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Meeting of the Board of Directors

7.14.15

This presentation and its contents are Theranos
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Agenda

Monday, July 13th

- Tour
 - 4:30 PM, 7373 Gateway Boulevard, Newark
- Dinner
 - 6:30 PM, Four Seasons, Palo Alto

Tuesday, July 14th

- Briefing and Discussion: Strategic Plans
 - 10:00 AM – 12:30 PM
- *Break and Lunch*
12:30 PM – 1:30 PM
- Governance
 - 1:30 PM – 2:00 PM
- Administrative and Close of Meeting
 - 2:00 PM – 2:45 PM

Strategic Plan: AZ and CA Success & Strategy

2015 Strategic Plan

Four core focal areas:

- Recruiting and building people from within
- Serve 50,000/day as fast as scalable, no later than November 2015
 - Optimizing number of locations/patient volume as scale
- Build our core product next generation systems and get 6,000/day on our new systems by 12/31/2015
- Exceptional services delivery infrastructure
 - Our technicians
 - Wellness Center experience
 - Call center
 - EMR integration
 - Courier network

Succeeding in AZ and CA

- Focus deeply in two key markets
- Take time to perfect infrastructure to scale
- Lab acquisitions
- Reference business
- Direct access
- Commercial
 - VA
 - Aetna, Cigna
- Scaling volume

Overcoming entrenched insurance company price fixing infrastructure

Commercial Operations and Industry Response

Changing State and Federal Laws

Legal

- State law changes
 - Direct access
 - Transparency
- Reducing Medicare reimbursement rates in AZ and CA
 - States retaining Medicare savings

Governance

Chartering the Board of Counselors

- Duty of Loyalty
- Strategic input
- Term
- Board committee structure and current reduction in size

Duty of Loyalty

- Prevents corporate directors from using their position of trust and confidence to further their private interests.
- Demands that a director not only affirmatively protect the interests of the corporation, but also refrain from doing anything that would injure the corporation, or would deprive it of profit or advantage which such director's skill and ability might properly bring to the corporation.
- Requires a director to put the interests of the corporation and its stockholders ahead of the director's own personal interests that are not shared by the corporation or the stockholders generally.
- In general, the duty of loyalty means that directors of corporations may not:
 - Cause the corporation to engage in an interested transaction which is not entirely fair to the corporation,
 - Disclose confidential corporate information to outsiders or profit from the use of confidential corporate information,
 - Take any action solely or primarily to entrench themselves in office, or
 - otherwise place benefits to themselves or affiliated entities ahead of benefits of the corporation.

Shareholder Consolidation

Administrative

Meeting Structure

- Meetings & cadence: core strategic discussions with full board input
- Board Books
 - Information updates and disclosures, financials, minutes and consents circulated in writing for review and discussion as relevant (in or outside meetings)
 - Return board books to Theranos headquarters when review completed
 - FedEx return label included in the front pocket of each board book

Public Communications

- Selective: to serve business purposes
- Not Disclosing
 1. Device capabilities
 2. Future plans
 3. Details of any programs that are not yet completed or innovations not yet announced
 4. Contract terms