plan," including milestones and deliverables (the "Program Schedule"), and success/acceptance criteria for each milestone; (iii) work to ensure that each party has committed the resources necessary to meet the objectives and timeline of the Program; (iv) prepare regularly-scheduled status reports on the Program, on an agreed-upon time-frame; (v) identify, schedule and confirm availability of resources, including management, to provide agreed-upon services and deliverables; (vi) assist in resolving issues, and escalate, as appropriate, within such party; and (vii) execute the change process, as more fully described in Section 5, below, as warranted. The parties acknowledge that the Program Plan is subject to change as the Program progresses.

4. **Reviews.** The appropriate Representatives from each party will meet on a regularly-scheduled basis to be determined to review the status of the Program.

5. **Change Process.** Either party may seek to change the scope of the Program for any of a number of reasons, including, but not limited to, the following: (i) discretionary changes to the Program Schedule; (ii) discretionary changes to the scope of the Program Plan; (iii) non-availability of products, resources or services beyond the requesting party's reasonable control; (iv) environmental or architectural impediments not previously identified; or (v) lack of access to personnel or premises necessary to complete the Program. If a party seeks to materially change the parameters of the Program, this request will be discussed by the appropriate Representatives promptly, but in any event no later than the next regularly-scheduled Program review. All changes to the Program Plan must be accepted in writing by both parties.

6. Convertible Notes.

a. **Option Agreement**. On July 30, 2010, Theranos and Safeway entered into that certain Option Agreement (the "Option Agreement") pursuant to which Theranos granted Safeway an option to purchase the Initial Note and the Additional Note (each as defined in the Option Agreement). Except as provided in Section 6.c., the Option Agreement shall remain in full force and effect and shall not be amended, modified or superseded by this Agreement.

b. **Initial Note.**

i. **Issuance of Initial Note**. Pursuant to the Option Agreement, Safeway shall have the right to purchase the Initial Note at any time during the period commencing with the execution of this Agreement and ending on the date that is thirty (30) calendar days following the date on which Safeway receives written notice from Theranos of the receipt of the Regulatory Approvals. The form of Initial Note is attached as Schedule F-1.

ii. **Payment for Initial Note**. Safeway may pay the Initial Note Purchase Price (as defined in the Option Agreement), at Safeway's sole discretion, in cash, check or wire transfer or, in the event that Safeway has paid the Initial Inventory Payment, by applying the amount of such Initial Inventory Payment toward the Initial Note purchase. For example, if Safeway has paid $10 million for the Initial Inventory Payment and elects to purchase the Initial Note, then Safeway could apply the entire amount of the Initial Inventory Payment (less any portion of the Initial Inventory Payment that has been delivered to Safeway in the form of Inventory) toward the Initial Note Purchase Price and no additional cash payment would be required from Safeway in order to purchase the Initial Note.

iii. **Conversion.** The Initial Note will be convertible into 666,667 shares of Series C-1 Preferred Stock of Theranos ("Series C-1") (subject to adjustment as set forth below) at Safeway's option after Safeway has made the Third Inventory Payment pursuant to Section 10.c. of Schedule B and on the terms and subject to the conditions set forth in the Initial Note. The number of shares of Series C-1 to be issued upon conversion of the Initial Note shall be equal to the quotient obtained by dividing (i) the entire principal amount of the Initial Note by (ii) the per share price of Series C-1. On conversion of the Initial Note, accrued interest shall be repaid in cash. The Series C-1 will have certain Dividend, Liquidation and Conversion Rights as set forth in Theranos' charter in the form agreed upon by Safeway and Theranos and delivered by Theranos to Safeway concurrently herewith (the "Charter").

c. **Additional Convertible Note.**

i. **Issuance of Additional Note**. Clause (ii) of Section 1.4 of the Option Agreement is hereby amended to provide as follows with respect to Safeway's exercise of the option to purchase the Additional Note: Subject to the terms and conditions of the Option Agreement, Safeway is entitled to purchase the Additional Note at any time from the Start Date to the Option Expiration Date. The "Start Date" shall mean the earlier of (i) the closing of Theranos' next round of equity financing and (ii) June 30, 2011. The "Option Expiration Date" shall mean thirty (30) calendar days following the later of (x) the Start Date and (y) the date on which Safeway receives the Regulatory Approval Notice (as defined in the Option Agreement). The form of Additional Note is attached as Schedule F-2.

ii. **Payment for Additional Note**. Safeway may pay the Additional Note Purchase Price (as defined in the Option Agreement), at Safeway's sole discretion, in cash, check or wire transfer or, in the event that Safeway has paid any of the Inventory Payment, by applying the amount of such Inventory Payment toward the Additional Note Purchase Price to the extent any such Inventory Payment was not applied to the purchase of the Initial Note. For example, if Safeway has paid $20 million for the Second Inventory Payment and elects to purchase the Additional Note, then Safeway could apply $15 million of the Second Inventory Payment (less any portion of the Second Inventory Payment that has been delivered to Safeway in the form of Inventory) toward the Additional Note Purchase Price and no additional cash payment would be required from Safeway in order to purchase the Additional Note.

iii. **Conversion.** The Additional Note will be convertible into either (i) shares of the equity security issued by Theranos in its next equity financing ("New Equity"), or (ii) if Theranos' next equity financing does not occur by June 30, 2011, in Safeway's sole discretion, the Additional Note shall be convertible into shares of a series of preferred stock of Theranos equivalent to the Series C-1, with the same Dividend, Liquidation and Conversion Rights as the Series C-1, as set forth in the Charter (the "Series C-2") (subject to adjustment as set forth below). The Additional Note will be convertible at Safeway's option after Safeway has made the Third Inventory Payment pursuant to Section 10.c. of Schedule B and on the terms and subject to the conditions set forth in the Additional Note. The number of shares of the New Equity or the Series C-2 to be issued upon conversion of the Additional Note shall be equal to the quotient obtained by dividing (i) the entire principal amount of the Additional Note by (ii) the Additional Note Per Share Price (as defined herein). On conversion of the Additional Note, accrued interest shall be repaid in cash. "Additional Note Per Share Price" shall mean, in the event the Additional Note is convertible into the New Equity, the lowest price per share paid in such issuance, and, in the event the Additional Note is convertible into shares of Series C-2, the per share price of Series C-2 as determined in good faith by the Theranos Board of Directors as of June 30, 2011.

d. **Due Diligence**. Theranos shall: (i) provide Safeway with access to Theranos' internal projections through the next three (3)- to five (5)-year period; and (ii) facilitate a telephone conference call between Theranos' FDA facilitator/consultant and Safeway's outside legal counsel to discuss the regulatory approval process so that Safeway's outside legal counsel can understand and assist with such process (the information, actions and materials described in clauses (i) and (ii), collectively, the "Diligence Materials"). Theranos shall make the Diligence Materials available sufficiently in advance so that Safeway's due diligence review can be completed within sixty (60) calendar days following the Effective Date.

e. **Adjustments to Conversion**. Notwithstanding anything herein to the contrary, if Theranos issues shares of preferred stock or other securities conferring the right to purchase shares of preferred stock of Theranos or securities convertible into, or exchangeable for (with or without additional consideration), preferred stock of Theranos at any time prior to the conversion of the Initial Note or the Additional Note, as applicable, then the conversion price shall not be greater than the lowest price per share paid in such issuance. If Theranos shall at any time prior to the issuance of the preferred stock or other shares issuable upon conversion of the Initial Note or the Additional Note, as applicable, subdivide such shares (by stock split, stock dividend or the like), or combine such shares (by reverse split or the like), the number of shares issuable on the conversion of the Initial Note or the Additional Note, as applicable, shall be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the conversion price payable per share, but the aggregate conversion price

payable for the total number of shares issuable upon conversion of the Initial Note or the Additional Note (as adjusted) shall remain the same.

f. **Sale of Initial Note to Theranos**. Theranos is obligated to re-pay the Initial Note at the price at which it was issued (regardless of the form of payment), specifically ten million dollars ($10 million), plus any accrued interest, within thirty (30) calendar days from the date of expiration or termination of this Agreement so long as the Initial Note is then outstanding.

g. **Sale of Additional Note to Theranos**. Theranos is obligated to re-pay the Additional Note at the price at which it was issued (regardless of the form of payment), specifically fifteen million dollars ($15 million), plus any accrued interest, within thirty (30) calendar days from the date of expiration or termination of this Agreement so long as the Additional Note is then outstanding.

7. **Board Representation.** Theranos acknowledges that it has a genuine interest in having Steve Burd serve on the Theranos Board of Directors and Theranos shall try to grant Steve Burd the right to serve as a member of Theranos' Board of Directors.

8. **Safeway Board Approval.** Theranos acknowledges that Safeway's entry into the Agreement shall be subject to the approval of the Safeway Board of Directors.

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SCHEDULE B

PURCHASING TERMS AND CONDITIONS

1. **Scope.** The terms and conditions set forth in this Schedule apply to this Agreement, including each attached Schedule or other attachment. To the extent a Schedule or other attachment provides additional terms and/or conflicting terms to the terms and conditions set forth in this Schedule B, the terms of this Schedule B will prevail.

2. **Best Price Guarantee.** For all Cartridges defined as Available Cartridges, as well as for all other elements of Theranos Systems provided to retailers, Theranos agrees that no United States retailer or any entity operating in a retail environment selling Theranos Systems or any doctor or medical office, clinic or hospital will receive lower prices than Safeway (including Safeway Network Partners (as defined below) that agree to up-front financial commitments on the same proportionate basis as Safeway (i.e., an average of $30,000 per pharmacy); *provided, however*, that Theranos Systems may be sold (or delivered free of charge) at prices lower than those charged to Safeway and Safeway Network Partners (a) for strategic or promotional purposes to leading medical practitioners or industry thought leaders in limited quantities at select locations and (b) to intensive care units and emergency rooms. Available Cartridges include all Cartridges of Theranos Systems, including first-generation Cartridges, defined as follows: all routine laboratory Tests represented by existing CPT codes; diagnostic Tests not represented by existing CPT codes (influenza/strep, pregnancy, fertility, pre-natal/trimester, STD, compliance, drug efficacy); and predictive Tests not represented by existing CPT codes (diabetes/pre-diabetes, congestive heart failure, breast cancer, ovarian cancer, prostate cancer, colorectal cancer).

3. **Program Phases.**

a. **Pilot Program.** Safeway plans to run a pilot of the Program in one or more locations prior to the commercial launch of the Program.

b. **Pre-Pilot Period.** Prior to the launch of the pilot of the Program, the parties will have taken the following actions:

   i. Theranos will secure the Regulatory Approvals and Safeway will secure any approvals required for the pilot of the Program under CLIA and other applicable laws, rules and regulations.

   ii. Theranos will customize the Theranos Systems for Safeway and will create software that provides for online adjudication of claims or other method of payment and reimbursement that allows Safeway to recognize the retail price of the Test as revenue, and to pay Theranos for the cost of goods from that revenue. Theranos will facilitate the integration of the Theranos Systems and Software in the Safeway stores selected for the pilot of the Program on substantially the same timeline as it facilitates such integration in Walgreens stores.

   iii. Theranos will negotiate reimbursement rates with payors (insurance companies, Medicare and Medicaid) at 35% below the prices charged by the leading retail blood test laboratories, permitting Safeway to earn an average gross dollar margin (reimbursement rate minus Theranos cost per test) of ten dollars ($10) or more.

   iv. Theranos will obtain insurer acceptance from insurers covering at least 30% of covered lives in the geographic area of the pilot of the Program and secure doctor office distribution of blood test forms for 90% of such covered group.

   v. Theranos will meet agreed upon service standards, including the provision of blood test results in 30 minutes or less, and satisfactory service and support of the Deliverables.

vi. Theranos will repair or replace at its own expense any Devices that do not conform with all applicable specifications agreed upon by the parties or required by regulatory authorities and for which there is no back-up Device available within twenty-four (24) hours from receipt of notice.

vii. Safeway will work with Theranos in its government interactions to prepare for launch of the systems.

viii. Safeway will assist Theranos in development of a branding strategy, consistent with the objectives described in Section 6 below, including the establishment of criteria for the look and feel of the in-store experience and deployment of the Device at all points of distribution. Safeway will also assist Theranos in the development of its consumer marketing plan.

ix. Safeway will perform any remodeling or other enhancements necessary for the pilot of the Program and develop a marketing plan for the pilot of the Program.

Notwithstanding the foregoing, the parties' sole remedy for non-performance of the obligations set forth in this Section 3.b. above shall be Termination for Cause pursuant to and in accordance with Section 26.c, and, for the avoidance of doubt, the parties shall not be entitled to indemnification for breach of such obligations.

c. **Pilot Period.** Subject to Safeway end-of-year information technology constraints, the parties anticipate that the pilot of the Program will begin as soon as commercially reasonable after the parties have obtained the Regulatory Approvals. The pilot is expected to start no earlier than January 15, 2011. Safeway will select the Safeway locations to be included in the pilot of the Program in consultation with Theranos. The parties' expectation is that the pilot will last for approximately ninety (90) calendar days, and that the pilot of the Program at Safeway will run concurrently with any pilot of the Program conducted by Walgreens. Upon completion of the pilot of the Program, the parties will analyze the results of the pilot, and Safeway will determine in its sole discretion whether the pilot of the Program has met Safeway's requirements to proceed with commercial deployment of the Theranos Systems in accordance with the criteria set forth in this Agreement. Safeway shall provide written notice to Theranos within ten (10) business days of such determination. If Safeway determines the pilot to be successful, the parties will commence the launch of the Program.

d. **Program Launch.** The launch of the Program will not occur at Walgreens stores prior to the launch of the Program at Safeway stores. Prior to the launch of the Program, the parties' respective responsibilities and obligations pursuant to this Agreement shall include the following:

i. Unless expressly modified in this subsection 3.d., the parties' respective responsibilities and obligations during the pre-pilot period, as described in subsection 3.b. above, shall continue to be applicable to the launch of the Program.

ii. Theranos will arrange for payor reimbursement from at least 50% of private sector payors, with a goal to arrange for payor reimbursement from at least 80% of private sector payors at program launch. Safeway will assist in such effort, using its contacts with health care executives.

iii. Theranos will have arranged for reimbursement from Medicare and Medicaid.

iv. Theranos will have negotiated reimbursement rates with payors (insurance companies, Medicare and Medicaid) at 35% below the prices charged by the leading retail blood test laboratories, permitting Safeway and the Safeway Network Partners to earn an average gross dollar margin (reimbursement rate minus Theranos cost per test) of ten dollars ($10) or more.

v. Theranos will arrange for blood test forms to be distributed in at least 50% of all doctors' offices, with a goal to arrange for blood test forms to be distributed in at least 90% of all doctors' offices at program launch.

vi. Safeway and the Safeway Network Partners will have obtained CLIA waivers necessary for the performance of the blood tests at the Safeway Network (as defined below) stores that will participate in the launch of the Program.

4. **Safeway Network.**

a. **Safeway Network.** The "Safeway Network" shall consist of Safeway locations and the locations of other food retailers that deploy the Theranos Systems. Safeway shall determine the food retail locations that participate in the Safeway Network by selecting locations from the companies that are listed on Schedule G ("Safeway Network Partners") as approved by Theranos, such approval not to be unreasonably conditioned, delayed or withheld. The food retailers listed on Schedule G shall not be entitled to deploy the Theranos Systems unless and until one or more locations of such retailers has been selected by Safeway for inclusion in the Safeway Network.

b. **Network Management and Royalties.** Safeway, or at its option Safeway Health, shall manage the process of selecting and negotiating with Safeway Network Partners. Safeway will collect a per Test royalty for Tests sold to Safeway Network Partners, and the amount of such royalty may be determined by Safeway on a case by case basis. Safeway Network Partners will be prepared with CLIA waivers prior to any deployment of Theranos Systems at such Safeway Network Partner locations.

c. **Network Integration.** For each Safeway Network Partner, Theranos will need to complete substantial customization work which will be factored into the timing of selection and expansion. Theranos, in its reasonable judgment, will control the timing of launch of its diagnostic and predictive tests into the broader network and may likely only launch the diagnostic and predictive tests at other locations six (6) and twelve (12) months respectively after launch at Safeway and Walgreens. Notwithstanding the foregoing, within the three (3)- to four (4)-month period following the stabilization of the Software in Safeway and Walgreens stores as recognized in writing by Theranos in its good faith, reasonable judgment, Theranos will complete the integration of the Software for two (2) large Safeway Network Partners selected by Safeway, anticipated to be Ahold and Publix. Theranos will then proceed with the integration of other Safeway Network Partners as follows on schedules mutually agreeable to Theranos and Safeway in writing, with a goal of achieving the following: (i) within seventy-five (75) days after the integration of the two (2) large Safeway Network Partners above, Theranos will complete integration of three (3) additional Safeway Network Partners selected by Safeway; (ii) within seventy-five (75) days after the integration of the three (3) additional Safeway Network Partners in clause (i), integration of three (3) additional Safeway Network Partners selected by Safeway; and (iii) within seventy-five (75) days after the integration of the three (3) additional Safeway Network Partners in clause (ii), integration of six (6) additional Safeway Network Partners selected by Safeway. It is anticipated that the first grouping of three (3) additional Safeway Network Partners shall consist of Giant Eagle, Hy Vee and SuperValu, the second grouping of three (3) additional Safeway Network Partners shall consist of Albertsons, Delhaize and Meijer and the third grouping of six (6) additional Safeway Network Partners shall consist of A&P, Harris Teeter, Price Chopper, Schnucks, Wegmans and Weis. Theranos will use commercially reasonable efforts to complete the integration of Theranos Systems at the 3,528 initial Safeway Network locations, assuming reasonable up-front financial commitments are made by the Safeway Network Partners as a group, within one (1) year after successful completion of the pilot in Safeway stores. Theranos shall not deploy the Theranos Systems in any retailer other than Safeway, the Safeway Network and Walgreens (a) until at least six months after the Program launch at Safeway and Walgreens stores, and (b) until Publix and Ahold have launched the Program. Thereafter, Theranos may deploy the Theranos Systems at retailers other than Safeway, Walgreens and the retailers on Schedule G (which are subject to Safeway's selection) only if (x) the aggregate number of such other retailer locations deploying the Theranos Systems is no more than 50% of the aggregate number of Safeway Network locations (including Safeway stores) deploying the Theranos Systems at any given time, and (y) the expansion of the Theranos Systems to such other retailers would not be reasonably likely to create an overbuilt retail market (considering, among other things, the demand for the Theranos Systems at existing retailers and

the Program profitability at existing retailers). The restrictions of the foregoing sentence shall expire once all 3,528 initial Safeway Network locations have launched the Program.

5. **Food Retailer Exclusivity.** Except as specifically provided in this Agreement, Safeway shall have the exclusive right to deploy Theranos Systems in the food retail channel. Such exclusive right shall include the ability to select the Safeway Network Partner locations to be among the locations that deploy Theranos Systems. As a result, except as specifically provided in this Agreement, Theranos will not make the Theranos Systems available to any food retailers other than (i) Safeway and (ii) the Safeway Network Partners selected and designated by Safeway. For purposes hereof, "food retail channel" and "food retailers" shall mean only the parties listed on Exhibit G hereto as may be supplemented by agreement of Safeway and Theranos by amending this Agreement.

