

December 31, 2013

Theranos, Inc.  
Attn: Elizabeth Holmes  
1601 S. California Avenue  
Palo Alto, CA 94304

Re: Amended and Restated Theranos Master Services Agreement

Dear Ms. Holmes:

In reference to that certain Amended and Restated Theranos Master Services Agreement dated June 5, 2012, as amended by that letter agreement dated January 7, 2013 (collectively "Agreement"), by and between Theranos, Inc. ("Theranos"), and Walgreen Co. ("Walgreens"), the parties agree that it is necessary to revisit certain terms contained within the Agreement as the intentions of the parties regarding their business relationship have evolved since the Agreement was first executed.

It is the intention of the parties to develop a mutually beneficial strategic relationship that facilitates the successful deployment of Theranos nationally, establishes Walgreens as the national partner for laboratory services that Theranos is able to provide (the "Theranos Services"), and Theranos as Walgreens national partner for such Theranos Services, and protects the long-term strategic and competitive positioning of Theranos and Walgreens with respect to competitive technologies and services. Assuming appropriate coverage, quality and performance by Walgreens, it is the expectation that Walgreens will be Theranos' exclusive retail pharmacy and clinic partner. Assuming the ability to scale, acceptable quality and performance by Theranos, it is the expectation that Theranos will be Walgreens exclusive partner for the Services. The parties understand that this relationship may evolve, and their business relationship may change over time as a result of industry developments, competitive dynamics, regulations, technological advances, consumer acceptance, Theranos' desired store and patient experience, and other factors. The parties also understand that their economic relationship will similarly evolve, and as the market roll-out advances the capital investments, costs of healthcare professionals, marketing expense and Walgreens service fees related to new markets will be adjusted based on requirements existing at the time. The parties intend that this Agreement be structured in a manner that provides flexibility but also commits both parties to each other as "anchor" partners and provides adequate protections to justify the significant investment that both are expecting to make in reliance on their strategic relationship.

To that end, the parties agree to the following:

1. **National Roll-out; New Market Entry.** The parties shall work together to develop a forecast that details the anticipated roll-out dates for Theranos Services in individual U.S. States/territories (each, a "State"). The parties are committed to taking all steps reasonably necessary to ensure a successful national roll-out of the Theranos Services, and agree that a quality store and patient experience is an important component of this success as patient adoption and acceptance of Theranos' laboratory services will be highly impacted by the patient experience. To that end, the parties agree that, within sixty (60) days prior to entering a new State, they will develop a plan (the "New Market Entry Plan") that sets forth the material terms that will govern the parties' expectations as it relates to that new State. The New Market Entry Plan will describe the required coverage for Theranos within that State (i.e., how many outlets are required to serve patients within that market), the expectations regarding how to provide that coverage, including expected Geo-access and Branding Acceptability (and, whether the market will be exclusive [as further described below], specifically which Walgreens locations will be utilized and any non-Walgreens locations), expected mix of Walgreens store formats (i.e., Gold, Silver, Bronze) and associated capital investments, required health care professionals, marketing expenses, and similar items. The New Market Entry Plan will also include the expected allocation of costs among the parties, and the economic relationship that will exist between them as it relates to that new State (i.e., Walgreens' service fee).

2. **Exclusivity.** As detailed below, Walgreens is willing to commit to a higher level of build out with respect to its stores in order to provide Services to Theranos. The parties' expectation is that the majority of Theranos spaces will be gold or silver spaces with no more than 20% bronze spaces and minimum 40% gold spaces. As such, the parties agree that increased exclusivity represents a fair market value exchange for such commitment. While the parties acknowledge the need to further document specifics concerning each party's performance, Branding Acceptability and Geo-access of Walgreens stores in respective markets, the parties agree to the following:

- a. In addition to the exclusivity provisions, and subject to the carve-outs related to pharmaceutical companies and United States and foreign government agencies, in Schedule B, Section 3(b) of the Agreement, with respect to California, Arizona and New York, the parties agree to the following exclusivity framework: For each state listed above, a period of eighteen (18) months commencing on the date on which 20 Walgreens stores (or other number the parties may agree) located such state are actively collecting samples for commercial patients, Theranos shall not provide testing services or have samples collected on its behalf through or at any of the following entities: Wal-Mart Stores, Inc., CVS Caremark Corporation, Rite Aid Corporation, and Target Corporation. Provided that Walgreens satisfies mutually agreed upon requirements regarding Geo-access, Branding Acceptability, and Walgreens performance, the parties will conduct an annual exclusivity extension review, with the presumption being that if Walgreens has satisfied the Geo-access, Branding Acceptability, and performance

