

Message

**From:** Sunny Balwani [/O=THERANOS ORGANIZATION/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=SBALWANI]  
**Sent:** 12/29/2013 9:42:56 PM  
**To:** Alan Eisenman [aeisenman@sofersteiner.com]  
**Subject:** RE: Re[2]: Re[2]: Re[2]: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Alan.

We cant answer your questions about directors, other investors and certainly not about any future investment rounds and speculate on what those valuations may be. Those may or may not happen.

Secondly, my personal assistants are not privy to confidential financial information so please don't leave messages with them about company's financial details and activities.

Finally, if you chose to invest, the signed documents (even if you sign and send us the picture of the document via email) have to be in by 12/31 per my last email and phone conversation. Our current documents are structured to allow for investment at \$15/share up to 12/31, after which time the new price/share takes effect. We know if everything is in before the 1st it's all set under the current documents. If you think you would definitely not be able to make this, please let us know.

Thanks.

Sunny.

**From:** Alan Eisenman [mailto:aeisenman@sofersteiner.com]  
**Sent:** Sunday, December 29, 2013 9:09 AM  
**To:** Sunny Balwani  
**Subject:** Re[2]: Re[2]: Re[2]: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Did you get my message last Thursday? I have been out of the country, and will be back Sunday, and leaving again Monday morning.

Do the signature pages and wire need to be in by Dec 31, or is Jan 6 OK?

What is the size of this round?

Are any directors participating in this round?

Am I correct that there will be another round of approximately 200 million in January at a higher price?

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THPFM0003628209

US-REPORTS-0008754

Thanks again,

Alan

-----Original Message-----

Subject: RE: Re[2]: Re[2]: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

From: "Sunny Balwani"

To: "Alan Eisenman"

Date: 12/25/13 05:50:20pm

Alan,

I received your email. Thanks.

Attached please find the signature page and wiring instructions.

Let me know if you have any questions.

Happy holidays and a prosperous new year to you and your family.

Sunny.

**From:** Alan Eisenman [mailto:aeisenman@sofersteiner.com]

**Sent:** Wednesday, December 25, 2013 3:50 AM

**To:** Sunny Balwani

**Subject:** Re[2]: Re[2]: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Did you receive the email I sent yesterday with the investment entities and amounts? Do you need documents or funding by Dec. 31? I am leaving town today and won't be back until Jan. 7th. I will be checking email.

Happy Holidays,

Alan Eisenman

-----Original Message-----

Subject: RE: Re[2]: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

From: "Sunny Balwani"

To: "Alan Eisenman"

Date: 12/23/13 08:44:10pm

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THPFM0003628210

US-REPORTS-0008755

Ok. I will call you in 5-10 minutes. thanks.

**From:** Alan Eisenman [mailto:aeisenman@sofersteiner.com]  
**Sent:** Monday, December 23, 2013 5:39 PM  
**To:** Sunny Balwani  
**Subject:** Re[2]: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

I am available anytime today until midnight central time.

Thanks,

Alan

-----Original Message-----

**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13  
**From:** "Sunny Balwani"  
**To:** "Alan Eisenman"  
**Date:** 12/23/13 06:30:32pm

Alan.

Let me know what time would be good to talk and I can call and discuss this.

Thanks.

Sunny.

**From:** Alan Eisenman [mailto:aeisenman@sofersteiner.com]  
**Sent:** Monday, December 23, 2013 9:04 AM  
**To:** Theranos  
**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Can you please call me today at \_\_\_\_\_ ? I would like to know how much additional investment is available, and what the timing is for paperwork in, and funding. We may be interested in \$1,000,000.

Thank you,

Alan

Confidential

THPFM0003628211

US-REPORTS-0008756

**From:** Theranos [<mailto:shareholderinfo@theranos.com>]  
**Sent:** Monday, December 23, 2013 10:52 AM  
**To:** Alan Eisenman  
**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Dear Alan,

We did receive the pages you sent. We have not circulated financials as part of this transaction. The transaction is, as you know, with strategic entities. If there are additional questions you have to make an informed decision please let us know and we can follow up with you directly. Please also let us know the investment amount you are interested in so we can be sure to accommodate it for you should we proceed.

With our best regards,

Shareholder Information

Theranos, Inc.

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650-838-9292 [www.theranos.com](http://www.theranos.com)

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**From:** Alan Eisenman [<mailto:aeisenman@sofersteiner.com>]  
**Sent:** Friday, December 20, 2013 6:56 AM  
**To:** Theranos  
**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

I have not received confirmation of receipt. Also, I received an email regarding purchasing additional stock at the current offering. There was no financial information in the email. Is there financial information available or additional information to review to make an informed decision?

Thank you,

Alan Eisenman

**From:** Theranos [<mailto:shareholderinfo@theranos.com>]  
**Sent:** Wednesday, December 18, 2013 12:08 PM

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THPFM0003628212

US-REPORTS-0008757

**To:** Alan Eisenman

**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Dear Alan,

You can fax these documents to 650.838.9804. We will look for them and confirm receipt.

With our best regards,

Shareholder Information

Theranos, Inc.

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**From:** Alan Eisenman [<mailto:aeisenman@sofersteiner.com>]

**Sent:** Wednesday, December 18, 2013 6:25 AM

**To:** Theranos

**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Can you give me a fax number to send in the pages?

Thank you,

Alan Eisenman

**From:** Theranos [<mailto:shareholderinfo@theranos.com>]

**Sent:** Wednesday, December 18, 2013 2:21 AM

**To:** Theranos

**Subject:** RE: Theranos Stockholder Consents for your Signature by this Wednesday 12/18/13

Dear Theranos Stockholder:

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THPFM0003628213

US-REPORTS-0008758

We very much appreciate your fast turn of the consent, and in accordance with Elizabeth's memo, are working to get these signature pages in by tomorrow 12/18 so as to effect certain deals by 12/31 of this year. In follow up to our email below, please let us know if you have any outstanding questions on the below or if we can otherwise help accommodate your turn of the consent and we can follow up with you directly to do so.