6. **First Announcement Rights.** Theranos will provide Safeway with the right of First Announcement in the United States. In this Agreement, the "right of First Announcement" means that Safeway has the exclusive right with Walgreens to announce and conduct any new Tests in the United States during the ninety (90) calendar day period immediately following the date on which such new Test first becomes commercially available. Any Tests developed after the execution of this Agreement that are not specifically listed in the definitions of diagnostic and predictive Tests in Section 2 and are subject to development or licensing agreements with pharmaceutical companies and/or United States or foreign government agencies will not be subject to the right of First Announcement above.

7. **Branding.** Subject to the results of market research at Theranos' discretion, the parties' expectation is that the Devices and Theranos Systems service areas will be branded with the "Theranos" name, which shall be a high quality brand providing users with a uniform experience across locations. Uniform branding criteria will be executed at all points of Theranos' distribution. Theranos has determined that the Devices will not be available at retail locations operated, directly or indirectly, by the U.S. Department of Defense, laboratories or retail locations operated, directly or indirectly, by Quest Diagnostics or LabCorp, mass merchandisers or discount retailers, including but not limited to super centers, club stores and dollar stores, provided that, subject to Section 4.c. above, Theranos may determine in its sole discretion to make the Devices available at Walmart and/or Target no earlier than six (6) months after the commercial launch of the Program at Safeway or Walgreens. Additionally, Theranos will only launch its diagnostic and predictive Tests at Walmart six (6) months after launch of each of these Tests at Safeway or Walgreens.

8. **Safeway Deployment Outside Pharmacies and Outside the United States.**

a. Safeway pharmacies are occasionally hired by employers for brief engagements to provide tests, vaccinations or other services on site at the employers' premises. Nothing in this Agreement shall prevent Safeway pharmacies from deploying the Theranos Systems during such brief engagements at such employer sites. Nor shall anything in this Agreement prevent Safeway from deploying Theranos Systems in its offices or work locations so that its employees may obtain tests there.

b. Theranos agrees that prior to entering into any agreement with any retailer, pharmacy, grocer, mass merchant or any entity operating in a retail environment to deploy or install Theranos Systems in Canada, and prior to deploying or installing Theranos Systems in Canada on its own in any retail environment, Theranos will first discuss in good faith with Safeway extending the territory of this Agreement to apply to retail opportunities in Canada on substantially the same terms and conditions as set forth in this Agreement for the United States.

9. **Safeway Health.** Theranos will customize agreed upon proprietary products and services for Safeway Health in accordance with specifications and guidelines established and agreed upon in advance by Safeway Health, and Safeway Health shall have the right to deploy the Theranos Systems at client facilities.

10. Inventory Pre-Purchases.

a. **Initial Pre-Purchase.** Upon execution of this Agreement, Safeway will pay ten million dollars ($10 million) to Theranos to pre-purchase approximately 715,000 units (the "Initial Inventory Payment") of Cartridge inventory ("Inventory").

b. **Regulatory Approvals Pre-Purchase Commitment.** Upon receipt of the Regulatory Approvals, Safeway agrees to pay an additional twenty million dollars ($20 million) to Theranos to pre-purchase an additional approximate 1,430,000 units of Inventory (the "Second Inventory Payment").

c. **Pilot Success Pre-Purchase Commitment.** Upon Safeway notifying Theranos that it has determined, in its sole discretion, that the pilot of the Program has been successful, Safeway agrees to pay an additional twenty-five million dollars ($25 million) to Theranos to pre-purchase an additional approximate 1,785,715 units of Inventory (the "Third Inventory Payment" and collectively with the Initial Inventory Payment and the Second Inventory Payment, the "Inventory Payments").

d. **Purchase of Initial Note or Additional Note.** In lieu of paying cash for all or a portion of the Second Inventory Payment or the Third Inventory Payment, Safeway shall have the right to pay Theranos the Additional Note Purchase Price in cash or wire transfer, subject to the terms of Schedule A and the Option Agreement, and shall be deemed to have fulfilled its obligations under this Section 10 with respect to the payment that is applied to the Additional Note Purchase Price. For example, in lieu of paying $20 million in cash for the Second Inventory Payment, Safeway would have the right to pay $15 million in cash for the Additional Note Purchase Price plus $5 million in cash for the remainder of the Second Inventory Payment.

e. **Safeway Network Partner Pre-Purchases.** Safeway will seek to negotiate for pre-purchases of Inventory by Safeway Network Partners of larger scale, with any pre-purchase amounts to be paid directly by the partners to Theranos.

f. **Letters of Credit**. Theranos agrees that, concurrently with the execution of this Agreement, , Theranos will obtain a letter of credit issued by a bank (such bank and the form of letter of credit to be reasonably acceptable to Safeway) in an amount of $10,000,000 payable to Safeway in the event that Theranos does not make full and timely payment of its monetary obligations to Safeway arising under Section 26(d) of this Schedule B, including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding (the "$10 Million Letter of Credit"). Theranos will maintain the $10 Million Letter of Credit until the later of (i) the date the Third Inventory Payment has been made, (ii) if Safeway has purchased the Initial Note, the date the entire outstanding principal amount of the Initial Note is converted into equity securities of Theranos or (iii) if Safeway has purchased the Initial Note, the date the entire outstanding principal amount of the Initial Note and interest thereon is repaid to Safeway by Theranos. Prior to or concurrently with the payment by Safeway of the Second Inventory Payment, Theranos will obtain a letter of credit issued by a bank (such bank and the form of letter of credit to be reasonably acceptable to Safeway) in an amount of $20,000,000 payable to Safeway in the event that Theranos does not make full and timely payment of its monetary obligations to Safeway arising under Section 26(d) of this Schedule B, including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or similar proceeding, regardless of whether allowed or allowable in such proceeding (the "$20 Million Letter of Credit"). Theranos will maintain the $20 Million Letter of Credit until the later of (i) the date the Third Inventory Payment has been made, (ii) if Safeway has purchased the Additional Note, the date the entire outstanding principal amount of the Additional Note is converted into equity securities of Theranos or (iii) if Safeway has purchased the Additional Note, the date the entire outstanding principal amount of the Additional Note and interest thereon is repaid to Safeway by Theranos.

11. **Ordering.** The parties will agree upon the specific procedures of the ordering process during or after the pilot phase. It is contemplated that Safeway will execute purchase orders for the Deliverables, and that there will be an acknowledgement of such orders by Theranos. It is further contemplated that: (i) Theranos will have the ability to notify Safeway of product changes, and Safeway will have an opportunity to comment on whether changes are suitable for its purposes; and (ii) Safeway will have the opportunity to make timely cancellations of orders, but Theranos will have the ability to recover its manufacturing costs (including appropriate overhead) from Safeway in the event that Safeway cancellations cause the inventory to be unusable or unsaleable, or in the event that Theranos' attempts to mitigate loss fail to recover the full manufacturing costs.

12. **Invoicing.** Theranos will issue invoices as follows:

Deliverable (as applicable)	Invoice
Cartridges	Shipment date
Devices	No invoice, as Safeway will not be separately charged for Devices
Training (installation and use of Devices)* *Theranos will train applicable Safeway personnel and will assist Safeway in developing appropriate training materials, videos, and literature to operate Devices and run the Tests. Additionally, Theranos will provide periodic trainer updates as new versions of Devices and Tests require it.	No invoice, as Safeway will not be separately charged for Training

13. **Payment.** All payments are due within thirty (30) calendar days from the receipt of invoice.

14. **Purchase Price.** Upon Safeway notifying Theranos of the successful conclusion of the pilot phase, the parties will negotiate and agree upon pricing for the newly Available Cartridges and the associated Tests. The agreed-upon pricing schedule will be reduced to writing, and this Agreement will be amended by including the pricing in Schedule D. The price to be agreed upon by the parties will not include applicable taxes, custom duties, transportation, or special handling. If Theranos has the legal obligation to collect any taxes, duties or charges of any kind imposed by any country, federal, state, or local government entity, the appropriate amount shall be added to Safeway's invoice and shall be paid by Safeway unless Safeway provides Theranos with a valid tax exemption certificate authorized by the appropriate taxing authority. Theranos has notified Safeway that it has adopted a unilateral Sales Policy by which Theranos intends to do business, and that as part of this Sales Policy, Theranos has decided to suggest retail prices ("SRP") for its Tests. Theranos has further notified Safeway that it has reserved the right, at its sole discretion, not to renew any purchase agreement with any retailer that elects to sell Tests in a manner that is inconsistent with Theranos' Sales Policy, including offering resale prices below SRP.

15. **Currency.** All prices and fees set forth in this Agreement are stated in U.S. dollars. Payment will be in U.S. dollars.

16. **Billing Software.** Should Safeway choose to use TheranOS billing software to automatically bill payors for Tests performed at Safeway stores, Theranos will then bill payors directly for payment to be made to Safeway.

17. **Delivery.** Delivery of Cartridges and any other Theranos Deliverables to which Safeway will acquire title will be shipped *DDP* (Incoterms 2000) to Safeway's facilities specified in the applicable purchase order ("Delivery Point"). Theranos will deliver the applicable Deliverables in accordance with the date specified in the applicable Purchase Order. Time is of the essence for all deliveries. Title for the Deliverable, assuming title is transferring in accordance with this Agreement, excluding any Software, and risk of loss or damage to the Deliverable will pass to Safeway upon Theranos' delivery of the Deliverable to the Delivery Point. Theranos shall be responsible for paying all freight, handling, shipping and insurance charges to the Delivery Point. Theranos will notify Safeway immediately if a delivery cannot be made on time and Theranos will bear all costs of expediting shipments for any late deliveries.

18. **Shipment.** In the absence of specific shipping instructions from Safeway, Theranos will ship by the method it deems most advantageous. Transportation costs will be included in the price per Test, unless Safeway requests special shipping instructions. If Safeway requests special shipment, the associated costs will be collected, or, if prepaid, will be subsequently invoiced to Safeway. Unless otherwise specified, the Cartridges will be shipped in Theranos' standard commercial packaging. When special packaging is, in the reasonable opinion of Theranos, required under the circumstances, Theranos will issue an invoice to Safeway for the cost of the same. In the event any of Theranos' production facilities are located in close proximity to Safeway's distribution centers, special arrangements can be provided for direct transfer of Cartridges into Safeway's distribution centers.

19. **Devices.**

a. Except as provided in Sections 8 and 9 of this Schedule B above, any Devices, Cartridges and other Deliverables provided by Theranos to Safeway shall be used only by Safeway's employees, contractors and/or agents for offering the use of the Theranos Systems and associated Theranos services to in-store customers at Safeway's on-premise pharmacies and Safeway stores for the purposes of this Program and not for use in any other programs, including, without limitation, drug-specific programs for payors or pharmaceutical companies. Safeway agrees to take commercially reasonable steps to protect the Devices from theft or use contrary to the provisions of this Agreement. Safeway agrees not to disassemble or otherwise reverse engineer the Devices or any component thereof. Safeway is not authorized to sell, rent, transfer, license, or distribute the Devices, unless specifically authorized by Theranos in writing.

b. Theranos shall at all times retain ownership of the Devices and shall maintain its own insurance for loss, damage, theft or destruction of the Devices while they are in the possession of Safeway and during transportation to and from Safeway's premises (or other mutually agreed premises). Safeway agrees to use its commercially reasonable efforts, consistent with the efforts it takes for the pharmacies and stores where the Devices are located, to protect the Devices against loss, damage, theft or destruction, ordinary wear and tear excepted. As Theranos develops upgrades and enhancements to the Devices, the parties will agree on a deployment schedule for such next-generation Devices. Safeway shall permit any authorized representative of Theranos to inspect the Devices, upon advance written notice and during business hours, at any time prior to the return of such Devices to Theranos, at Safeway's facilities or any other location at which the particular Program is being conducted. If Safeway is unable to return the Devices in accordance with this Agreement, Safeway will permit Theranos, on dates and times to be agreed upon, to access Safeway's premises for the purposes of repossessing such Devices at Theranos' expense.

c. If Safeway experiences any problems with the deployed Devices, Theranos will repair or replace the Device as soon as possible after being notified of the problem, in accordance with Schedule C; provided, however, that in all events Theranos shall repair or replace at its own expense any Devices that do not

conform with all applicable specifications agreed upon by the parties or required by regulatory authorities and for which there is no back-up Device available within twenty-four (24) hours from receipt of notice.

d. Upon expiration or termination of this Agreement, Safeway shall ensure that all Safeway employees, contractors and/or agents cease using the Devices and Client Accessible Software, and Safeway shall return to Theranos or destroy all authorization codes allowing users to access the Software. Upon expiration or termination of the Agreement, Theranos shall arrange for the prompt transport of all Devices from Safeway to Theranos in accordance with schedules to be agreed upon by the parties, and in any event shall remove all Devices from Safeway facilities within thirty (30) calendar days following the expiration or termination of this Agreement.

20. Warranty.

a. Theranos represents and warrants that all Deliverables delivered to Safeway will conform at all times with all applicable specifications agreed upon by the parties, including without limitation the provision of blood test results in thirty (30) minutes or less, or required by regulatory authorities. Notwithstanding the foregoing, the Cartridges may only have a limited "shelf-life," meaning an approved time during which they may be used. Therefore, the Cartridges will be subject to the foregoing warranty only for the duration of the applicable shelf-life ("Cartridge Warranty Period"). Theranos shall promptly, but in no event in more than thirty (30) calendar days from receipt of notice, repair or replace at its own expense any Deliverables that do not conform with this warranty, or at Safeway's request refund the payment price for the applicable defective Deliverables.

b. Each party warrants that: (i) it has the legal authority to enter into this Agreement; and (ii) the execution, delivery, and performance of this Agreement by it and its obligations hereunder do no conflict with any agreement, instrument or understanding to which it is a party or by which it may be bound.

c. Each party will perform its obligations under this Agreement: (i) in a timely and professional manner; (ii) in conformance with that level of care and skill ordinarily exercised by other professional companies of a similar size and in similar circumstances; and (iii) in compliance with all applicable laws, including as to Theranos, all laws and regulations applicable to the Devices and the services offered by Theranos, and all laws and regulations applicable to the privacy of medical information.

d. Disclaimer. EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, EACH PARTY EXPRESSLY EXCLUDES AND DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, REGARDING ANY PRODUCTS OR SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT, AND ANY WARRANTY THAT MAY ARISE BY REASON OF USAGE OR TRADE OR COURSE OF DEALING.

21. Licenses.

a. Theranos License Grant. Theranos hereby grants to Safeway a non-exclusive, royalty free, non-transferable license, without the right to sublicense, to use, in accordance with, and solely for the purposes specified in this Agreement and only for the term of this Agreement: (i) Software installed on Devices, for use by Safeway employees, contractors and agents who are obligated by confidentiality obligations to Safeway consistent with the terms of this Agreement; (ii) Software related to the TheranOS which may be accessed through the Devices or at a designated website or IP address, disc, programs or other designated location; and (iii) access to and use of the TheranOS via the Theranos web portal. Theranos will grant similar licenses and indemnification rights, and will make similar representations and warranties, as those included in this Agreement to the food retailers listed on Schedule G as designated in writing by Safeway and agreed upon by Theranos, such agreement not to be unreasonably conditioned, delayed or withheld.

b. **Ownership.** Theranos and its licensors shall at all times retain sole and exclusive ownership of all Software and, as between the parties, all Software is Theranos Confidential Information. Safeway shall use commercially reasonable efforts to prevent unauthorized access to, or use of, the Software, and agrees to notify Theranos promptly of any such unauthorized use. Safeway shall not: (i) disassemble, decompile or otherwise reverse engineer the Software, (ii) modify, copy, sell, rent, transfer, reproduce or distribute the Software, except as specifically provided in the Agreement, (iii) use the Software to provide processing services to third parties or otherwise use the Software on a "service bureau" basis except for the purpose of offering the Theranos services to customers at Safeway locations where the device is installed, or (iv) create Internet "links" to or from the Software, or "frame" or "mirror" any of Safeway's content which forms part of the Software. Theranos reserves all rights in the Software not expressly granted herein.

c. **Grant of License to Use De-Identified Data.** Safeway hereby grants to Theranos a perpetual, irrevocable, worldwide, royalty-free, and non-exclusive license to integrate, use and disclose in TheranOS Safeway data provided under, related to or generated in connection with this Agreement for use in TheranOS' analytical engine to the extent permitted by law. Any such TheranOS data shall be "de-identified" in accordance with the Health Insurance Portability and Accountability Act of 1996, its implementing regulations and comparable state law, each as amended (collectively, "HIPAA"). Theranos shall not use, disclose (except for the purposes of performing therapeutic and disease management programs), sell, or otherwise convey the de-identified data to any third party, and any resulting analyses shall not contain, any personally identifying information regarding individual participants or any information identifying Safeway or Safeway compounds, except in connection with the provision of any professional services to Safeway under this Agreement.

d. **Grant of License to Safeway to Use Data.** Theranos hereby grants to Safeway a perpetual, irrevocable, worldwide, royalty-free, and non-exclusive license to use and disclose data provided under, related to or generated in connection with this Agreement to the extent permitted by law for use in exercising its rights and fulfilling its obligations under this Agreement, for use in providing patient care at Safeway locations and for any other uses and disclosures consistent with its obligations as a health care provider in accordance with federal or state laws so long as such data is not sold to any entity or used by or disclosed to any entity (other than Safeway or its affiliates) for any other purpose not required by federal or state laws. Any resulting analyses done by Safeway shall not contain any personally identifying information regarding individual participants except in accordance with HIPAA and in connection with Safeway's activities as a health care provider.

e. **HIPAA Matters.** Each party represents that it is a "health care provider" and "covered entity" as defined under HIPAA, and agrees that it will use and disclose "protected health information" as defined under HIPAA ("PHI") of the other party in compliance with HIPAA. The parties contemplate that the uses and disclosures of PHI contemplated by this Agreement do not require the parties to enter into a business associate agreement or to acquire prior patient authorization meeting HIPAA requirements. Notwithstanding the foregoing, Theranos shall acquire a HIPAA-compliant patient authorization from each patient receiving services contemplated under this Agreement, permitting all uses and disclosures of such patient's PHI as contemplated by this Agreement by each party hereto. Each party agrees not to use or further disclose PHI of the other party other than as expressly permitted or required by this Agreement or by law. If the parties' contemplated use or disclosure of PHI changes (e.g., if Theranos becomes Safeway's HIPAA business associate by virtue of providing billing services for Safeway), or if HIPAA is hereafter changed or modified, so as to require during the term of this Agreement an amendment, modification or change to the terms of this Agreement in order to comply with such change or modification in contemplated use or disclosure or legal requirement, the parties shall cooperate with one another in modifying or amending this Agreement, if necessary, to comply with such change or modification.

22. **Property Ownership.** As between Safeway and Theranos, all inventions and improvements developed in connection with Deliverables or as a result of the services provided by Theranos to Safeway during the

term of this Agreement and thereafter, whether by Safeway or Theranos, or by the parties jointly, directed to: (i) any part or the whole of the Theranos System or any improvements thereto, including, without limitation, the TheranOS analytical engine and the algorithms therein; or (ii) the generation of assays for use in conjunction with the Theranos System, shall be the sole and exclusive property of Theranos. The following information is the sole and exclusive property and Confidential Information of Theranos: (a) all PHI collected by the Device and by Safeway in performing the Program; and (b) all PHI that has been de-identified by Theranos. At Safeway's request, Theranos will provide Safeway with the reports generated on Theranos Systems from Safeway locations for use in exercising its rights and fulfilling its obligations under this Agreement, for use in providing patient care at Safeway locations and for any other uses and disclosures consistent with its ordinary course activities as a health care provider so long as such reports and the data therein are not sold to any entity or used or disclosed to any entity (other than Safeway or its affiliates) for any other purpose.