- requirements, the parties will negotiate to extend the above exclusivity framework for an additional twelve (12) month period.
- b. In connection with developing the New Market Entry Plan and at least sixty (60) days prior to the planned launch date for such State, the parties shall discuss and agree on Walgreens's proposed Geo-access and Branding Acceptability for such State and Walgreens's performance to date. Should Walgreens (a) elect to move forward with such State, (b) satisfy the Geo-access and Branding Acceptability negotiations for such State and (c) satisfy Theranos' reasonable expectations as to Walgreens's performance to date (consistent with the intention of the parties described above), the parties agree that the following exclusivity (subject to the carve-outs related to pharmaceutical companies and United States and foreign government agencies in Schedule B, Section 3(b) of the Agreement) shall apply with respect to each State: for a period of twelve (12) months commencing on the date on which the first Walgreens location in such State actively collects samples for commercial patients, Theranos shall not launch testing services or have samples collected on its behalf through or at locations owned or operated by CVS Caremark Corporation, Rite Aid Corporation or Target Corporation.
  - c. Theranos further agrees that it shall not launch testing services or have samples collected on its behalf through or at locations owned or operated by Wal-Mart at any time during 2014, except with Walgreens approval if needed to fill gaps in Walgreens coverage. After 2014, Theranos will have discretion to launch testing services or have samples collected on its behalf through or at locations owned or operated by Wal-Mart if, after good faith discussions with Walgreens, Theranos believes it is necessary to do so to advance Theranos' business or strategic objectives. For the avoidance of doubt, after 2014, such decision will be made in Theranos' sole discretion.
  - d. Notwithstanding anything to the contrary, Theranos agrees that it shall not, without Walgreens prior written consent, offer services or collect samples through CVS Caremark Corporation's Minute Clinics, or their equivalent in exclusive Walgreens markets. In the event Theranos desires to utilize such clinics in non-exclusive Walgreens markets it will inform Walgreens in advance and review their rationale for doing so, and consider reasonable alternatives that Walgreens may advance. Theranos further agrees to discuss with Walgreens the inclusion of Walgreens in-store and employer worksite clinics in the national roll-out, as may be appropriate.
  - e. Definitions.
    - i. "Geo-access" shall include, but not be limited to, access to a store location within an acceptable mileage from every person in the relevant State (e.g., for urban markets, 5 miles from every household) and ability for individual stores and at a market level to handle the volume of patients. Further the parties shall work together in order to determine what other factors need to be considered in order to

determine what saturation level of sample collection locations are necessary to satisfy a market's particular needs.

- ii. "Branding Acceptability" shall include, but not be limited to, (i) the in-store patient experience and percentage of Gold, Silver and Bronze locations (with such designations being generally consistent with the parties discussions to date, and final commitments to be agreed upon in writing as part of the New Market Entry Plan) built out by Walgreens in the relevant State, (ii) prominent display of the Theranos wordmark, and the Theranos space within Walgreens locations. The parties shall take reasonable steps to work together in order to come to agreement in writing on these details/terms.

3. **Innovation Fee.** As detailed in Section 6 of Schedule B of the Agreement, Walgreens is to make an Innovation Fee payment of up to \$100 million to Theranos. The parties acknowledge that in order to be better prepared for national roll-out of Theranos laboratory testing, there is a need to accelerate the Innovation Fee payment schedule. To that end (and subject to Section 7 below), the parties have agreed that Walgreens shall accelerate payment of the Innovation Fee so that \$75M of the pre-purchase will become immediately due and payable at the close of business on 12/31/2013, and Walgreens commits to wire immediately available funds in such amount within five (5) business days after the date hereof to an account designated by Theranos.

3. **Service Levels/Training.** The parties agree that it is necessary to document their respective responsibilities and expectations with respect to performance and to training, among other items. In a separate document, the parties shall reduce to writing tangible performance levels with respect to all activities addressed under the Agreement as it relates to providing laboratory services to patients.

5. **Pricing.** Schedule B, Section 11 of the Agreement provides that the Pricing for Walgreens Services shall, on average, fall within a range of \$10.00-\$16.00/patient/visit. Walgreens has conducted a fair market value assessment of the Walgreens Services and the parties agree that the Pricing shall be \$10.00/patient/visit during the Pilot. The parties shall further discuss and agree upon Pricing beyond the Pilot as part of the New Market Entry Plan.

6. With respect to Schedule F of the Agreement, the parties agree to the following terms with respect to the Pilot:

- i. The "Pilot Stores" mean the stores mutually agreed upon by the parties as pilot locations.
- ii. The parties soft launched the Pilot by first offering Tests at three (3) stores, with two in the Phoenix market and one in Palo Alto. The Pilot will run for a period of ninety (90) days after the last of the 20 Walgreens stores is actively collecting samples for commercial patients.

- iii. Notwithstanding anything to the contrary, should the parties agree that the Pilot is successful prior to the end of the ninety (90) day period, the parties may move onto the national roll-out launch planning phase as detailed in Schedule F and end the Pilot early.

7. **Additional Equity Rights**. The parties agree that \$50M of the \$75M payment made by Walgreens pursuant to Section 3 above may be converted, at Walgreens' option, into equity on such terms as are made available to investors in Theranos' planned equity financing in the first quarter of 2014. The parties also agree that upon signing this Agreement, Walgreens will receive an option to purchase up to \$50M in Theranos equity on the terms made available to investors who invested in the prior equity financing (e.g., \$15/share). Paperwork associated with these additional equity rights will be drafted by Theranos and delivered to Walgreens within 30 days of the date of this Agreement.

8. **Good Faith Efforts**. The parties shall use good faith efforts to ensure that the intentions stated above are realized. In order to enable the parties to open new markets as efficiently as possible, the parties agree that their teams will, within 90 days of the date of this Agreement, develop a short-form agreement that will include all terms required to convert a New Market Entry Plan into a binding agreement between the parties, and the terms governing exclusivity within the relevant State. For the same reasons, as well as to provide as much certainty to the parties as possible regarding their expectations, these teams will define in writing what constitutes acceptable Geo-access and Branding Acceptability and Walgreens performance objectives before December 31, 2014.

9. All other provisions of said Agreement shall remain in full force and effect.



Please indicate your agreement with the above by signing and returning one fully executed counterpart of this letter agreement to Greg Kunstman. If you have any questions, Mr. Kunstman may be reached at 847.315.4118.

Very truly yours,

Agreed to and accepted this 31 day of December, 2013 by:

WALGREEN CO.

THERANOS, INC.

By: Mark Vainisi  
Name: Mark E. Vainisi  
Title: Group Vice President, MMA

By: [Signature]  
Name: Robert Holmes  
Title: CEO