With our best regards,

Shareholder Information

Theranos, Inc.

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Dear Stockholder,

We hope this email finds you well. Please find below a memo to stockholders regarding certain deals and transactions Theranos is working to close by year end. We've attached your signature pages to the associated shareholder consents to this email, and very much appreciate your turn of them back to us in the next couple days.

With our best regards,

Shareholder Information

Theranos, Inc.

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*Theranos Confidential*

Dear Theranos Stockholder,

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THPFM0003628214

US-REPORTS-0008759

With our launch to consumer healthcare this year, we are rapidly scaling to establish a national footprint and capture the opportunity we have to serve as the only certified, national laboratory capable of running any of its laboratory tests from a few tiny droplets of blood. In Dr. Eric Topol's (the Editor of Medscape, the leading physician publication with over 800,000 physician memberships) 2013 yearend review, his first highlight was Theranos as a practice changer for physicians revolutionizing medicine. As we prepare for 2014 and closing yearend, we are actively investing in infrastructure to build this new industry we have created.

As part of this initiative, we are completing a series of financial transactions with strategic partners that provide access to additional capital in order to accelerate our growth. We are also completing equity transactions with strategic entities who had previously invested in Theranos and had the option to invest additional equity in the company through the end of fiscal year 2013 (December 31, 2013).

The price per share of Theranos Series C-1 Preferred Stock in the transactions closing between now and December 31, 2013 is \$75/share (pre-split). The attached documents re-implement the 5:1 forward stock split previously approved by the board and holders of a majority of the capital stock, making the current price per share \$15/share (post-split).

In fulfilling those transactions and in anticipation of future equity related transactions and opportunities under consideration and review as the company enters its next stage of growth, the Company's board of directors and management have decided that it is in the best interests of the company to amend and restate certain of its governing and other corporate documents, enter into new agreements, adopt a new stock incentive plan, adopt certain corporate actions in order to maintain the control necessary to continue pursuing long-term value creation, and lay the foundation for future transactions.

In line with past communications, Theranos is now making its new announcements publicly and posting all such information in real-time on its newsfeed at [www.theranos.com](http://www.theranos.com) or in the Press section of the site. Any additional updates related to future equity related transactions will be circulated through [shareholderinfo@theranos.com](mailto:shareholderinfo@theranos.com).

We have received inquiries from existing investors about additional equity participation. If you or your fund are interested in increasing your equity position, we can follow-up with you under separate cover.

With this email, Theranos is now seeking your consent as a stockholder on the matters referenced above.

Among the terms of the current transactions are:

- Issuance of additional shares of Series C-1 Preferred Stock at \$75/share pre-split (\$15/share post-split) and provision for subsequent closings of the Series C-1 Preferred Stock financing until December 31, 2013, as part of previous agreements;
- An increase in the authorized preferred stock to allow for future filings of certificates of designation;
- Modification of the Series A Preferred Stock to be fully participating in a liquidation;
- Creation of a dual class common stock capital structure (Class A Common Stock with 1 vote per share and Class B Common Stock with 100 votes per share), with all of the Class A Common Stock held by Theranos' founder and beneficial owner of a majority of our capital stock, Elizabeth Holmes, being exchanged for Class B Common Stock;
- Re-implementation of certain changes from the certificate of incorporation filed on March 28, 2013, including the 5 to 1 forward stock split;
- Clarification of stockholder inspection and notice rights as well as mandatory redemption provisions;
- Addition of a secondary right of first refusal in favor of the founder and/or another company designated person if the company does not exercise its right;
- Adoption of a 2013 Stock Plan and related forms of stock option agreements prior to the ten year retirement of the 2004 stock plan, and reservation of 15,000,000 shares of Class A Common Stock for issuance under the plan. The plan

designates the founder as the proxy and attorney-in-fact for any participant that receives shares and requires all participants receiving shares to join the company's governing agreements;

- Providing Delaware as the exclusive jurisdiction over certain shareholder actions;

A detailed description of all the terms is included in the stockholder information statement (including attachments) that is available for download at the following link: <https://wsgr.sendthisfile.com/0X0RptS2WkmgXSB2nRrjbkxd>. **We encourage you to carefully review the information statement in its entirety because it contains important information about all of the changes.**

All terms of these transactions were unanimously approved by a special committee, consisting only of directors who are independent of the founder operating on the advice of leading counsel from the top law firms in the country. The new terms are conditioned on approval of a majority of the capital stock and a majority of the common stock held by stockholders that are independent of the founder. On the recommendation of the special committee, the Board also unanimously approved the new terms and recommends that stockholders approve them.

Theranos requests that, following review of the information statement and attachments, you execute the attached signature page packet, and return a copy of the executed signature pages to [shareholderinfo@theranos.com](mailto:shareholderinfo@theranos.com) as soon as possible, but no later than 5:00 p.m. (PST) this Wednesday, December 18, 2013, as we are working to close the associated deals and transactions by year end. If you have any questions, please email them to the [shareholderinfo@theranos.com](mailto:shareholderinfo@theranos.com) address prior to that time.

Sending my very best regards and best wishes for a wonderful holiday season,

Elizabeth

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