23. Confidentiality.

a. **Use and Protection.** Each party will use a reasonable degree of care to maintain all Confidential Information of the other in trust and confidence and will neither disclose to any third party nor use any Confidential Information of the other for any unauthorized purpose or without the other party's express prior written consent. Each party may only disclose Confidential Information of the other to those of Recipient's employees and representatives on a need-to-know basis, and may use such Confidential Information only to the extent required to perform this Agreement. Confidential Information may not be used for any purpose or in any manner that would constitute a violation of any laws or regulations, including, without limitation, the export control laws of the United States. Unless otherwise stated in this Agreement, no rights or licenses to intellectual property in Confidential Information is granted by either party to the other under this Agreement, whether express, implied or otherwise. All Confidential Information will remain the property of Discloser (and its licensors, if any), including, but not limited to, any right to make, use or sell any product embodying any Confidential Information.

b. **Term of Confidentiality.** The obligations imposed on Recipient shall survive until such time as Discloser's Confidential Information disclosed to Recipient under this Agreement becomes publicly available and/or made generally known through no action or inaction of Recipient or its Representatives. Except as required to comply with obligations or requirements imposed on Recipient as a healthcare provider, and subject to the restrictions set forth in Section 21 and 22, as applicable, Recipient and its Representatives will return or destroy/erase all of Discloser's Confidential Information, including any and all information in whatever form generated making use of or reflecting Discloser's Confidential Information, except one copy for archival purposes, within thirty (30) business days of request of Discloser, or thirty (30) business days from termination or expiration of this Agreement. In addition, and notwithstanding any of the foregoing, if the value of products or services provided by Theranos, or by an organization related to Theranos, to Safeway pursuant to this Agreement is $10,000 or more over any twelve-month period, Theranos agrees that, until four years after the furnishing of the services contemplated hereunder, Theranos shall, upon written request, make available to the Secretary of the United States Department of Health and Human Services (the "Secretary"), the Secretary's duly authorized representative, the Comptroller General, or the Comptroller General's duly authorized representative, such books, documents and records as may be necessary to certify the nature and extent of the costs of such products or services.

24. Indemnification.

a. **Intellectual Property Indemnity.** Theranos ("Indemnitor") shall indemnify and hold harmless Safeway and its Representatives ("Indemnitees") from and against any and all liabilities, losses, damages, costs and expenses (including without limitation reasonable attorneys fees) incurred by the Indemnitees that a court awards against Indemnitees as the result of any third-party claim, action, suit or proceeding alleging that any of Indemnitor's Deliverables provided or sold to Indemnitees infringes any patent, copyright, trademark, or other non-trade secret intellectual property or proprietary right, or misappropriates any trade

secret, provided that this Section sets forth Indemnitees' sole and exclusive remedies therefor. Indemnitor shall defend all such actions at its own expense with counsel reasonably acceptable to Safeway. Without limiting the foregoing, should the accused Deliverable become, or in Indemnitor's opinion be likely to become, the subject of a claim of infringement or misappropriation, Indemnitor shall, at its option, either: (i) procure for Indemnitee(s) the right to continue using the Deliverable, or (ii) modify the Deliverable to make it non-infringing without affecting its regulatory approvals or materially affecting its functionality or performance. If neither of the foregoing alternatives is reasonably available to Indemnitor, then Indemnitor will grant Indemnitee(s) a refund for the purchase price or fees paid by Safeway for the affected Deliverables depreciated, if applicable, on a five-year straight-line basis and accept return of the relevant Deliverable. The foregoing indemnification does not extend to any claim of infringement which is based, in whole or in part, upon (A) any claim arising out of a modification by Indemnitee of the Deliverable, (B) any claim arising out of the combination, operation or use of the Deliverable with other devices not furnished or specified by Indemnitor and such claim would not have arisen had such combination, operation or use not occurred; or (C) use of the Deliverable in a manner other than as specified by Indemnitor.

b. General Indemnity.

i. **Theranos' Obligations.** Theranos ("Indemnitor") shall defend, indemnify and hold harmless Safeway and its Representatives ("Indemnitee(s)") against and from any third-party claim in which the Indemnitee is named as a result of a claim arising out of or related to (A) Theranos' breach of this Agreement; (B) any error or misdiagnosis resulting from the Theranos Systems (provided that such error or misdiagnosis is not primarily due to user error); or (C) Theranos' negligence or intentional misconduct, while performing its obligations under this Agreement, resulting in death, personal injury or tangible property damage. This indemnity obligation is expressly contingent upon Indemnitee(s) following the Indemnity Procedure set forth in Section 24.c. below.

ii. **Safeway's Obligations.** Safeway ("Indemnitor") shall defend, indemnify and hold harmless Theranos and its Representatives ("Indemnitee(s)") against and from any third-party claim, in which the Indemnitee is named as a result of a claim arising out of or related to: (A) Safeway's breach of this Agreement, or its negligence or intentional misconduct, while performing its obligations under this Agreement, resulting in death, personal injury or tangible property damage; or (B) the development, manufacture, use, sale, offer for sale, marketing or testing of any product or service by or under Safeway's control related to Safeway's services, including, but not limited to, any claim for personal injury or property damage related thereto. This indemnity obligation is expressly contingent upon the Indemnitee(s) following the Indemnity Procedure set forth in Section 24.c. below.

c. Indemnity Procedure. Each Indemnitor's indemnity obligations as set forth in Section 24.b. above is expressly contingent upon the Indemnitee giving Indemnitor: (i) prompt written notice of the claim within thirty (30) calendar days of the claim being made, and furnishing Indemnitor with a copy of the claim, along with a copy of each communication, notice or other document relating to the claim; (ii) full control over the defense or settlement thereof; and (iii) all reasonable information and assistance (at Indemnitor's expense, excluding time spent by employees or consultants of the Indemnitee) to handle the defense and settlement thereof.

25. Limitation of Liability. IN NO EVENT SHALL (A) EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS, LOSS OF DATA, LOSS OF USE, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR ANY INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, UNDER ANY THEORY OF LIABILITY AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; AND (B) EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, UNDER ANY THEORY OF LIABILITY, EXCEED FIVE MILLION U.S. DOLLARS ($5 MILLION); PROVIDED, HOWEVER, THAT THE LIMITATIONS SET FORTH IN (A) AND (B) OF THIS

SECTION SHALL NOT APPLY TO: (X) LIABILITY OR DAMAGES ARISING FROM OR RELATED TO A BREACH OF SECTIONS 22 AND 23 (A BREACH OF SAFEWAY'S PROPERTY OR THERANOS' PROPERTY, A BREACH OF A PARTY'S CONFIDENTIALITY OBLIGATIONS); OR (Y) LIABILITY OR DAMAGES ARISING FROM OR RELATED TO A PARTY'S GROSS NEGLIGENCE OR WILFULL MISCONDUCT; OR (Z) LIMIT THE INDEMNIFICATION OBLIGATIONS WITH RESPECT TO AMOUNTS OWING TO THIRD PARTIES.

26. Term and Termination.

a. Term. This Agreement will be in effect for three (3) years following the actual launch of the Program. Within six (6) months after successful completion of the pilot of the Program, the parties will jointly, in the exercise of good faith, establish commercially reasonable performance criteria relating to subjects that may include the following: (a) environment standards; (b) service level standards; (c) meeting demand; (d) sales to Safeway Network Partners; (e) inclusion of sufficient number of Safeway Network Partners and locations; (f) pricing and profitability; (g) making announcement rights available to sponsoring companies and other organizations; (h) Safeway's full adoption of Theranos' array of technology; (i) management and personnel overseeing the program; (j) Safeway's support with governmental relationships; (k) Safeway's support with payors; and (l) Safeway's marketing support) (the "Performance Criteria"). If the Performance Criteria have been satisfied, there will be automatic three (3)-year extensions of the term of this Agreement; provided, however, that any time during the term of this Agreement, either party shall notify the other in writing of any claimed failure to meet the Performance Criteria. The party receiving such a notice shall within fourteen (14) calendar days propose amendments to the Agreement or any other changes to remedy any deficiency in the Performance Criteria. If the party receiving such a notice cannot remedy the deficiency in the Performance Criteria, or its proposed change is not reasonably likely to remedy the deficiency in the Performance Criteria in the foreseeable future, the parties shall elevate the negotiations to the CEOs of both parties in an effort to reach resolution. If thereafter a deficiency in the Performance Criteria continues to exist and the receiving party has failed to agree to amendments or changes that cure or would be reasonably likely in the foreseeable future to cure the deficiency in the Performance Criteria, the party giving notice may terminate the Agreement by giving notice thereof no less than thirty (30) calendar days.

b. Termination without Cause.

i. In the event that Safeway determines in its sole discretion that the pilot of the Program has been unsuccessful, Safeway has the right to terminate this Agreement without cause on thirty (30) calendar days' prior written notice to Theranos. Upon any such termination, Theranos shall promptly return all prepayment amounts attributable to undelivered Inventory under Section 10 above.

ii. Safeway has the right to terminate this Agreement on thirty (30) calendar days' prior written notice to Theranos in the event (i) the FDA notifies Theranos and/or Safeway that it is initiating or threatening to initiate regulatory action or assertion of jurisdiction on the basis that the Theranos System is a "medical device" under the Federal Food, Drug and Cosmetic Act and Theranos is unable to obtain FDA clearance or approval within six (6) months from the date of such notification; (ii) the FDA or another governmental authority otherwise seeks to prohibit, restrain, or impose limitations on the ability of Theranos and/or Safeway to fully exercise and implement the pilot of the Program and/or the launch of the Program as contemplated herein and Theranos and/or Safeway is not able to reach a satisfactory resolution with the FDA or such other governmental authority within six (6) months from the date of notification by the FDA or such other governmental authority; (iii) Theranos does not obtain the Regulatory Approvals within one (1) year from the Effective Date; or (iv) Safeway does not obtain any approvals required for the pilot of the Program under CLIA and other applicable laws, rules and regulations within one (1) year from the Effective Date.

c. **Termination for Cause.** If either party breaches a material provision of this Agreement (including without limitation a material failure to satisfy the Performance Criteria) and fails to cure such breach within thirty (30) calendar days after receiving written notice of the breach, the non-breaching party shall have the right to terminate this Agreement at any time; provided if a breach cannot be cured within thirty (30) calendar days but is capable of cure, the breaching party will not be in default if, within thirty (30) calendar days of receiving notice of breach, in good faith, it begins and continues to attempt to cure the breach. In such case, the breaching party will have a reasonable time to cure the breach before being in default. If a Safeway Network Partner materially breaches its obligations to Theranos, Theranos may terminate its agreement with such Safeway Network Partner for cause, but such Safeway Network Partner's breach shall not be deemed a breach by Safeway. Notwithstanding anything to the contrary herein, Safeway's breach of a payment obligation constitutes a default after the payment is due if Safeway's payment obligation is not satisfied within ten (10) business days of receiving written notice from Theranos of such default and its intent to terminate the Agreement, in which case Theranos has the right to terminate this Agreement immediately.

d. **Obligations upon Termination.**
   i. Theranos' Obligations to Safeway:
      1. Upon expiration of the term of this Agreement or in the event this Agreement is terminated for any reason, Theranos will, within thirty (30) calendar days of the expiration or termination date, refund (a) all sums paid by Safeway for pre-purchased Inventory that has been bought but not used and (b) any and all other sums paid by Safeway pursuant to this Agreement.
      2. In addition, upon expiration of the term of this Agreement or in the event this Agreement is terminated for any reason, Theranos will re-purchase the Initial Note (if still outstanding) at the price at which the Initial Note was issued, specifically ten million dollars ($10 million), plus any accrued interest, within thirty (30) calendar days of the expiration or termination date.
      3. In addition, upon expiration of the term of this Agreement or in the event this Agreement is terminated for any reason, Theranos will re-purchase the Additional Note (if still outstanding) at the price at which the Additional Note was issued, specifically fifteen million dollars ($15 million), plus any accrued interest, within thirty (30) calendar days of the expiration or termination date.
      4. Within thirty (30) calendar days of the expiration or termination date, Theranos will provide Safeway with an invoice setting forth any amounts owed, but not yet paid, prior to the expiration or termination date, including any additional expenses Theranos incurred with respect to non-cancellable commitments attributable to the termination of this Agreement.
   ii. Upon expiration or termination, Theranos may enter Safeway's facilities, at a time and date to be reasonably agreed upon, and remove the Devices installed on Safeway's premises as set forth above.

e. **Survival of Provisions.** Those Sections entitled "Convertible Notes," "Devices," "Warranty," "Licenses," "Property Ownership," "Confidentiality," "Indemnification," "Limitation of Liability," "Term and Termination," and "Miscellaneous," Schedule E ("Definitions"), Schedule F-1 ("Initial Note") and Schedule F-2 ("Additional Note") shall survive the cancellation or termination of this Agreement for any reason.

27. Miscellaneous.

a. **Governing Law; Jurisdiction.** This Agreement will be interpreted and governed by the laws of the State of California without reference to its conflict of laws principles. For any disputes arising out of this Agreement, the parties consent to the personal and exclusive jurisdiction of, and venue in, the state and federal courts within Santa Clara County, California.

b. **Compliance with Laws; Export Requirements.** The parties will comply with all applicable laws and regulations, including but not limited to, all United States and foreign export control laws or regulations applicable to the performance of this Agreement.

c. **Independent Contractor.** The parties are independent contractors, and the relationship of the parties under this Agreement will not be construed to create any other relationship, as partners, joint venturers, principal and agent, or otherwise. Neither party has the authority to represent the other as to any matters.

d. **Entire Agreement.** The terms and conditions contained in this Agreement constitute the entire agreement between the parties and supersede all previous agreements and understandings, whether oral or written, between the parties hereto with respect to the subject matter of this Agreement, and no agreement or understanding varying or extending the same shall be binding upon either party unless in a written document signed by both parties.

e. **Force Majeure.** Non-performance of either party, except for non-performance of Safeway's payment obligations, shall be excused to the extent that performance is rendered impossible by any other reason where failure to perform is beyond the control of the non-performing party.

f. **Assignment.** Neither party may assign, delegate or otherwise transfer this Agreement or any of its rights or obligations under this Agreement without the other party's prior written approval, which approval will not be unreasonably withheld, delayed or conditioned. Any such attempt to do so will be ineffective. Notwithstanding the foregoing, either party may assign, delegate or otherwise transfer this Agreement by operation of law or otherwise, to: (i) any person or entity that becomes a successor entity of the assigning party, in connection with a Change of Control or (ii) a sister company or subsidiary wholly owned by a party or its affiliates. This Agreement will bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto, whether so expressed or not.

g. **Notices.** All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered to each party at the respective addresses of the parties as set forth on the cover page of this Agreement, or such other address as a party may specify. All such notices and communications will be deemed effectively given the earlier of (i) when delivered personally, (ii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iii) one (1) business day after being deposited with an overnight courier service of recognized standing or (iv) four (4) calendar days after being deposited in the U.S. mail, first class with postage prepaid.

h. **Prevailing Party.** In any suit or proceeding relating to this Agreement, the prevailing party will have the right to recover from the other its costs and reasonable fees and expenses of attorneys, accountants, and other professionals incurred in connection with the suit or proceeding, including costs, fees and expenses upon appeal.

i. **Amendment; Waiver.** No modification to this Agreement, or any waiver of any rights shall be effective unless assented to in writing by the party to be charged.

j. **Severability.** If any portion of this Agreement is held invalid, the parties agree that such invalidity shall not affect the validity of the remaining portions of this Agreement, and the parties shall seek in good faith to agree to substitute for the invalid provision a valid provision that most closely approximates the economic effect and intent of the invalid provision.

k. **Safeway Subsidiaries.** For purposes of this Agreement, references to the stores, operations, employees and the like of "Safeway" shall refer also to Safeway's current and future subsidiaries, including, but not limited to, stores operated under the names "Vons," "Dominick's," "Randalls," "Tom Thumb," "Genuardi's," "Pak'N Save," "Pavilions" and "Carr's Quality Centers." Safeway's subsidiaries which operate stores in which the Program is implemented shall have all of rights of Safeway under this Agreement.

I. **Integration.** Each party agrees that this Agreement, including all Schedules, embodies the entire understanding between the parties and supersedes and replaces any and all prior understandings, arrangements, and agreements, whether oral or in writing, relating to the subject matter hereof.

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SCHEDULE C

SUPPORT AND MAINTENANCE TERMS

1. Support and Maintenance: Hardware and Software.

1.1 Client Services.

Theranos will use commercially reasonable efforts to provide Safeway users 24x7 Hardware and Software support and maintenance. Support and maintenance services include, but are not limited to, use of and access to the Software and TheranOS, and associated enhancements and updates; on-demand, interactive services; and diagnosis of problems or issues associated with the Hardware or Software and resolution of verifiable problems. Theranos will designate a dedicated Client Solutions manager to Safeway. The Client Solutions manager will be responsible for assisting in the management of Safeway's support and maintenance requests. Support and maintenance services will be available by telephone, email, and via TheranOS Real-Time Support online. In responding to Safeway's support inquiries, Theranos will use the guidelines set forth in this Schedule.

1.2 Reactive Incident Management Guidelines.

Theranos will use commercially reasonable efforts to respond to Safeway's inquiry on a same-day basis via email or phone. Each inquiry will be assigned a priority level (set forth below), and Theranos will use commercially reasonable efforts to resolve the request in accordance with the associated timelines:

- **Priority 1** – Use of the Theranos Systems is severely impacted. Important features/critical functions are not available, or system freezes or crashes. These situations will be treated as emergencies; reasonable efforts are made to respond to Priority 1 service requests within one (1) hour. Client Solutions will work 24x7 with Safeway until the issue is resolved or as long as useful progress can be made and fixes can be applied; provided, however, that in all events Theranos shall repair or replace at its own expense any Devices that do not conform with all applicable specifications agreed upon by the parties or required by regulatory authorities and for which there is no back-up Device available within twenty-four (24) hours from receipt of notice.

- **Priority 2** – Safeway experiences a minor loss of service or requests information, an enhancement, or documentation clarification but there is no impact on the operation of the Software. Reasonable efforts are made to respond to Priority 2 service requests within three (3) business hours. Examples of Priority 2 support inquiries include: help with web portal access, and instructions on using the TheranOS features. Theranos will use commercially reasonable efforts to update Safeway via email or phone (if email is not available) on the status of the inquiry and resolution within one (1) business day.

3. Deployment Services.

At Safeway's written request, as noted on a purchase order, Theranos, at its cost, shall deploy and install the Devices on Safeway's premises.

4. Training.

Theranos and Safeway will mutually agree upon the scope of training that Theranos will offer to Safeway at no cost to Safeway, subject to the exclusions described in Schedule D.

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SCHEDULE D

PRICING

Final pricing for the Deliverables shall be agreed upon at or near the conclusion of the pilot phase of the project. At that time, this Schedule will be completed accordingly, and this Agreement amended, if warranted. Pricing will not be finalized unless and until it is reduced to writing, and signed by an authorized representative(s) of each party.

For planning purposes, sample price ranges for all available Tests and Cartridges are as follows:

		Pricing Proposal	
Code	Procedure	50% of Medicare	50% of Medicaid
80061	Lipid Panel	$9.60	$6.94
80053	Comprehen Metabolic Panel	$6.11	$5.85
85025	Complete CBC w Auto Diff WBC	$5.57	$4.30
80050	General Health Panel	n/a	n/a
84443	Assay Thyroid Stim Hormone	$11.99	$9.29
88175	Cytopath C/V Auto Fluid Redo	$18.97	$14.81
83036	Glycosylated Hemoglobin Test	$6.95	$5.37
81001	Urinalysis, Auto w Scope	$2.27	$1.75
84153	Assay of Psa, Total	$13.17	$10.17
87086	Urine Culture/Colony Count	$5.79	$3.80
84439	Assay of Free Thyroxine	$6.27	$4.99
87621	HPV, DNA, Amp Probe	$25.14	$19.40
85610	Prothrombin Time	$2.81	$2.17
82306	Vitamin D, 25 Hydroxy	$19.46	$12.40
88142	Cytopath, C/V, Thin Layer	$14.51	$11.20
85652	RBC Sed Rate, Automated	$1.94	$1.49
87491	Chylmd Trach, DNA, Amp Probe	$25.14	$19.40
87591	N.gonorrhoeae, DNA, Amp Prob	$25.14	$19.40
84436	Assay of Total Thyroxine	$4.92	$3.80
87070	Culture, Bacteria, Other	$6.17	$4.76
80101	Drug Screen, Single	$9.86	$7.61
80048	Metabolic Panel Total CA	$4.58	$4.68
85027	Complete CBC, Automated	$4.64	$3.58
84550	Assay of Blood/Uric Acid	$3.24	$2.50
81003	Urinalysis, Auto, wo Scope	$1.61	$1.24
87088	Urine Bacteria Culture	$4.60	$3.04
82570	Assay of Urine Creatinine	$3.71	$2.66
82043	Microalbumin, Quantitative	$3.99	$3.20
83540	Assay of Iron	$4.64	$3.58
82248	Bilirubin, Direct	$3.31	$2.78
80076	Hepatic Function Panel	$4.58	$4.52
83901	Molecule Nucleic Ampli Addon	$7.29	$9.27
87186	Microbe Susceptible, Mic	$6.19	$4.78
86003	Allergen Specific Ige	$3.43	$2.89
86703	HIV-1/HIV-2, Single Assay	$9.83	$6.33
82607	Vitamin B-12	$10.80	$8.33
86140	C-Reactive Protein	$3.71	$2.86

84479	Assay of Thyroid (T3 or T4)	$4.64	$3.58
82728	Assay of Ferritin	$9.76	$7.53
87077	Culture Aerobic Identify	$5.79	$4.47
84403	Assay of Total Testosterone	$18.49	$14.27
86038	Antinuclear Antibodies	$8.66	$6.68
84460	Alanine Amino (Alt) (Sgpt)	$3.79	$2.93
83550	Iron Binding Test	$5.02	$3.98
87081	Culture Screen Only	$4.75	$3.67
82550	Assay of Ck (Cpk)	$4.67	$3.61
83001	Gonadotropin (Fsh)	$12.27	$10.28
84702	Chorionic Gonadotropin Test	$6.26	$7.04
84450	Transferase (Ast) (Sgot)	$3.71	$2.86

Exclusions. The prices to be negotiated will not include costs and expenses Theranos will incur in performing the obligations outlined in this Agreement. These costs include, but are not limited to, Theranos personnel travel and lodging and meals (including travel to all of Safeway's sites where in-person training will be conducted and Devices installed); provided that travel- and training-related expenses shall be subject to Safeway's prior written approval. It is the parties' intention that Theranos personnel will not be required to travel to every store at which the Devices are deployed and that Theranos will design a trainer program and instruct its trainers to utilize video and other virtual meeting tools such that training sessions will not require significant travel. Theranos will invoice for these costs as they are incurred, and Safeway agrees to pay such invoices in accordance with the payment terms outlined in Schedule B.

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SCHEDULE E

DEFINITIONS

Capitalized terms, as used within this Agreement, including any Schedule or attachment, have the following meanings, unless otherwise indicated:

1. "**Assay**" means any method used for the detection of an analyte (e.g., a biomarker) or multiplexed set of analytes and/or measuring their concentration in a matrix, including, but not limited to, human blood.

2. "**Available Cartridges**" shall have the meaning set forth in Schedule B.

3. "**business day**" means any day that is not a Saturday, Sunday or day on which banks in the State of California are closed.

4. "**Cartridge**" means Theranos' analytical chips containing biological fluid processing technology and Assays to measure, among other matters, the concentration of specific analytes, including biomarkers in a biological fluid sample.

5. "**Change of Control**" of a person means (i) any reorganization, merger or consolidation of such person, other than a transaction or series of related transactions in which the holders of the voting securities of such person outstanding immediately prior to such transaction or series of related transactions retain, immediately after such transaction or series of related transactions, at least a majority of the total voting power represented by the outstanding voting securities of such person or such other surviving or resulting entity or (ii) a sale, lease or other disposition of all or substantially all of the assets of such person.

6. "**Client Accessible Software**" means Software related to the TheranOS which may be accessed through the Devices or at a designated website or IP address, disc, programs or other designated location.

7. "**Confidential Information**" means this Agreement and all the terms herein and all information Discloser discloses to Recipient in connection with the performance of this Agreement. Confidential Information may not be marked as such at the time of disclosure and will still be considered Confidential Information so long as Discloser identified or designated the information as confidential at the time of disclosure (or like designation), or Discloser disclosed the information in circumstances of confidence, or the information would be understood by the parties exercising reasonable business judgment to be confidential. "Confidential Information" does not include information which: (a) is or becomes generally known through no fault of Recipient; (b) is known to Recipient at the time of disclosure, as evidenced by its records; (c) is hereafter furnished to Recipient by a third party as a matter of right and without restriction on disclosure; (d) is independently developed by Recipient without any breach of this Agreement; (e) is, in response to a valid order of a court or other governmental body, or is otherwise required by law to be, disclosed, provided Recipient, as the responding party, gives sufficient notice to Discloser to enable it to take protective measures; or (f) is otherwise necessary to establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary.

8. "**Device**" means Theranos' reader capable of running Cartridges, extracting data from a Cartridge or other analytical device, transmitting data to a database hosted by Theranos, communicating with authorized parties and providing analytical information.

9. "**Deliverable**" means any Hardware, Software, Cartridge, Device, Theranos System, Support and Maintenance Services and/or training to be provided by Theranos to Safeway under this Agreement.

10. "**Discloser**" means the party disclosing Confidential Information.

11. "**Hardware**" means equipment and hardware Theranos is to deliver pursuant to this Agreement.

12. "**Program**" means the project outlined in Schedule A.

13. "**Program Schedule**" has the meaning set forth in Schedule A.

14. "**Recipient**" means the party receiving Confidential Information from Discloser.

15. "**Regulatory Approvals**" means Theranos having received such clearances, approvals, authorizations, waivers, licenses, registrations and permits under applicable laws, rules and regulations, including without limitation, the Clinical Laboratory Improvement Amendments of 1988 and the regulations promulgated thereunder ("CLIA"), and/or the Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, as necessary to use the Device at retail for Current Procedural Terminology (CPT) codes representing at least ninety percent (90%) of retail lab volume.

16. "**Representatives**" mean each party's employees, directors, officers, contractors, consultants, stockholders and agents.

17. "**Software**" means Theranos computer programs or programming in object code format, to be delivered pursuant to this Agreement including the TheranOS, whether incorporated in the Hardware or delivered separately, and whether or not there is a separate charge therefor. The term "**Software**" also includes updates, enhancements and new versions delivered pursuant to this Agreement.

18. "**Support and Maintenance Services(s)**" means support and maintenance services that Theranos will provide Safeway, as more fully set forth in Schedule C.

19. "**Test**" means (a) in the context of routine laboratory analyses, a combination of one or more Assays that match existing CPT codes for laboratory analyses as defined by the American Medical Association or (b) in the context of diagnostic or predictive tests, a Cartridge.

20. "**TheranOS**" means Theranos' ambulatory bioinformatics communication system, database, analytical engine, algorithms and methodologies, web or device accessible Software, and related statistical and other analysis methods, data repositories, data, and technologies.

21. "**Theranos System**" means the system comprising the Assays, Cartridges, Device(s), and the TheranOS, and any other components developed by or for Theranos facilitating the operation of any of the foregoing, alone or in any combination.

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SCHEDULE F-1

FORM OF INITIAL NOTE

CONVERTIBLE NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES 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 SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THERANOS, INC.

CONVERTIBLE PROMISSORY NOTE

$10,000,000 September __, 2010

FOR VALUE RECEIVED, Theranos, Inc., a Delaware corporation (the "Company") promises to pay to Safeway Inc., a Delaware corporation ("Investor"), or its registered assigns, in lawful money of the United States of America the principal sum of Ten Million Dollars ($10,000,000), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Convertible Promissory Note (this "Note") on the unpaid principal balance at a rate equal to 0.79 percent (0.79%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the Maturity Date (as defined below) in accordance with the terms hereof. This Note is issued pursuant to that certain Master Purchase Agreement by and between the Company and Investor dated September __, 2010 (the "Master Purchase Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Purchase Agreement.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Payments.

(a) Interest. Accrued interest on this Note shall be payable on the Maturity Date.

(b) The "Maturity Date" shall be the earlier of:

i. the date of the Company's Initial Public Offering;

ii. the effective date of a Change of Control of the Company;

iii. thirty (30) calendar days following expiration or termination of the Master Purchase Agreement;

iv. when, upon or after the occurrence of an Event of Default, the amounts due and payable under this Note are declared due and payable by Investor or made automatically due and payable in accordance with the terms hereof; or

v. September ___, 2015.

(c) No Usury. This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to Investor hereunder for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of this Note, or any provision hereof, involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and Investor that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (i) the agreed rate of interest set forth in this Note, or (ii) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal. The provisions of this paragraph shall never be superseded or waived and shall control every other provision of this Note.

(d) Voluntary Prepayment. Unless waived in writing by the Company, if the Third Inventory Payment is not made in accordance with, and subject to, the Master Purchase Agreement within thirty (30) days after the Company notifies Investor in writing that such Third Inventory Payment is due pursuant to the Master Purchase Agreement, the Company has the right to repay this Note without penalty, in whole or in part, plus any accrued and unpaid interest on the portion being prepaid, and Investor is obligated to accept full repayment of the Note within thirty (30) calendar days from the date of Company's written request.

(e) Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note:

i. Acceleration due to Bankruptcy or Insolvency Proceedings. (A) The Company shall apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, be unable, or admit in writing its inability, to pay its debts generally as they mature, make a general assignment for the benefit of itself or any of its creditors, be dissolved or liquidated, become insolvent (as such term may be defined or interpreted under any applicable statute), commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or take any action for the purpose of effecting any of the foregoing; or (B) proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within thirty (30) calendar days of commencement;

ii. Failure to Pay. The Company shall fail to pay (A) when due any principal or interest payment on the due date hereunder or (B) any other payment required under the terms of this Note on the date due and such payment shall not have

been made within thirty (30) calendar days of the Company's receipt of Investor's written notice to the Company of such failure to pay;

iii. Covenant. The Company fails or neglects to perform, keep or observe any other term, provision, covenant or agreement contained in this Note and as to any such default under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure such default within thirty (30) calendar days after the occurrence of such default;

iv. Attachments; Levies. Any material portion of the Company's assets is attached, seized, subjected to writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within thirty (30) calendar days, or the Company is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or a judgment or other claim becomes a lien or encumbrance upon any material portion of the Company's assets, or a notice of lien, levy or assessment is filed of record with respect to any of the Company's assets by the United States government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within thirty (30) calendar days after the Company receives notice thereof; or

v. Enforceability. This Note shall in any material respect cease to be, or the Company asserts that this Note is not, a legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(f) Rights of Investor upon Default. Upon the occurrence or existence of any Event of Default (other than an Event of Default described in Section 1(c)(i)) and at any time thereafter during the continuance of such Event of Default, Investor may, by written notice to the Company, declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. Upon the occurrence or existence of any Event of Default described in Section 1(c)(i), immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Investor may exercise any other right power or remedy granted to it by this Note or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Investor as of the date of issuance as follows:

(a) Organization and Standing; Certificate of Incorporation and Bylaws. The Company is a corporation duly organized and existing under the laws of the jurisdiction of its incorporation and is in good standing under such laws. The Company has the requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted.

(b) Corporate Power. The Company has all requisite corporate power to execute, issue, sell, perform under, and deliver this Note. This Note constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(c) No Violation or Default. The Company is not in violation of or default on any term of its Certificate of Incorporation or Bylaws, or other charter documents, as each is in effect on the date hereof, or, to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company or, to the Company's knowledge, of any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company a violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company.

(d) No Conflict. The execution, delivery and performance by the Company of this Note will not conflict with, or result in a breach of any of the terms of, or constitute a default under, (i) to the Company's knowledge, any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company the violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, (ii) the Company's Certificate of Incorporation or Bylaws, as amended and in effect on the date hereof, or (iii) to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company pursuant to any such term.

(e) Capitalization; Preemptive Rights; Compliance with Securities Laws.

i. Concurrently with the execution and delivery of this Note and immediately prior to the conversion of this Note, the Company shall deliver to the Investor a copy of the Charter and a schedule showing the capitalization of the Company as of such date, certified by the President or Chief Financial Officer of the Company as being true and correct. Such capitalization schedule shall include (A) the number of shares of each series and class of preferred stock (the "Existing Preferred Stock") that are issued and outstanding as of such date; (B) the number of shares of each series and class of Common Stock (such Common Stock together with the Existing Preferred Stock, the "Shares") that are issued and outstanding as of such date; (C) the number of Shares or other securities that the Company has reserved for issuance upon conversion of each class and series of the Shares; (D) the number of Shares or other securities reserved for issuance to employees, consultants and directors pursuant to each outstanding stock option or other equity incentive plan and the number of Shares or other securities issuable upon exercise or conversion of issued and outstanding options or other securities outstanding under each such plan; and (E) the number of Shares or other securities reserved for issuance upon exercise or conversion of outstanding warrants or other securities exercisable for or convertible into Shares or other securities.

ii. All issued and outstanding shares of the Company's Common Stock and Existing Preferred Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable and have been approved by all requisite stockholder action, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

iii. The shares of the Series C-1 (as defined below), when issued and delivered in compliance with the provisions of this Note will be validly issued, fully paid and nonassessable. The reservation of shares of Common Stock for issuance upon conversion of the Series C-1 (the "Conversion Shares") have been duly and validly reserved and, when issued in compliance with the provisions of this Note, the Charter

and applicable law, will be validly issued, fully paid and nonassessable. The Series C-1 and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investor; provided, however, that the Series C-1 and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein and in the applicable rights agreement.

iv. Except for the conversion privileges of the Existing Preferred Stock, the rights provided pursuant to the applicable rights and co-sale agreements, or as otherwise described in this Note, there are no options, warrants or other rights to purchase any of the Company's authorized and unissued capital stock

(f) Litigation. There are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency, including, without limitation, any action that questions the validity of the Master Purchase Agreement or this Note or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality

(g) Intellectual Property.

i. Rights. The Company owns or possesses or can obtain on commercially reasonable terms sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, processes and other proprietary rights ("Intellectual Property") necessary to the business of the Company as presently conducted and as now proposed to be conducted in the Company's business plan or other written materials provided to Investor. The Company has not violated or infringed, and by operating its business as currently proposed to be conducted will not violate or infringe, any Intellectual Property of any other person or entity; provided, however, that the Company's representation in this sentence is made only to the Company's knowledge with respect to patent rights and trademark rights. The Company owns all right, title, and interest in and to each such patent and patent application. The Company has not received any communications alleging that the Company has violated or infringed on any Intellectual Property of any other person or entity.

ii. Licenses; Other Agreements. The Company has not granted, and there are not outstanding, any options, licenses or agreements relating to the Intellectual Property, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity.

iii. Proprietary Information and Invention Assignment. Each current and former employee and consultant of the Company has executed a confidential information and invention assignment agreement, substantially in the form delivered to counsel for Investor. No employee has excluded any inventions or intellectual property from assignment to the Company under such confidential information and invention assignment agreement. The Company is not aware that any employee or consultant of the Company is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any judgment, decree or order of any court or administrative agency, or any other restriction that would interfere with the use of his or her best efforts to carry out his or her duties for the Company or to promote the interests of the Company or that would conflict with the Company's business as proposed to be conducted. The carrying on of the Company's business by the employees and consultants of the Company and the

conduct of the Company's business as presently proposed, will not, to the Company's knowledge, conflict with or result in a material breach of the terms, conditions or provisions of, or constitute a default under, any material contract, covenant or instrument under which any of such employees or consultants or the Company is now obligated. The Company does not presently believe it is or will be necessary to utilize any inventions of any existing employees of the Company made prior to their employment by the Company. To the Company's knowledge, at no time during the conception of or reduction of any of the Company's proprietary assets to practice was any developer, inventor or other contributor thereto subject to any employment agreement or invention assignment or nondisclosure agreement or other obligation with any third party that could reasonably be expected to adversely affect the Company's rights in such proprietary assets.

(h) Interest Rate. Theranos has not issued any promissory note or other debt instrument to a retailer or other partner with an interest rate greater than 0.79% per annum.

(i) Disclosure. The Company has fully provided Investor with information that Investor has requested for deciding whether to purchase the Securities (as defined below) and all information that the Company believes is reasonably necessary to enable Investor to make such decision. Neither this Note, nor any other agreements, statements or certificates made or delivered in connection herewith or therewith contains any untrue statement of a material fact or, when taken together, omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

3. Representations and Warranties of Investor. Investor hereby represents and warrants to the Company with respect to the sale of this Note, and the issuance of the securities issuable upon conversion of this Note (and any shares of common stock or other securities issued upon conversion of such securities) (collectively, the "Securities") as of the date of issuance as follows:

(a) Authorization. Investor has the full power and authority to enter into this Note and this Note constitutes a valid and legally binding obligation of Investor, enforceable against Investor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(b) Experience. Investor is experienced in investing in the securities of development stage companies such as the Company and acknowledges that investment in the Securities involves a number of significant risks. Investor is able to fend for itself, can bear the economic risk of its investment, including the full loss of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. Investor also represents it was not organized solely for the purpose of acquiring the Securities.

(c) Purchase Entirely for Its Own Account. Investor is acquiring the Securities for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. Investor understands that the Securities to be purchased have not been registered under the Securities Act of 1933, as amended (the "Act"), by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein.

(d) Rule 144. Investor acknowledges that the Securities are "restricted securities" under Rule 144 promulgated under the Act inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may not be transferred or resold except as permitted under the Act and the

applicable state securities laws, pursuant to registration or an exemption therefrom. Investor represents that it is aware of the provisions of Rule 144 promulgated under the Act and understands the resale limitations imposed thereby and by the Act. Investor also understands that the Company is entering into this Note in reliance upon Investor's representations and warranties contained herein, and that any federal or state exemption is contingent upon, the accuracy of Investor's representations and warranties in this Note.

(e) No Public Market. Investor understands that no public market now exists for any of the securities issued by the Company and that there can be no assurance that a public market will ever exist for the Securities. Accordingly, Investor understands that it may be required to hold the Securities indefinitely.

(f) Accredited Investor. Investor represents that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Act.

4. Conversion.

(a) Optional Conversion. At any time on or following the occurrence of a Conversion Event, Investor may elect to convert the entire outstanding principal amount of this Note into fully paid and nonassessable shares of the Company's Series C-1 Preferred Stock (the "Series C-1") at the Conversion Price. All accrued and unpaid interest on this Note shall be paid in full in cash and not in shares of capital stock upon the occurrence of a Conversion Event.

(b) Conversion Procedure.

i. Conversion Pursuant to Section 4(a). Before Investor shall be entitled to convert this Note into shares of Series C-1, it shall surrender this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and give written notice to the Company at its principal corporate office of the election to convert the same pursuant to Section 4(a). Upon such conversion of this Note, Investor hereby agrees to execute and deliver to the Company a purchase agreement and other ancillary agreements (including, without limitation, an investor rights agreement providing for customary registration, information and preemptive rights), with customary representations and warranties and transfer restrictions (including, without limitation, a 180-day lock-up agreement in connection with an Initial Public Offering). The Company shall, as soon as practicable thereafter, issue and deliver to such Investor a certificate or certificates for the number of shares of Series C-1 to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in Section 4(b)(ii). On and after the date of conversion the Persons who have received the shares of Series C-1 issuable upon such conversion shall be treated for all purposes as the record holder of such shares.

ii. Fractional Shares; Interest; Effect of Conversion. No fractional shares shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable Conversion Price by the fraction of a share not issued pursuant to the previous sentence. The Company shall pay to Investor any interest accrued on the amount converted and on the amount to be paid to Investor pursuant to the previous sentence in cash and not in shares of capital stock upon the conversion of this Note. Upon conversion of this Note in full and the payment of the amounts specified in this Section 4, the Company shall be forever released from all

its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation.

iii. Adjustments. Notwithstanding anything herein to the contrary, if the Company issues shares of preferred stock or other securities conferring the right to purchase shares of preferred stock of the Company or securities convertible into, or exchangeable for (with or without additional consideration), preferred stock of the Company at any time prior to the conversion of this Note, then the conversion price shall not be greater than the lowest price per share paid in such issuance. If the Company shall at any time prior to the issuance of the shares of Series C-1 or other shares issuable upon conversion of this Note subdivide such shares (by stock split, stock dividend or the like) or combine such shares (by reverse split or the like), the number of such shares issuable on the conversion of this Note shall be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of shares issuable upon conversion of this Note (as adjusted) shall remain the same.

5. **Definitions.** As used in this Note, the following capitalized terms have the following meanings:

"Conversion Event" shall mean the payment by Investor (or an affiliate of Investor) of the Third Inventory Payment (subject to Section 10 of Schedule B of the Master Purchase Agreement).

"Conversion Price" shall be $15.00, subject to adjustment as set forth in this Note.

"Initial Public Offering" shall mean the closing of the Company's first firm commitment underwritten initial public offering of the Company's Common Stock pursuant to a registration statement filed under the Securities Act.

"Investor" shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

"Obligations" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Investor of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising under or pursuant to the terms of this Note, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"Securities Act" shall mean the Securities Act of 1933, as amended.

6. Miscellaneous.

(a) Successors and Assigns; Transfer of this Note or Securities Issuable on Conversion Hereof.

i. Subject to the restrictions on transfer described in this Section 4(a), the rights and obligations of the Company and Investor shall be binding upon and benefit the permitted successors, assigns, heirs, administrators and transferees of the parties.

ii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, in whole or in part, by Investor to any legal entity or person, other than a wholly-owned subsidiary of Investor or in connection with a Change of Control of Investor.

iii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company.

(b) Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and Investor.

(c) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered to each party at the respective addresses of the parties as set forth in the signature page to this Note, or such other address as a party may specify. All such notices and communications will be deemed effectively given the earlier of (i) when delivered personally, (ii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iii) one (1) business day after being deposited with an overnight courier service of recognized standing or (iv) four (4) calendar days after being deposited in the U.S. mail, first class with postage prepaid.

(d) Payment. Unless converted into the Company's equity securities pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(e) Governing Law; Jurisdiction. This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state. For any disputes arising out of or in connection with this Note, the parties consent to the personal and exclusive jurisdiction of, and venue in, the state and federal courts within Santa Clara County, California.

(f) Counterparts. This Note may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Note.

(g) California Corporate Securities Law.

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS NOTE HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE OF SECURITIES IS EXEMPT FROM SUCH QUALIFICATION. THE RIGHTS OF ALL PARTIES TO THIS NOTE ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(h) Severability. In the event that any provision of this Note becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Note shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Note to any party.

(i) Survival of Representations and Warranties. The representations and warranties of the parties contained in or made pursuant to this Note shall survive the execution and delivery of this Note.

[remainder of page intentionally left blank]

The Company has caused this Note to be issued as of the date first written above.

THERANOS, INC.,
a Delaware corporation

By:_____
Its:_____
Address: 3200 Hillview Avenue
Palo Alto, CA 94304

Acknowledged and accepted by Investor:
SAFEWAY INC.

By:_____
Its:_____
Address: 5918 Stoneridge Mall Road
Pleasanton, CA 94588

SCHEDULE F-2

FORM OF ADDITIONAL NOTE

CONVERTIBLE NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES 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 SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THERANOS, INC.

CONVERTIBLE PROMISSORY NOTE

$15,000,000 _____, 201_

FOR VALUE RECEIVED, Theranos, Inc., a Delaware corporation (the "Company") promises to pay to Safeway Inc., a Delaware corporation ("Investor"), or its registered assigns, in lawful money of the United States of America the principal sum of Fifteen Million Dollars ($15,000,000), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Convertible Promissory Note (this "Note") on the unpaid principal balance at a rate equal to 0.79 percent (0.79%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the Maturity Date (as defined below) in accordance with the terms hereof. This Note is issued pursuant to that certain Master Purchase Agreement by and between the Company and Investor dated September __ , 2010 (the "Master Purchase Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Purchase Agreement.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Payments.

(a) Interest. Accrued interest on this Note shall be payable on the Maturity Date.

(b) The "Maturity Date" shall be the earlier of:

i. the date of the Company's Initial Public Offering;

ii. the effective date of a Change of Control of the Company;

iii. thirty (30) calendar days following expiration or termination of the Master Purchase Agreement;

iv. when, upon or after the occurrence of an Event of Default, the amounts due and payable under this Note are declared due and payable by Investor or made automatically due and payable in accordance with the terms hereof; or

v. _____, 201_[1].

(c) No Usury. This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to Investor hereunder for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of this Note, or any provision hereof, involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and Investor that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (i) the agreed rate of interest set forth in this Note, or (ii) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal. The provisions of this paragraph shall never be superseded or waived and shall control every other provision of this Note.

(d) Voluntary Prepayment. Unless waived in writing by the Company, if the Third Inventory Payment is not made in accordance with, and subject to, the Master Purchase Agreement within thirty (30) days after the Company notifies Investor in writing that such Third Inventory Payment is due pursuant to the Master Purchase Agreement, the Company has the right to repay this Note without penalty, in whole or in part, plus any accrued and unpaid interest on the portion being prepaid, and Investor is obligated to accept full repayment of the Note within thirty (30) calendar days from the date of Company's written request.

(e) Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note:

i. Acceleration due to Bankruptcy or Insolvency Proceedings. (A) The Company shall apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, be unable, or admit in writing its inability, to pay its debts generally as they mature, make a general assignment for the benefit of itself or any of its creditors, be dissolved or liquidated, become insolvent (as such term may be defined or interpreted under any applicable statute), commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or take any action for the purpose of effecting any of the foregoing; or (B) proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within thirty (30) calendar days of commencement;

ii. Failure to Pay. The Company shall fail to pay (A) when due any principal or interest payment on the due date hereunder or (B) any other payment required under the terms of this Note on the date due and such payment shall not have been made within thirty

[1] Five-year anniversary of issuance of Additional Note.

(30) calendar days of the Company's receipt of Investor's written notice to the Company of such failure to pay;

iii. Covenant. The Company fails or neglects to perform, keep or observe any other term, provision, covenant or agreement contained in this Note and as to any such default under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure such default within thirty (30) calendar days after the occurrence of such default;

iv. Attachments; Levies. Any material portion of the Company's assets is attached, seized, subjected to writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within thirty (30) calendar days, or the Company is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or a judgment or other claim becomes a lien or encumbrance upon any material portion of the Company's assets, or a notice of lien, levy or assessment is filed of record with respect to any of the Company's assets by the United States government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within thirty (30) calendar days after the Company receives notice thereof; or

v. Enforceability. This Note shall in any material respect cease to be, or the Company asserts that this Note is not, a legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(f) Rights of Investor upon Default. Upon the occurrence or existence of any Event of Default (other than an Event of Default described in Section 1(c)(i)) and at any time thereafter during the continuance of such Event of Default, Investor may, by written notice to the Company, declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. Upon the occurrence or existence of any Event of Default described in Section 1(c)(i), immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Investor may exercise any other right power or remedy granted to it by this Note or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Investor as of the date of issuance as follows:

(a) Organization and Standing; Certificate of Incorporation and Bylaws. The Company is a corporation duly organized and existing under the laws of the jurisdiction of its incorporation and is in good standing under such laws. The Company has the requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted.

(b) Corporate Power. The Company has all requisite corporate power to execute, issue, sell, perform under, and deliver this Note. This Note constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(c) No Violation or Default. The Company is not in violation of or default on any term of its Certificate of Incorporation or Bylaws, or other charter documents, as each is in effect on the date hereof, or, to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company or, to the Company's knowledge, of any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company a violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company.

(d) No Conflicts. The execution, delivery and performance by the Company of this Note will not conflict with, or result in a breach of any of the terms of, or constitute a default under, (i) to the Company's knowledge, any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company the violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, (ii) the Company's Certificate of Incorporation or Bylaws, as amended and in effect on the date hereof, or (iii) to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company pursuant to any such term.

(e) Capitalization; Preemptive Rights; Compliance with Securities Laws.

i. Concurrently with the execution and delivery of this Note and immediately prior to the conversion of this Note, the Company shall deliver to the Investor a copy of the Charter and a schedule showing the capitalization of the Company as of such date, certified by the President or Chief Financial Officer of the Company as being true and correct. Such capitalization schedule shall include (A) the number of shares of each series and class of preferred stock (the "Existing Preferred Stock") that are issued and outstanding as of such date; (B) the number of shares of each series and class of Common Stock (such Common Stock together with the Existing Preferred Stock, the "Shares") that are issued and outstanding as of such date; (C) the number of Shares or other securities that the Company has reserved for issuance upon conversion of each class and series of the Shares; (D) the number of Shares or other securities reserved for issuance to employees, consultants and directors pursuant to each outstanding stock option or other equity incentive plan and the number of Shares or other securities issuable upon exercise or conversion of issued and outstanding options or other securities outstanding under each such plan; and (E) the number of Shares or other securities reserved for issuance upon exercise or conversion of outstanding warrants or other securities exercisable for or convertible into Shares or other securities.

ii. All issued and outstanding shares of the Company's Common Stock and Existing Preferred Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable and have been approved by all requisite stockholder action, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

iii. The shares of the Preferred Stock (as defined below), when issued and delivered in compliance with the provisions of this Note will be validly issued, fully paid and nonassessable. The reservation of shares of Common Stock for issuance upon conversion of the Preferred Stock (the "Conversion Shares") have been duly and validly reserved and, when issued in compliance with the provisions of this Note, the Charter and applicable law, will be validly issued, fully paid and nonassessable. The Preferred Stock and the Conversion Shares will be free of any liens or encumbrances, other than

any liens or encumbrances created by or imposed upon the Investor; provided, however, that the Preferred Stock and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein and in the applicable rights agreement.

iv. Except for the conversion privileges of the Existing Preferred Stock, the rights provided pursuant to the applicable rights and co-sale agreements, or as otherwise described in this Note, there are no options, warrants or other rights to purchase any of the Company's authorized and unissued capital stock

(f) Litigation. There are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency, including, without limitation, any action that questions the validity of the Master Purchase Agreement or this Note or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality

(g) Intellectual Property.

i. Rights. The Company owns or possesses or can obtain on commercially reasonable terms sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, processes and other proprietary rights ("Intellectual Property") necessary to the business of the Company as presently conducted and as now proposed to be conducted in the Company's business plan or other written materials provided to Investor. The Company has not violated or infringed, and by operating its business as currently proposed to be conducted will not violate or infringe, any Intellectual Property of any other person or entity; provided, however, that the Company's representation in this sentence is made only to the Company's knowledge with respect to patent rights and trademark rights. The Company owns all right, title, and interest in and to each such patent and patent application. The Company has not received any communications alleging that the Company has violated or infringed on any Intellectual Property of any other person or entity.

ii. Licenses; Other Agreements. The Company has not granted, and there are not outstanding, any options, licenses or agreements relating to the Intellectual Property, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity.

iii. Proprietary Information and Invention Assignment. Each current and former employee and consultant of the Company has executed a confidential information and invention assignment agreement, substantially in the form delivered to counsel for Investor. No employee has excluded any inventions or intellectual property from assignment to the Company under such confidential information and invention assignment agreement. The Company is not aware that any employee or consultant of the Company is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any judgment, decree or order of any court or administrative agency, or any other restriction that would interfere with the use of his or her best efforts to carry out his or her duties for the Company or to promote the interests of the Company or that would conflict with the Company's business as proposed to be conducted. The carrying on of the Company's business by the employees and consultants of the Company and the conduct of the Company's business as presently proposed, will not, to the Company's knowledge, conflict with or result in a material breach of the terms, conditions or provisions of, or constitute a default under, any material contract, covenant or instrument under which any of such employees or consultants or the Company is now obligated. The

Company does not presently believe it is or will be necessary to utilize any inventions of any existing employees of the Company made prior to their employment by the Company. To the Company's knowledge, at no time during the conception of or reduction of any of the Company's proprietary assets to practice was any developer, inventor or other contributor thereto subject to any employment agreement or invention assignment or nondisclosure agreement or other obligation with any third party that could reasonably be expected to adversely affect the Company's rights in such proprietary assets.

(h) Interest Rate. Theranos has not issued any promissory note or other debt instrument to a retailer or other partner with an interest rate greater than 0.79% per annum.

(i) Disclosure. The Company has fully provided Investor with information that Investor has requested for deciding whether to purchase the Securities (as defined below) and all information that the Company believes is reasonably necessary to enable Investor to make such decision. Neither this Note, nor any other agreements, statements or certificates made or delivered in connection herewith or therewith contains any untrue statement of a material fact or, when taken together, omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

3. **Representations and Warranties of Investor**. Investor hereby represents and warrants to the Company with respect to the sale of this Note, and the issuance of the securities issuable upon conversion of this Note (and any shares of common stock or other securities issued upon conversion of such securities) (collectively, the "Securities") as of the date of issuance as follows:

(a) Authorization. Investor has the full power and authority to enter into this Note and this Note constitutes a valid and legally binding obligation of Investor, enforceable against Investor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(b) Experience. Investor is experienced in investing in the securities of development stage companies such as the Company and acknowledges that investment in the Securities involves a number of significant risks. Investor is able to fend for itself, can bear the economic risk of its investment, including the full loss of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. Investor also represents it was not organized solely for the purpose of acquiring the Securities.

(c) Purchase Entirely for Its Own Account. Investor is acquiring the Securities for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. Investor understands that the Securities to be purchased have not been registered under the Securities Act of 1933, as amended (the "Act"), by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein.

(d) Rule 144. Investor acknowledges that the Securities are "restricted securities" under Rule 144 promulgated under the Act inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may not be transferred or resold except as permitted under the Act and the applicable state securities laws, pursuant to registration or an exemption therefrom. Investor represents that it is aware of the provisions of Rule 144 promulgated under the Act and understands the resale limitations imposed thereby and by the Act. Investor also understands that the Company is entering into this Note in reliance upon Investor's representations and warranties contained herein, and that any federal or state exemption is contingent upon, the accuracy of Investor's representations and warranties in this Note.

(e) No Public Market. Investor understands that no public market now exists for any of the securities issued by the Company and that there can be no assurance that a public market will ever exist for the Securities. Accordingly, Investor understands that it may be required to hold the Securities indefinitely.

(f) Accredited Investor. Investor represents that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Act.

4. Conversion.

(a) Optional Conversion. At any time on or following the occurrence of a Conversion Event, Investor may elect to convert the entire outstanding principal amount of this Note into fully paid and nonassessable shares of the Company's [name of equity security] (the "Preferred Stock") at the Conversion Price. All accrued and unpaid interest on this Note shall be paid in full in cash and not in shares of capital stock upon the occurrence of a Conversion Event.

(b) Conversion Procedure.

i. Conversion Pursuant to Section 4(a). Before Investor shall be entitled to convert this Note into shares of Preferred Stock, it shall surrender this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and give written notice to the Company at its principal corporate office of the election to convert the same pursuant to Section 4(a). Upon such conversion of this Note, Investor hereby agrees to execute and deliver to the Company a purchase agreement and other ancillary agreements (including, without limitation, an investor rights agreement providing for customary registration, information and preemptive rights), with customary representations and warranties and transfer restrictions (including, without limitation, a 180-day lock-up agreement in connection with an Initial Public Offering). The Company shall, as soon as practicable thereafter, issue and deliver to such Investor a certificate or certificates for the number of shares of Preferred Stock to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in Section 4(b)(ii). On and after the date of conversion the Persons who have received the shares of Preferred Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares.

ii. Fractional Shares; Interest; Effect of Conversion. No fractional shares shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable Conversion Price by the fraction of a share not issued pursuant to the previous sentence. The Company shall pay to Investor any interest accrued on the amount converted and on the amount to be paid to Investor pursuant to the previous sentence in cash and not in shares of capital stock upon the conversion of this Note. Upon conversion of this Note in full and the payment of the amounts specified in this Section 4, the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation.

iii. Adjustments. Notwithstanding anything herein to the contrary, if the Company issues shares of preferred stock or other securities conferring the right to purchase shares of preferred stock of the Company or securities convertible into, or exchangeable for (with or without additional consideration), preferred stock of the Company at any time prior to the conversion of this Note, then the conversion price shall not be greater than the lowest

price per share paid in such issuance. If the Company shall at any time prior to the issuance of the Preferred Stock or other shares issuable upon conversion of this Note subdivide such shares (by stock split, stock dividend or the like), or combine such shares (by reverse split or the like), the number of such shares issuable on the conversion of this Note shall be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of shares issuable upon conversion of this Note (as adjusted) shall remain the same.

5. Definitions. As used in this Note, the following capitalized terms have the following meanings:

"Conversion Event" shall mean the payment by Investor (or an affiliate of Investor) of the Third Inventory Payment (subject to Section 10 of Schedule B of the Master Purchase Agreement).

"Conversion Price" shall mean $_____, subject to adjustment as set forth in this Note.

"Initial Public Offering" shall mean the closing of the Company's first firm commitment underwritten initial public offering of the Company's Common Stock pursuant to a registration statement filed under the Securities Act.

"Investor" shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

"Obligations" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Investor of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising under or pursuant to the terms of this Note, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"Securities Act" shall mean the Securities Act of 1933, as amended.

6. Miscellaneous.

(a) Successors and Assigns; Transfer of this Note or Securities Issuable on Conversion Hereof.

i. Subject to the restrictions on transfer described in this Section 4(a), the rights and obligations of the Company and Investor shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

ii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, in whole or in part, by Investor to any legal entity or person, other than a wholly-owned subsidiary of Investor or in connection with a Change of Control of Investor.

iii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company.

(b) Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and Investor.

(c) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered to each party at the respective addresses of the parties as set forth in the signature page to this Note, or such other address as a party may specify. All such notices and communications will be deemed effectively given the earlier of (i) when delivered personally, (ii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iii) one (1) business day after being deposited with an overnight courier service of recognized standing or (iv) four (4) calendar days after being deposited in the U.S. mail, first class with postage prepaid.

(d) Payment. Unless converted into the Company's equity securities pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(e) Governing Law; Jurisdiction. This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state. For any disputes arising out of or in connection with this Note, the parties consent to the personal and exclusive jurisdiction of, and venue in, the state and federal courts within Santa Clara County, California.

(f) Counterparts. This Note may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Note.

(g) California Corporate Securities Law.

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS NOTE HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE OF SECURITIES IS EXEMPT FROM SUCH QUALIFICATION. THE RIGHTS OF ALL PARTIES TO THIS NOTE ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(h) Severability. In the event that any provision of this Note becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Note shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Note to any party.

(i) Survival of Representations and Warranties. The representations and warranties of the parties contained in or made pursuant to this Note shall survive the execution and delivery of this Note.

[remainder of page intentionally left blank]

The Company has caused this Note to be issued as of the date first written above.

THERANOS, INC.,
a Delaware corporation

By:_____
Its:_____
Address: 3200 Hillview Avenue
Palo Alto, CA 94304

Acknowledged and accepted by Investor:
SAFEWAY INC.

By:_____
Its:_____
Address: 5918 Stoneridge Mall Road
Pleasanton, CA 94588

SCHEDULE G

Food Retailers

Blackhawk Network Participants

Affiliated Foods Southwest, Inc.
Ahold USA
Albertsons LLC
Alex Lee Inc. (incl. Lowe's Food Stores)
Arden Group Inc. (Gelsons)
Associated Food Stores (Salt Lake City)
Associated Grocers, Inc. (Baton Rouge)
Associated Grocers of the South, Inc. (Birmingham)
Associated Wholesale Grocers, Inc.
Associated Wholesalers, Inc.
B & R Stores Inc.
Bashas' Inc.
Bi-Lo, LLC
Big Y Foods Inc.
Binghampton Giant Market, Inc.
Brookshire Grocery Co.
Buehler Food Markets Inc.
Butera Finer Foods, Inc.
C&S Wholesale Grocers Inc. (incl. Grand Union)
Certco Inc. (Madison, WI distributor)
Costco Cos.
D'Agostino Supermarkets Inc.
Dave's Supermarkets, Inc.
Delhaize America Inc (Food Lion, Hannaford, Sweetbay, Kash and Karry)
Foodland Super Markets Ltd.(Honolulu)
Foodmaster Super Markets
Fresh & Easy Neighborhood Market, Inc. (Tesco)
Gerlands Food Fair Inc.
Giant Eagle Inc
Golub Corp. (Price Chopper)
Great A & P Tea Co. (incl. Pathmark)
Grocery Outlet, Inc.
H E Butt Grocery Co.
Haggens Inc.
Harmon City Inc.
Harps Food Stores Inc.
Heinen's Inc.
Hy Vee, Inc.
Ingles Markets Inc.
J.H. Harvey Co., LLC (Harvey's Supermarkets, part of Delhaize)
J. Winkler & Sons Inc. (Indiana)
Key Food Stores Co-op Inc. (NJ)
King Kullen Grocery Co. Inc.
Kings Super Markets Inc.
Kroger Co.
KVAT Food Stores Inc.
Laurel Grocery Company LLC

Marsh Supermarkets Inc.
McKeever Enterprises, Inc.
Meijer, Inc.
Minyard Food Stores Inc.
Moran Foods, Inc.
Nash Finch Co.
Norkus Enterprises Inc. (Foodtown)
Penn Traffic Co.
Piggly Wiggly Holdings, LLC (South Carolina)
Piggly Wiggly Midwest, LLC
Publix Super Markets Inc.
QSI, Inc. (Times Supermarket, Hawaii)
Quick Chek Corporation
Raleys Supermarkets
Reasor's LLC.
Ridley's Food Corp.
Riesbeck Food Markets Inc.
Rosauers Supermarkets Inc.
Roundy's Supermarkets
Rouse Enterprises LLC
Ruddick Corp. (Harris Teeter)
Safeway Inc.
Save Mart Supermarkets Inc.
Schnuck Markets Inc.
Sears Holding Corp. (incl. K-Mart)
ShopKo Stores Inc.
Southern Family Markets LLC (part of C&S)
Stater Bros. Markets
SuperValu Inc.
Tops Markets LLC
Ukrops Super Markets Inc. (now Ahold USA)
Unified Grocers, Inc.
United Supermarkets, LLC
Wakefern Food Corp.
Wegmans Food Markets Inc.
Weis Markets Inc.
Winn-Dixie Stores, Inc.
Woodmans Food Markets Inc.

In the event that Safeway's Blackhawk Network subsidiary adds one or more new partners to its network, Safeway will provide written notice thereof to Theranos, and this Schedule G will be amended to reflect the addition of such new partner(s) without any further action of the parties.

SCHEDULE H

THERANOS PHARMACEUTICAL CLINICAL TRIALS INFRASTRUCTURE

Final terms for extending Theranos' clinical trials infrastructure to Safeway's stores shall be agreed upon following execution of this Agreement. At that time, this Schedule will be completed accordingly, and this Agreement amended, if warranted.

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THERANOS MASTER PURCHASE AGREEMENT

This Master Purchase Agreement ("Agreement") dated September 20, 2010 ("Effective Date") is by and between:

SAFEWAY			
Full Legal Name	Safeway Inc.	Safeway Signatory	Steven A. Burd
Jurisdiction of Incorporation	Delaware	Title	Chief Executive Officer
Principal Business Address	5918 Stoneridge Mall Road Pleasanton, CA 94588-3229	Telephone	(925) 467-3866
Company Phone Number	(925) 467-3000	Email	steve.burd@safeway.com
Company Fax Number	(925) 467-3230		
THERANOS			
Full Legal Name	Theranos, Inc.	Theranos Signatory	Elizabeth Holmes
Jurisdiction of Incorporation	Delaware	Title	President and CEO
Principal Business Address	3200 Hillview Avenue Palo Alto, CA 94304	Telephone	650-470-6111
Company Phone Number	650-838-9292	Email	eholmes@theranos.com
Company Fax Number	650-838-9165		

This Agreement is comprised of:

Schedule A: Program Overview
Schedule B: Purchasing Terms and Conditions
Schedule C: Support and Maintenance Terms
Schedule D: Pricing
Schedule E: Definitions
Schedule F-1: Initial Note
Schedule F-2: Additional Note
Schedule G: Food Retailers
Schedule H: Theranos Pharmaceutical Clinical Trials Infrastructure

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The parties agree to the terms set forth in this Agreement, including each attached Schedule, each of which is fully incorporated herein by reference. This Agreement may be signed in counterparts each of which will be deemed an original and together shall constitute one and the same Agreement.

SAFEWAY INC.	THERANOS, INC.
(Authorized Representative - Signature)	(Authorized Representative - Signature)
Steven A Burd (Authorized Representative – Printed)	ELIZABETH HOLMES (Authorized Representative – Printed)
President & CEO (Title)	PRESIDENT & CEO (Title)

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CONFIDENTIAL

OPTION AGREEMENT

This Option Agreement (the "Agreement") is entered into as of this 30 day of July, 2010, by and between Theranos, Inc., a Delaware corporation ("Theranos"), and Safeway Inc., a Delaware corporation ("Safeway").

In consideration of the mutual covenants and agreements set forth herein and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Option to Purchase Convertible Notes.

1.1 Agreement to Sell and Purchase Option to Purchase Convertible Notes. Theranos hereby agrees to issue and sell to Safeway and Safeway agrees to purchase from Theranos, on the terms and conditions included herein, for the purchase price of one dollar ($1.00) (the "Option Purchase Price"), an option (the "Option") to purchase, in Safeway's sole discretion, (i) a convertible promissory note (the "Initial Note") in the face amount of ten million dollars ($10 million) (the "Initial Note Purchase Price") and (ii) a convertible promissory note (the "Additional Note") in the face amount of fifteen million dollars ($15 million) (the "Additional Note Purchase Price"). The Initial Note shall be convertible into shares of Series C-1 Preferred Stock of Theranos upon the payment by Safeway to Theranos of the Third Inventory Pre-Purchase Payment (as defined below), on such further terms and conditions as shall be mutually agreed upon by Theranos and Safeway and set forth in the Initial Note. The Additional Note shall be convertible into shares of the equity security issued by Theranos in its next equity financing (provided that if Theranos' next equity financing does not occur by June 30, 2011, in Safeway's sole discretion, the Additional Note shall be convertible into shares of a series of preferred stock of Theranos equivalent to the Series C-1 Preferred Stock of Theranos, with the price of each such share determined in good faith by the Theranos Board of Directors as of June 30, 2011), on such further terms and conditions as shall be mutually agreed upon by Theranos and Safeway and set forth in the Additional Note.

1.2 Deliveries by Safeway. Safeway hereby delivers to Theranos the Option Purchase Price, paid by cash, check or wire transfer, and an executed copy of this Agreement.

1.3 Deliveries by Theranos. Theranos hereby delivers to Safeway an executed copy of this Agreement as evidence of the issuance of the Option to Safeway.

1.4 Exercisability of the Option. Subject to the terms and conditions included herein, Safeway is entitled, (i) at any time during the period commencing with the execution of the Master Purchase Agreement to be entered into by the parties following the date of this Agreement and ending on the date that is thirty (30) calendar days following the date on which Safeway receives written notice from Theranos of the receipt of the Regulatory Approvals (as defined below) (the "Regulatory Approvals Notice"), to purchase the Initial Note from Theranos, and (ii) at any time during the period commencing with the closing of Theranos' next round of equity financing or, if earlier, June 30, 2011, and ending on the date that is thirty (30) calendar days following the date on which Safeway receives the Regulatory Approvals Notice, to purchase the Additional Note from Theranos. For the avoidance of doubt, Safeway may determine in its sole discretion to exercise the Option with respect to the Initial Note but not to exercise the Option with respect to the Additional Note and vice versa.

1.5 Manner of Exercise. The Option may be exercised by Safeway as to either the Initial Note or the Additional Note by delivery of written notice to Theranos accompanied by payment in

full of the Initial Note Purchase Price and/or the Additional Note Purchase Price, as applicable. The Initial Note Purchase Price and/or the Additional Note Purchase Price may be paid, in Safeway's sole discretion, by (i) cash, check or wire transfer or (ii) by application of the Initial Inventory Pre-Purchase Payment (as defined below) otherwise returnable to Safeway pursuant to the provisions of the Master Purchase Agreement to be entered into by the parties following the date of this Agreement.

1.6 Delivery of the Notes. As soon as practicable after the exercise of the Option, Theranos at its expense will cause the Initial Note and/or the Additional Note, as applicable, to be issued in the name of, and delivered to, Safeway.

2. Representations and Warranties of Theranos. Theranos hereby represents and warrants to Safeway as follows:

2.1 Organization and Standing. Theranos is a corporation duly organized and existing under the laws of the jurisdiction of its incorporation and is in good standing under such laws. Theranos has the requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted.

2.2 Corporate Power. Theranos has all requisite corporate power to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement. Theranos has all requisite corporate power to sell and issue the Option hereunder. This Agreement constitutes a valid and legally binding obligation of Theranos, enforceable against Theranos in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

2.3 No Conflicts. The execution, delivery and performance by Theranos of this Agreement, the compliance herewith, the issuance by Theranos of the Option and the consummation of the transactions contemplated hereby will not result in any violation of and will not conflict with, or result in a breach of any of the terms of, or constitute a default under, (i) to Theranos' knowledge, any provision of any federal, state or other applicable statute, rule or regulation applicable to Theranos the violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of Theranos, (ii) Theranos' Certificate of Incorporation or Bylaws, as amended and in effect on the date hereof, or (iii) to Theranos' knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which Theranos is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of Theranos, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of Theranos pursuant to any such term.

2.4 Disclosure. Theranos has fully provided Safeway with information that Safeway has requested for deciding whether to purchase the Option and all information that Theranos believes is reasonably necessary to enable Safeway to make such decision. Neither this Agreement, nor any other agreements, statements or certificates made or delivered in connection herewith or therewith contains any untrue statement of a material fact or, when taken together, omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

3. Representations and Warranties of Safeway. Safeway hereby represents and warrants to Theranos with respect to the sale of the Option as follows:

3.1 Authorization. Safeway has the full power and authority to enter into this Agreement and this Agreement constitutes a valid and legally binding obligation of Safeway, enforceable against Safeway in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

3.2 Experience. Safeway is experienced in investing in the securities of development stage companies such as Theranos and acknowledges that investment in the Option, the Initial Note and the Additional Note, as applicable (together with the securities of Theranos issuable upon conversion of the Initial Note and the Additional Note, the "Securities"), involves a number of significant risks. Safeway is able to fend for itself, can bear the economic risk of its investment, including the full loss of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. Safeway also represents it was not organized solely for the purpose of acquiring the Securities.

3.3 Purchase Entirely for Its Own Account. Safeway is acquiring the Securities for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. Safeway understands that the Securities to be purchased have not been registered under the Securities Act of 1933, as amended (the "Act"), by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein.

3.4 Rule 144. Safeway acknowledges that the Securities are "restricted securities" under Rule 144 promulgated under the Act inasmuch as they are being acquired from Theranos in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may not be transferred or resold except as permitted under the Act and the applicable state securities laws, pursuant to registration or an exemption therefrom. Safeway represents that it is aware of the provisions of Rule 144 promulgated under the Act and understands the resale limitations imposed thereby and by the Act. Safeway also understands that Theranos is entering into this Agreement in reliance upon Safeway's representations and warranties contained herein, and that any federal or state exemption is contingent upon, the accuracy of Safeway's representations and warranties in this Agreement.

3.5 No Public Market. Safeway understands that no public market now exists for any of the securities issued by Theranos and that there can be no assurance that a public market will ever exist for the Securities. Accordingly, Safeway understands that it may be required to hold the Securities indefinitely.

3.6 Accredited Safeway. Safeway represents that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Act.

4. Defined Terms.

4.1 "Assay" means any method used for the detection of an analyte (e.g., a biomarker) or multiplexed set of analytes and/or measuring their concentration in a matrix, including, but not limited to, human blood.

4.2 "Cartridge" means Theranos' analytical chips containing biological fluid processing technology and Assays to measure, among other matters, the concentration of specific analytes, including biomarkers in a biological fluid sample.

4.3 "Device" means Theranos' reader capable of running Cartridges, extracting data from a Cartridge or other analytical device, transmitting data to a database hosted by Theranos, communicating with authorized parties and providing analytical information.

4.4 "Initial Inventory Pre-Purchase Payment" means the payment by Safeway to Theranos of ten million dollars ($10 million) to pre-purchase approximately 715,000 units of Cartridge inventory, to be made pursuant to the Master Purchase Agreement to be entered into by the parties following the date of this Agreement.

4.5 "Regulatory Approvals" means Theranos having received such clearances, approvals, authorizations, waivers, licenses, registrations and permits under applicable laws, rules and regulations, including without limitation, the Clinical Laboratory Improvement Amendments of 1988 and the regulations promulgated thereunder, and/or the Federal Food, Drug and Cosmetic Act and the regulations promulgated thereunder, as necessary to use the Device at retail for Current Procedural Terminology (CPT) codes representing at least ninety percent (90%) of retail lab volume.

4.6 "Third Inventory Pre-Purchase Payment" means the payment by Safeway to Theranos of an additional twenty-five million dollars ($25 million) (subject to adjustment for any inventory pre-purchase amounts returnable to Safeway by Theranos and applied by Safeway to the purchase of the Initial Note and/or the Additional Note) to Theranos to pre-purchase approximately 1,785,715 units of Cartridge inventory, to be made pursuant to the Master Purchase Agreement to be entered into by the parties following the date of this Agreement.

5. Miscellaneous.

5.1 Governing Law. This Agreement and all actions arising out of or in connection with this Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state.

5.2 Successors and Assigns. The rights and obligations of Theranos and Safeway shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

5.3 Amendment. Any provision of this Agreement may be amended, waived or modified upon the written consent of Theranos and Safeway.

5.4 Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and shall be faxed, mailed or delivered to each party at the respective addresses of the parties as set forth in the signature page to this Agreement. All such notices and communications will be deemed effectively given the earlier of (i) when received, (ii) when delivered personally, (iii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iv) one (1) business day after being deposited with an overnight courier service of recognized standing or (v) four (4) calendar days after being deposited in the U.S. mail, first class with postage prepaid.

5.5 California Corporate Securities Law.

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE OF SECURITIES IS EXEMPT FROM SUCH QUALIFICATION. THE RIGHTS OF

ALL PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

5.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

5.7 Severability. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Agreement to any party.

5.8 Survival of Representations and Warranties. The representations and warranties of the parties contained in or made pursuant to this Agreement shall survive the execution and delivery of this Agreement.

5.9 Conflict with Terms of the Master Purchase Agreement, Initial Note and Additional Note. In the event that any of the terms of this Agreement conflict with the terms contained in the Master Purchase Agreement, the Initial Note or the Additional Note, such terms contained in the Master Purchase Agreement, the Initial Note or the Additional Note, respectively, shall govern and control.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Option Agreement is hereby executed as of the date first above written.

SAFEWAY INC.

Robert A Gordon
(Authorized Representative - Signature)

Robert A Gordon
(Authorized Representative – Printed)

SVP
(Title)

Address:
5918 Stoneridge Mall Road
Pleasanton, CA 94588-3229

THERANOS, INC.

(Authorized Representative - Signature)

Elizabeth Holmes
(Authorized Representative – Printed)

President & CEO
(Title)

Address:
3200 Hillview Avenue
Palo Alto, CA 94304

[SIGNATURE PAGE TO OPTION AGREEMENT]

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CONFIDENTIAL DISCLOSURE AGREEMENT

This Confidential Disclosure Agreement ("Agreement") is entered into as of March 22, 2010, by and between Theranos, Inc., and its affiliates and subsidiaries, with offices located at 3200 Hillview Avenue, Palo Alto, California 94304 and Safeway Inc. with offices located at 5918 Stoneridge Mall Road, Pleasanton, California 94588-3229. Each party is in possession of Confidential Information (defined below), and each party desires the ability to disclose Confidential Information to the other. The parties agree that this Agreement will govern, and, to the extent Confidential Information has been exchanged, has governed, the parties' disclosures of Confidential Information.

1. Definition. "Confidential Information" means all information the disclosing party ("Discloser") discloses to the other party ("Recipient"). Confidential Information may not be marked as such at the time of disclosure and will still be considered Discloser's Confidential Information so long as Discloser identified or designated the information as confidential at the time of disclosure (or like designation), or disclosed the information in circumstances of confidence, or the information would be reasonably understood by the parties exercising reasonable business judgment to be confidential. "Confidential Information" does not include information which: (a) is or becomes generally known through no fault of Recipient; (b) is known to Recipient at the time of disclosure, as evidenced by its records; (c) is hereafter furnished to Recipient by a third party as a matter of right and without restriction on disclosure; (d) is independently developed by Recipient without reference to or use of the Confidential Information; (e) is disclosed in response to a valid order of a court or other governmental body or is otherwise required by law to be disclosed, provided Recipient gives sufficient notice to Discloser to enable it to take protective measures; or, (f) is otherwise necessary to establish rights or enforce obligations under this Agreement, but only to the extent that any such disclosure is necessary.

2. Protection and Use. Recipient will use a reasonable degree of care to maintain all of Discloser's Confidential Information in trust and confidence and will neither disclose to any third party nor use any of Discloser's Confidential Information without Discloser's express prior written consent. Recipient may only disclose Discloser's Confidential Information, or any part thereof, to those of Recipient's employees or representatives on a need-to-know basis (it being agreed that Recipient shall be responsible for any breach of this Agreement by its employees and representatives). Recipient acknowledges and agrees that Discloser's Confidential Information may not be used for any purpose or in any manner that would constitute a violation of any laws or regulations, including, without limitation, the export control laws of the United States and, if the Confidential Information constitutes material non-public information, the Securities Exchange Act of 1934, as amended. No rights or licenses to intellectual property in Confidential Information are granted by either party to the other under this Agreement, whether express, implied or otherwise. All Confidential Information will remain the property of the disclosing party (and its licensors, if any). All Confidential Information disclosed under this Agreement is provided on an "AS IS" basis, without any warranty, assurance or guarantee of any kind.

3. Term and Termination. This Agreement will remain in effect as long as the parties continue to exchange Confidential Information, except that this Agreement may be terminated by either party at any time upon 30 days' prior written notice to the other party, or at any time upon written notice for reason of material breach by the other party. The obligations imposed on Recipient shall survive until such time as the Confidential Information Discloser disclosed under this Agreement becomes publicly available and/or made generally known through no action or inaction of Recipient. All Confidential Information (including all copies and derivatives thereof) will be returned to Discloser, or destroyed/erased, promptly at any time upon the request of Discloser, and in any event, upon termination of this Agreement. Discloser may request, and Recipient shall provide, a certification executed by an authorized representative in support of this obligation.

4. General. The laws of the State of California, excluding its conflicts of law principles, will govern this Agreement. Each party agrees that any violation of this Agreement will cause irreparable injury to the other party, entitling the other party to seek injunctive relief (without the necessity of proving damages), specific performance, and such further relief as may be granted by an appropriate court. This Agreement is the complete agreement of the parties regarding the subject matter hereof and supersedes all prior and contemporaneous agreements relating to its subject matter. This Agreement may not be amended except in a writing signed by both parties. This Agreement may not be assigned without the prior written consent of the other party. If any provision of this Agreement is found to be unenforceable, that provision will be severed and the remainder of this Agreement will continue in full force and effect. Any notices required or permitted hereunder will be given to the appropriate party at the address specified above or at such other address as the party specifies in writing. Such notice will be deemed given upon (i) personal delivery; (ii) five days after the date of mailing if sent by certified mail, postage prepaid; or (iii) one day after having been sent by either confirmed facsimile or by commercial overnight courier with verification of receipt.

Theranos, Inc.

By: _____

Name: _____

Title: _____

Safeway Inc.

By: K. M. Shachmut

Name: KENNETH M. SHACHMUT

Title: SR. VICE PRESIDENT

(January 2010)

This document was produced natively

CONVERTIBLE NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES 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 SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THERANOS, INC.

CONVERTIBLE PROMISSORY NOTE

$10,000,000 December 30, 2011

FOR VALUE RECEIVED, Tehran's, Inc., a Delaware corporation (the "Company") promises to pay to Safeway Inc., a Delaware corporation ("Investor"), or its registered assigns, in lawful money of the United States of America the principal sum of Ten Million Dollars ($10,000,000), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Convertible Promissory Note (this "Note") on the unpaid principal balance at a rate equal to 0.79 percent (0.79%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the Maturity Date (as defined below) in accordance with the terms hereof. This Note is issued pursuant to that certain Master Purchase Agreement by and between the Company and Investor dated September 20, 2010 (the "Master Purchase Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Purchase Agreement.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Payments.

(a) Interest. Accrued interest on this Note shall be payable on the Maturity Date.

(b) The "Maturity Date" shall be the earlier of:

i. the date of the Company's Initial Public Offering;

ii. the effective date of a Change of Control of the Company;

iii. thirty (30) calendar days following expiration or termination of the Master Purchase Agreement;

iv. when, upon or after the occurrence of an Event of Default, the amounts due and payable under this Note are declared due and payable by Investor or made automatically due and payable in accordance with the terms hereof; or

v. December 30, 2016.

(c) No Usury. This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to Investor hereunder

for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of this Note, or any provision hereof, involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and Investor that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (i) the agreed rate of interest set forth in this Note, or (ii) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal. The provisions of this paragraph shall never be superseded or waived and shall control every other provision of this Note.

(d) Voluntary Prepayment. Unless waived in writing by the Company, if the Third Inventory Payment is not made in accordance with, and subject to, the Master Purchase Agreement within thirty (30) days after the Company notifies Investor in writing that such Third Inventory Payment is due pursuant to the Master Purchase Agreement, the Company has the right to repay this Note without penalty, in whole or in part, plus any accrued and unpaid interest on the portion being prepaid, and Investor is obligated to accept full repayment of the Note within thirty (30) calendar days from the date of Company's written request.

(e) Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note:

i. Acceleration due to Bankruptcy or Insolvency Proceedings. (A) The Company shall apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, be unable, or admit in writing its inability, to pay its debts generally as they mature, make a general assignment for the benefit of itself or any of its creditors, be dissolved or liquidated, become insolvent (as such term may be defined or interpreted under any applicable statute), commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or take any action for the purpose of effecting any of the foregoing; or (B) proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within thirty (30) calendar days of commencement;

ii. Failure to Pay. The Company shall fail to pay (A) when due any principal or interest payment on the due date hereunder or (B) any other payment required under the terms of this Note on the date due and such payment shall not have been made within thirty (30) calendar days of the Company's receipt of Investor's written notice to the Company of such failure to pay;

iii. Covenant. The Company fails or neglects to perform, keep or observe any other term, provision, covenant or agreement contained in this Note and as to any such default under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure such default within thirty (30) calendar days after the occurrence of such default;

iv. Attachments; Levies. Any material portion of the Company's assets is attached, seized, subjected to writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and

such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within thirty (30) calendar days, or the Company is enjoined, restrained, or in any way prevented by court order from continuing to conduct all or any material part of its business affairs, or a judgment or other claim becomes a lien or encumbrance upon any material portion of the Company's assets, or a notice of lien, levy or assessment is filed of record with respect to any of the Company's assets by the United States government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within thirty (30) calendar days after the Company receives notice thereof; or

v. Enforceability. This Note shall in any material respect cease to be, or the Company asserts that this Note is not, a legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(f) Rights of Investor upon Default. Upon the occurrence or existence of any Event of Default (other than an Event of Default described in Section 1(c)(i)) and at any time thereafter during the continuance of such Event of Default, Investor may, by written notice to the Company, declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. Upon the occurrence or existence of any Event of Default described in Section 1(c)(i), immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Investor may exercise any other right power or remedy granted to it by this Note or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Investor as of the date of issuance as follows:

(a) Organization and Standing; Certificate of Incorporation and Bylaws. The Company is a corporation duly organized and existing under the laws of the jurisdiction of its incorporation and is in good standing under such laws. The Company has the requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted.

(b) Corporate Power. The Company has all requisite corporate power to execute, issue, sell, perform under, and deliver this Note. This Note constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(c) No Violation or Default. The Company is not in violation of or default on any term of its Certificate of Incorporation or Bylaws, or other charter documents, as each is in effect on the date hereof, or, to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company or, to the Company's knowledge, of any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company a violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company.

(d) No Conflict. The execution, delivery and performance by the Company of this Note will not conflict with, or result in a breach of any of the terms of, or constitute a default under, (i) to the Company's knowledge, any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company the violation of which would have a material adverse effect

on the condition, financial or otherwise, business or operations of the Company, (ii) the Company's Certificate of Incorporation or Bylaws, as amended and in effect on the date hereof, or (iii) to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company pursuant to any such term.

(e) Capitalization; Preemptive Rights; Compliance with Securities Laws.

i. Concurrently with the execution and delivery of this Note and immediately prior to the conversion of this Note, the Company shall deliver to the Investor a copy of the Charter and a schedule showing the capitalization of the Company as of such date, certified by the President or Chief Financial Officer of the Company as being true and correct. Such capitalization schedule shall include (A) the number of shares of each series and class of preferred stock (the "Existing Preferred Stock") that are issued and outstanding as of such date; (B) the number of shares of each series and class of Common Stock (such Common Stock together with the Existing Preferred Stock, the "Shares") that are issued and outstanding as of such date; (C) the number of Shares or other securities that the Company has reserved for issuance upon conversion of each class and series of the Shares; (D) the number of Shares or other securities reserved for issuance to employees, consultants and directors pursuant to each outstanding stock option or other equity incentive plan and the number of Shares or other securities issuable upon exercise or conversion of issued and outstanding options or other securities outstanding under each such plan; and (E) the number of Shares or other securities reserved for issuance upon exercise or conversion of outstanding warrants or other securities exercisable for or convertible into Shares or other securities.

ii. All issued and outstanding shares of the Company's Common Stock and Existing Preferred Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable and have been approved by all requisite stockholder action, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

iii. The shares of the Series C-1 (as defined below), when issued and delivered in compliance with the provisions of this Note will be validly issued, fully paid and nonassessable. The reservation of shares of Common Stock for issuance upon conversion of the Series C-1 (the "Conversion Shares") have been duly and validly reserved and, when issued in compliance with the provisions of this Note, the Charter and applicable law, will be validly issued, fully paid and nonassessable. The Series C-1 and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investor; provided, however, that the Series C-1 and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein and in the applicable rights agreement.

iv. Except for the conversion privileges of the Existing Preferred Stock, the rights provided pursuant to the applicable rights and co-sale agreements, or as otherwise described in this Note, there are no options, warrants or other rights to purchase any of the Company's authorized and unissued capital stock

(f) Litigation. There are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency, including, without limitation, any action that questions the validity of the Master Purchase Agreement or this Note or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby. The

Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality

(g) Intellectual Property.

i. Rights. The Company owns or possesses or can obtain on commercially reasonable terms sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, processes and other proprietary rights ("Intellectual Property") necessary to the business of the Company as presently conducted and as now proposed to be conducted in the Company's business plan or other written materials provided to Investor. The Company has not violated or infringed, and by operating its business as currently proposed to be conducted will not violate or infringe, any Intellectual Property of any other person or entity; provided, however, that the Company's representation in this sentence is made only to the Company's knowledge with respect to patent rights and trademark rights. The Company owns all right, title, and interest in and to each such patent and patent application. The Company has not received any communications alleging that the Company has violated or infringed on any Intellectual Property of any other person or entity.

ii. Licenses; Other Agreements. The Company has not granted, and there are not outstanding, any options, licenses or agreements relating to the Intellectual Property, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity.

iii. Proprietary Information and Invention Assignment. Each current and former employee and consultant of the Company has executed a confidential information and invention assignment agreement, substantially in the form delivered to counsel for Investor. No employee has excluded any inventions or intellectual property from assignment to the Company under such confidential information and invention assignment agreement. The Company is not aware that any employee or consultant of the Company is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any judgment, decree or order of any court or administrative agency, or any other restriction that would interfere with the use of his or her best efforts to carry out his or her duties for the Company or to promote the interests of the Company or that would conflict with the Company's business as proposed to be conducted. The carrying on of the Company's business by the employees and consultants of the Company and the conduct of the Company's business as presently proposed, will not, to the Company's knowledge, conflict with or result in a material breach of the terms, conditions or provisions of, or constitute a default under, any material contract, covenant or instrument under which any of such employees or consultants or the Company is now obligated. The Company does not presently believe it is or will be necessary to utilize any inventions of any existing employees of the Company made prior to their employment by the Company. To the Company's knowledge, at no time during the conception of or reduction of any of the Company's proprietary assets to practice was any developer, inventor or other contributor thereto subject to any employment agreement or invention assignment or nondisclosure agreement or other obligation with any third party that could reasonably be expected to adversely affect the Company's rights in such proprietary assets.

(h) Interest Rate. Theranos has not issued any promissory note or other debt instrument to a retailer or other partner with an interest rate greater than 0.79% per annum.

(i) Disclosure. The Company has fully provided Investor with information that Investor has requested for deciding whether to purchase the Securities (as defined below) and all information that the Company believes is reasonably necessary to enable Investor to make such decision. Neither this Note, nor any other agreements, statements or certificates made or delivered in connection herewith or therewith contains any untrue statement of a material fact or, when taken

together, omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

3. Representations and Warranties of Investor. Investor hereby represents and warrants to the Company with respect to the sale of this Note, and the issuance of the securities issuable upon conversion of this Note (and any shares of common stock or other securities issued upon conversion of such securities) (collectively, the "Securities") as of the date of issuance as follows:

(a) Authorization. Investor has the full power and authority to enter into this Note and this Note constitutes a valid and legally binding obligation of Investor, enforceable against Investor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(b) Experience. Investor is experienced in investing in the securities of development stage companies such as the Company and acknowledges that investment in the Securities involves a number of significant risks. Investor is able to fend for itself, can bear the economic risk of its investment, including the full loss of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. Investor also represents it was not organized solely for the purpose of acquiring the Securities.

(c) Purchase Entirely for Its Own Account. Investor is acquiring the Securities for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. Investor understands that the Securities to be purchased have not been registered under the Securities Act of 1933, as amended (the "Act"), by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein.

(d) Rule 144. Investor acknowledges that the Securities are "restricted securities" under Rule 144 promulgated under the Act inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may not be transferred or resold except as permitted under the Act and the applicable state securities laws, pursuant to registration or an exemption therefrom. Investor represents that it is aware of the provisions of Rule 144 promulgated under the Act and understands the resale limitations imposed thereby and by the Act. Investor also understands that the Company is entering into this Note in reliance upon Investor's representations and warranties contained herein, and that any federal or state exemption is contingent upon, the accuracy of Investor's representations and warranties in this Note.

(e) No Public Market. Investor understands that no public market now exists for any of the securities issued by the Company and that there can be no assurance that a public market will ever exist for the Securities. Accordingly, Investor understands that it may be required to hold the Securities indefinitely.

(f) Accredited Investor. Investor represents that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Act.

4. Conversion.

(a) Optional Conversion. At any time on or following the occurrence of a Conversion Event, Investor may elect to convert the entire outstanding principal amount of this Note into fully paid and nonassessable shares of the Company's Series C-1 Preferred Stock (the "Series C-1") at the Conversion Price. All accrued and unpaid interest on this Note shall be paid in full in cash and not in shares of capital stock upon the occurrence of a Conversion Event.

(b) Conversion Procedure.

i. Conversion Pursuant to Section 4(a). Before Investor shall be entitled to convert this Note into shares of Series C-1, it shall surrender this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and give written notice to the Company at its principal corporate office of the election to convert the same pursuant to Section 4(a). Upon such conversion of this Note, Investor hereby agrees to execute and deliver to the Company a purchase agreement and other ancillary agreements (including, without limitation, an investor rights agreement providing for customary registration, information and preemptive rights), with customary representations and warranties and transfer restrictions (including, without limitation, a 180-day lock-up agreement in connection with an Initial Public Offering). The Company shall, as soon as practicable thereafter, issue and deliver to such Investor a certificate or certificates for the number of shares of Series C-1 to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in Section 4(b)(ii). On and after the date of conversion the Persons who have received the shares of Series C-1 issuable upon such conversion shall be treated for all purposes as the record holder of such shares.

ii. Fractional Shares; Interest; Effect of Conversion. No fractional shares shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable Conversion Price by the fraction of a share not issued pursuant to the previous sentence. The Company shall pay to Investor any interest accrued on the amount converted and on the amount to be paid to Investor pursuant to the previous sentence in cash and not in shares of capital stock upon the conversion of this Note. Upon conversion of this Note in full and the payment of the amounts specified in this Section 4, the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation.

iii. Adjustments. Notwithstanding anything herein to the contrary, if the Company issues shares of preferred stock or other securities conferring the right to purchase shares of preferred stock of the Company or securities convertible into, or exchangeable for (with or without additional consideration), preferred stock of the Company at any time prior to the conversion of this Note, then the conversion price shall not be greater than the lowest price per share paid in such issuance. If the Company shall at any time prior to the issuance of the shares of Series C-1 or other shares issuable upon conversion of this Note subdivide such shares (by stock split, stock dividend or the like) or combine such shares (by reverse split or the like), the number of such shares issuable on the conversion of this Note shall be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of shares issuable upon conversion of this Note (as adjusted) shall remain the same.

5. Definitions. As used in this Note, the following capitalized terms have the following meanings:

"Conversion Event" shall mean the payment by Investor (or an affiliate of Investor) of the Third Inventory Payment (subject to Section 10 of Schedule B of the Master Purchase Agreement).

"Conversion Price" shall be $15.00, subject to adjustment as set forth in this Note.

"Initial Public Offering" shall mean the closing of the Company's first firm commitment underwritten initial public offering of the Company's Common Stock pursuant to a registration statement filed under the Securities Act.

"Investor" shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

"Obligations" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Investor of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising under or pursuant to the terms of this Note, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"Securities Act" shall mean the Securities Act of 1933, as amended.

6. Miscellaneous.

(a) Successors and Assigns; Transfer of this Note or Securities Issuable on Conversion Hereof.

i. Subject to the restrictions on transfer described in this Section 4(a), the rights and obligations of the Company and Investor shall be binding upon and benefit the permitted successors, assigns, heirs, administrators and transferees of the parties.

ii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, in whole or in part, by Investor to any legal entity or person, other than a wholly-owned subsidiary of Investor or in connection with a Change of Control of Investor.

iii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company.

(b) Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and Investor.

(c) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered to each party at the respective addresses of the parties as set forth in the signature page to this Note, or such other address as a party may specify. All such notices and communications will be deemed effectively given the earlier of (i) when delivered personally, (ii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iii) one (1) business day after being deposited with an overnight courier service of recognized standing or (iv) four (4) calendar days after being deposited in the U.S. mail, first class with postage prepaid.

(d) Payment. Unless converted into the Company's equity securities pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(e) Governing Law; Jurisdiction. This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of California,

without regard to the conflicts of law provisions of the State of California, or of any other state. For any disputes arising out of or in connection with this Note, the parties consent to the personal and exclusive jurisdiction of, and venue in, the state and federal courts within Santa Clara County, California.

(f) Counterparts. This Note may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Note.

(g) California Corporate Securities Law.

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS NOTE HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE OF SECURITIES IS EXEMPT FROM SUCH QUALIFICATION. THE RIGHTS OF ALL PARTIES TO THIS NOTE ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(h) Severability. In the event that any provision of this Note becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Note shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Note to any party.

(i) Survival of Representations and Warranties. The representations and warranties of the parties contained in or made pursuant to this Note shall survive the execution and delivery of this Note.

[remainder of page intentionally left blank]

The Company has caused this Note to be issued as of the date first written above.

THERANOS, INC.,
a Delaware corporation

By:_____
Its: CEO
Address: 3200 Hillview Avenue
Palo Alto, CA 94304

Acknowledged and accepted by Investor:
SAFEWAY INC.

By:_____
Its:_____
Address: 5918 Stoneridge Mall Road
Pleasanton, CA 94588

This document was produced natively

CONVERTIBLE NOTE

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES 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 SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ISSUER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION OTHERWISE COMPLIES WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THERANOS, INC.

CONVERTIBLE PROMISSORY NOTE

$15,000,000 December 30, 2011

FOR VALUE RECEIVED, Theranos, Inc., a Delaware corporation (the "Company") promises to pay to Safeway Inc., a Delaware corporation ("Investor"), or its registered assigns, in lawful money of the United States of America the principal sum of Fifteen Million Dollars ($15,000,000), or such lesser amount as shall equal the outstanding principal amount hereof, together with interest from the date of this Convertible Promissory Note (this "Note") on the unpaid principal balance at a rate equal to 0.79 percent (0.79%) per annum, computed on the basis of the actual number of days elapsed and a year of 365 days. All unpaid principal, together with any then unpaid and accrued interest and other amounts payable hereunder, shall be due and payable on the Maturity Date (as defined below) in accordance with the terms hereof. This Note is issued pursuant to that certain Master Purchase Agreement by and between the Company and Investor dated September 20, 2010 (the "Master Purchase Agreement"). All capitalized terms used but not defined herein shall have the meanings ascribed to them in the Master Purchase Agreement.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Payments.

(a) Interest. Accrued interest on this Note shall be payable on the Maturity Date.

(b) The "Maturity Date" shall be the earlier of:

i. the date of the Company's Initial Public Offering;

ii. the effective date of a Change of Control of the Company;

iii. thirty (30) calendar days following expiration or termination of the Master Purchase Agreement;

iv. when, upon or after the occurrence of an Event of Default, the amounts due and payable under this Note are declared due and payable by Investor or made automatically due and payable in accordance with the terms hereof; or

v. December 30, 2016.

(c) No Usury. This Note is hereby expressly limited so that in no event whatsoever, whether by reason of deferment or advancement of loan proceeds, acceleration of maturity of the loan evidenced hereby, or otherwise, shall the amount paid or agreed to be paid to Investor hereunder

for the loan, use, forbearance or detention of money exceed the maximum interest rate permitted by the laws of the State of California. If at any time the performance of this Note, or any provision hereof, involves a payment exceeding the limit of the price that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and Investor that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (i) the agreed rate of interest set forth in this Note, or (ii) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal. The provisions of this paragraph shall never be superseded or waived and shall control every other provision of this Note.

(d) Voluntary Prepayment. Unless waived in writing by the Company, if the Third Inventory Payment is not made in accordance with, and subject to, the Master Purchase Agreement within thirty (30) days after the Company notifies Investor in writing that such Third Inventory Payment is due pursuant to the Master Purchase Agreement, the Company has the right to repay this Note without penalty, in whole or in part, plus any accrued and unpaid interest on the portion being prepaid, and Investor is obligated to accept full repayment of the Note within thirty (30) calendar days from the date of Company's written request.

(e) Events of Default. The occurrence of any of the following shall constitute an "Event of Default" under this Note:

i. Acceleration due to Bankruptcy or Insolvency Proceedings. (A) The Company shall apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or a substantial part of its property, be unable, or admit in writing its inability, to pay its debts generally as they mature, make a general assignment for the benefit of itself or any of its creditors, be dissolved or liquidated, become insolvent (as such term may be defined or interpreted under any applicable statute), commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or take any action for the purpose of effecting any of the foregoing; or (B) proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or of all or a substantial part of the property thereof, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company or the debts thereof under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be dismissed or discharged within thirty (30) calendar days of commencement;

ii. Failure to Pay. The Company shall fail to pay (A) when due any principal or interest payment on the due date hereunder or (B) any other payment required under the terms of this Note on the date due and such payment shall not have been made within thirty (30) calendar days of the Company's receipt of Investor's written notice to the Company of such failure to pay;

iii. Covenant. The Company fails or neglects to perform, keep or observe any other term, provision, covenant or agreement contained in this Note and as to any such default under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure such default within thirty (30) calendar days after the occurrence of such default;

iv. Attachments; Levies. Any material portion of the Company's assets is attached, seized, subjected to writ or distress warrant, or is levied upon, or comes into the possession of any trustee, receiver or person acting in a similar capacity and such attachment, seizure, writ or distress warrant or levy has not been removed, discharged or rescinded within thirty (30) calendar days, or the Company is enjoined, restrained, or in any way

prevented by court order from continuing to conduct all or any material part of its business affairs, or a judgment or other claim becomes a lien or encumbrance upon any material portion of the Company's assets, or a notice of lien, levy or assessment is filed of record with respect to any of the Company's assets by the United States government, or any department, agency, or instrumentality thereof, or by any state, county, municipal, or governmental agency, and the same is not paid within thirty (30) calendar days after the Company receives notice thereof; or

v. Enforceability. This Note shall in any material respect cease to be, or the Company asserts that this Note is not, a legal, valid and binding obligation of the Company enforceable in accordance with its terms.

(f) Rights of Investor upon Default. Upon the occurrence or existence of any Event of Default (other than an Event of Default described in Section 1(c)(i)) and at any time thereafter during the continuance of such Event of Default, Investor may, by written notice to the Company, declare all outstanding Obligations payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. Upon the occurrence or existence of any Event of Default described in Section 1(c)(i), immediately and without notice, all outstanding Obligations payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived. In addition to the foregoing remedies, upon the occurrence or existence of any Event of Default, Investor may exercise any other right power or remedy granted to it by this Note or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Investor as of the date of issuance as follows:

(a) Organization and Standing; Certificate of Incorporation and Bylaws. The Company is a corporation duly organized and existing under the laws of the jurisdiction of its incorporation and is in good standing under such laws. The Company has the requisite corporate power and authority to own and operate its properties and assets, and to carry on its business as presently conducted.

(b) Corporate Power. The Company has all requisite corporate power to execute, issue, sell, perform under, and deliver this Note. This Note constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(c) No Violation or Default. The Company is not in violation of or default on any term of its Certificate of Incorporation or Bylaws, or other charter documents, as each is in effect on the date hereof, or, to the Company's knowledge, any provision of any mortgage, indenture, contract, agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company or, to the Company's knowledge, of any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company a violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company.

(d) No Conflicts. The execution, delivery and performance by the Company of this Note will not conflict with, or result in a breach of any of the terms of, or constitute a default under, (i) to the Company's knowledge, any provision of any federal, state or other applicable statute, rule or regulation applicable to the Company the violation of which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, (ii) the Company's Certificate of Incorporation or Bylaws, as amended and in effect on the date hereof, or (iii) to the Company's knowledge, any provision of any mortgage, indenture, contract,

agreement, instrument, judgment, decree, order, rule or regulation or other restriction to which the Company is a party or by which it is bound, the breach of or default under which would have a material adverse effect on the condition, financial or otherwise, business or operations of the Company, or result in the creation of any mortgage, pledge, lien, encumbrance or charge upon any of the properties or assets of the Company pursuant to any such term.

(e) Capitalization; Preemptive Rights; Compliance with Securities Laws.

i. Concurrently with the execution and delivery of this Note and immediately prior to the conversion of this Note, the Company shall deliver to the Investor a copy of the Charter and a schedule showing the capitalization of the Company as of such date, certified by the President or Chief Financial Officer of the Company as being true and correct. Such capitalization schedule shall include (A) the number of shares of each series and class of preferred stock (the "Existing Preferred Stock") that are issued and outstanding as of such date; (B) the number of shares of each series and class of Common Stock (such Common Stock together with the Existing Preferred Stock, the "Shares") that are issued and outstanding as of such date; (C) the number of Shares or other securities that the Company has reserved for issuance upon conversion of each class and series of the Shares; (D) the number of Shares or other securities reserved for issuance to employees, consultants and directors pursuant to each outstanding stock option or other equity incentive plan and the number of Shares or other securities issuable upon exercise or conversion of issued and outstanding options or other securities outstanding under each such plan; and (E) the number of Shares or other securities reserved for issuance upon exercise or conversion of outstanding warrants or other securities exercisable for or convertible into Shares or other securities.

ii. All issued and outstanding shares of the Company's Common Stock and Existing Preferred Stock (i) have been duly authorized and validly issued and are fully paid and nonassessable and have been approved by all requisite stockholder action, and (ii) were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

iii. The shares of the Preferred Stock (as defined below), when issued and delivered in compliance with the provisions of this Note will be validly issued, fully paid and nonassessable. The reservation of shares of Common Stock for issuance upon conversion of the Preferred Stock (the "Conversion Shares") have been duly and validly reserved and, when issued in compliance with the provisions of this Note, the Charter and applicable law, will be validly issued, fully paid and nonassessable. The Preferred Stock and the Conversion Shares will be free of any liens or encumbrances, other than any liens or encumbrances created by or imposed upon the Investor; provided, however, that the Preferred Stock and the Conversion Shares are subject to restrictions on transfer under U.S. state and/or federal securities laws and as set forth herein and in the applicable rights agreement.

iv. Except for the conversion privileges of the Existing Preferred Stock, the rights provided pursuant to the applicable rights and co-sale agreements, or as otherwise described in this Note, there are no options, warrants or other rights to purchase any of the Company's authorized and unissued capital stock

(f) Litigation. There are no actions, suits, proceedings or investigations pending against the Company or its properties (nor has the Company received written notice of any threat thereof) before any court or governmental agency, including, without limitation, any action that questions the validity of the Master Purchase Agreement or this Note or the right of the Company to enter into them, or the right of the Company to perform its obligations contemplated thereby. The Company is not a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or government agency or instrumentality

(g) Intellectual Property.

i. Rights. The Company owns or possesses or can obtain on commercially reasonable terms sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses (software or otherwise), information, processes and other proprietary rights ("Intellectual Property") necessary to the business of the Company as presently conducted and as now proposed to be conducted in the Company's business plan or other written materials provided to Investor. The Company has not violated or infringed, and by operating its business as currently proposed to be conducted will not violate or infringe, any Intellectual Property of any other person or entity; provided, however, that the Company's representation in this sentence is made only to the Company's knowledge with respect to patent rights and trademark rights. The Company owns all right, title, and interest in and to each such patent and patent application. The Company has not received any communications alleging that the Company has violated or infringed on any Intellectual Property of any other person or entity.

ii. Licenses; Other Agreements. The Company has not granted, and there are not outstanding, any options, licenses or agreements relating to the Intellectual Property, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity.

iii. Proprietary Information and Invention Assignment. Each current and former employee and consultant of the Company has executed a confidential information and invention assignment agreement, substantially in the form delivered to counsel for Investor. No employee has excluded any inventions or intellectual property from assignment to the Company under such confidential information and invention assignment agreement. The Company is not aware that any employee or consultant of the Company is obligated under any agreement (including licenses, covenants or commitments of any nature) or subject to any judgment, decree or order of any court or administrative agency, or any other restriction that would interfere with the use of his or her best efforts to carry out his or her duties for the Company or to promote the interests of the Company or that would conflict with the Company's business as proposed to be conducted. The carrying on of the Company's business by the employees and consultants of the Company and the conduct of the Company's business as presently proposed, will not, to the Company's knowledge, conflict with or result in a material breach of the terms, conditions or provisions of, or constitute a default under, any material contract, covenant or instrument under which any of such employees or consultants or the Company is now obligated. The Company does not presently believe it is or will be necessary to utilize any inventions of any existing employees of the Company made prior to their employment by the Company. To the Company's knowledge, at no time during the conception of or reduction of any of the Company's proprietary assets to practice was any developer, inventor or other contributor thereto subject to any employment agreement or invention assignment or nondisclosure agreement or other obligation with any third party that could reasonably be expected to adversely affect the Company's rights in such proprietary assets.

(h) Interest Rate. Theranos has not issued any promissory note or other debt instrument to a retailer or other partner with an interest rate greater than 0.79% per annum.

(i) Disclosure. The Company has fully provided Investor with information that Investor has requested for deciding whether to purchase the Securities (as defined below) and all information that the Company believes is reasonably necessary to enable Investor to make such decision. Neither this Note, nor any other agreements, statements or certificates made or delivered in connection herewith or therewith contains any untrue statement of a material fact or, when taken together, omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances under which they were made, not misleading.

3. **Representations and Warranties of Investor**. Investor hereby represents and warrants to the Company with respect to the sale of this Note, and the issuance of the securities issuable upon conversion of this Note (and any shares of common stock or other securities issued upon conversion of such securities) (collectively, the "Securities") as of the date of issuance as follows:

(a) Authorization. Investor has the full power and authority to enter into this Note and this Note constitutes a valid and legally binding obligation of Investor, enforceable against Investor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and to general equitable principles of law.

(b) Experience. Investor is experienced in investing in the securities of development stage companies such as the Company and acknowledges that investment in the Securities involves a number of significant risks. Investor is able to fend for itself, can bear the economic risk of its investment, including the full loss of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Securities. Investor also represents it was not organized solely for the purpose of acquiring the Securities.

(c) Purchase Entirely for Its Own Account. Investor is acquiring the Securities for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. Investor understands that the Securities to be purchased have not been registered under the Securities Act of 1933, as amended (the "Act"), by reason of a specific exemption from the registration provisions of the Act which depends upon, among other things, the bona fide nature of the investment intent as expressed herein.

(d) Rule 144. Investor acknowledges that the Securities are "restricted securities" under Rule 144 promulgated under the Act inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may not be transferred or resold except as permitted under the Act and the applicable state securities laws, pursuant to registration or an exemption therefrom. Investor represents that it is aware of the provisions of Rule 144 promulgated under the Act and understands the resale limitations imposed thereby and by the Act. Investor also understands that the Company is entering into this Note in reliance upon Investor's representations and warranties contained herein, and that any federal or state exemption is contingent upon, the accuracy of Investor's representations and warranties in this Note.

(e) No Public Market. Investor understands that no public market now exists for any of the securities issued by the Company and that there can be no assurance that a public market will ever exist for the Securities. Accordingly, Investor understands that it may be required to hold the Securities indefinitely.

(f) Accredited Investor. Investor represents that it is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated by the Securities and Exchange Commission under the Act.

4. **Conversion.**

(a) Optional Conversion. At any time on or following the occurrence of a Conversion Event, Investor may elect to convert the entire outstanding principal amount of this Note into fully paid and nonassessable shares of the Company's Series C-1 Preferred Stock (the "Preferred Stock") at the Conversion Price. All accrued and unpaid interest on this Note shall be paid in full in cash and not in shares of capital stock upon the occurrence of a Conversion Event.

(b) Conversion Procedure.

i. Conversion Pursuant to Section 4(a). Before Investor shall be entitled to convert this Note into shares of Preferred Stock, it shall surrender this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby the holder agrees to indemnify the Company from any loss incurred by it in connection with this Note) and give written notice to the Company at its principal corporate office of the election to convert the same pursuant to Section 4(a). Upon such conversion of this Note, Investor hereby agrees to execute and deliver to the Company a purchase agreement and other ancillary agreements (including, without limitation, an investor rights agreement providing for customary registration, information and preemptive rights), with customary representations and warranties and transfer restrictions (including, without limitation, a 180-day lock-up agreement in connection with an Initial Public Offering). The Company shall, as soon as practicable thereafter, issue and deliver to such Investor a certificate or certificates for the number of shares of Preferred Stock to which Investor shall be entitled upon such conversion, including a check payable to Investor for any cash amounts payable as described in Section 4(b)(ii). On and after the date of conversion the Persons who have received the shares of Preferred Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares.

ii. Fractional Shares; Interest; Effect of Conversion. No fractional shares shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable Conversion Price by the fraction of a share not issued pursuant to the previous sentence. The Company shall pay to Investor any interest accrued on the amount converted and on the amount to be paid to Investor pursuant to the previous sentence in cash and not in shares of capital stock upon the conversion of this Note. Upon conversion of this Note in full and the payment of the amounts specified in this Section 4, the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, whether or not the original of this Note has been delivered to the Company for cancellation.

iii. Adjustments. Notwithstanding anything herein to the contrary, if the Company issues shares of preferred stock or other securities conferring the right to purchase shares of preferred stock of the Company or securities convertible into, or exchangeable for (with or without additional consideration), preferred stock of the Company at any time prior to the conversion of this Note, then the conversion price shall not be greater than the lowest price per share paid in such issuance. If the Company shall at any time prior to the issuance of the Preferred Stock or other shares issuable upon conversion of this Note subdivide such shares (by stock split, stock dividend or the like), or combine such shares (by reverse split or the like), the number of such shares issuable on the conversion of this Note shall be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the purchase price payable per share, but the aggregate purchase price payable for the total number of shares issuable upon conversion of this Note (as adjusted) shall remain the same.

5. Definitions. As used in this Note, the following capitalized terms have the following meanings:

"Conversion Event" shall mean the payment by Investor (or an affiliate of Investor) of the Third Inventory Payment (subject to Section 10 of Schedule B of the Master Purchase Agreement).

"Conversion Price" shall mean $75.00, subject to adjustment as set forth in this Note.

"Initial Public Offering" shall mean the closing of the Company's first firm commitment underwritten initial public offering of the Company's Common Stock pursuant to a registration statement filed under the Securities Act.

"Investor" shall mean the Person specified in the introductory paragraph of this Note or any Person who shall at the time be the registered holder of this Note.

"Obligations" shall mean and include all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Company to Investor of every kind and description (whether or not evidenced by any note or instrument and whether or not for the payment of money), now existing or hereafter arising under or pursuant to the terms of this Note, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by the Company hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

"Securities Act" shall mean the Securities Act of 1933, as amended.

6. Miscellaneous.

(a) Successors and Assigns; Transfer of this Note or Securities Issuable on Conversion Hereof.

i. Subject to the restrictions on transfer described in this Section 4(a), the rights and obligations of the Company and Investor shall be binding upon and benefit the successors, assigns, heirs, administrators and transferees of the parties.

ii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, in whole or in part, by Investor to any legal entity or person, other than a wholly-owned subsidiary of Investor or in connection with a Change of Control of Investor.

iii. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned, by operation of law or otherwise, in whole or in part, by the Company.

(b) Waiver and Amendment. Any provision of this Note may be amended, waived or modified upon the written consent of the Company and Investor.

(c) Notices. All notices, requests, demands, consents, instructions or other communications required or permitted hereunder shall be in writing and faxed, mailed or delivered to each party at the respective addresses of the parties as set forth in the signature page to this Note, or such other address as a party may specify. All such notices and communications will be deemed effectively given the earlier of (i) when delivered personally, (ii) one (1) business day after being delivered by facsimile (with receipt of appropriate confirmation), (iii) one (1) business day after being deposited with an overnight courier service of recognized standing or (iv) four (4) calendar days after being deposited in the U.S. mail, first class with postage prepaid.

(d) Payment. Unless converted into the Company's equity securities pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(e) Governing Law; Jurisdiction. This Note and all actions arising out of or in connection with this Note shall be governed by and construed in accordance with the laws of the State of California, without regard to the conflicts of law provisions of the State of California, or of any other state. For any disputes arising out of or in connection with this Note, the parties consent to the personal and exclusive jurisdiction of, and venue in, the state and federal courts within Santa Clara County, California.

(f) Counterparts. This Note may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Note.

(g) California Corporate Securities Law.

THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS NOTE HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO SUCH QUALIFICATION IS UNLAWFUL UNLESS THE SALE OF SECURITIES IS EXEMPT FROM SUCH QUALIFICATION. THE RIGHTS OF ALL PARTIES TO THIS NOTE ARE EXPRESSLY CONDITIONED UPON SUCH QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

(h) Severability. In the event that any provision of this Note becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Note shall continue in full force and effect without said provision; provided that no such severability shall be effective if it materially changes the economic benefit of this Note to any party.

(i) Survival of Representations and Warranties. The representations and warranties of the parties contained in or made pursuant to this Note shall survive the execution and delivery of this Note.

[remainder of page intentionally left blank]

The Company has caused this Note to be issued as of the date first written above.

THERANOS, INC.,
a Delaware corporation

By:_____
Its:_____
Address: 3200 Hillview Avenue
Palo Alto, CA 94304

Acknowledged and accepted by Investor:
SAFEWAY INC.

By:_____
Its:_____
Address: 5918 Stoneridge Mall Road
Pleasanton, CA 94588

This document was produced natively