

July __, 2013

William H. Gates
[Provide Appropriate Address]

RE: Letter of Agreement Regarding Foundation Medicine, Inc.

Dear Bill:

This letter sets forth the agreement, effective as of the date set forth above (the "Effective Date"), by and between you, William H. Gates ("Mr. Gates"), and me, Boris Nikolic ("Mr. Nikolic"), in order to settle and resolve our respective rights and obligations in connection with our prior agreement relating my receiving between 30% and 40% of the future profits of a \$30 Million to \$50 Million investment fund intended to be created and funded by Mr. Gates, but which was never launched (the "Prior Agreement"). In order to settle and resolve our respective rights and obligations under the Prior Agreement, the Owner and Mr. Nikolic have agreed as follows:

New Investment

Mr. Gates, through ~~an affiliate, beneficially owned and controlled by Mr. Gates (a "Purchasing Affiliate", and together with Mr. Gates~~BGV, hereinafter referred to as the "Owner"), purchased a preferred ~~non~~ interest (the "Interest") in Foundation Medicine, Inc., a Delaware corporation with principal offices located in Cambridge, Massachusetts ("Foundation Medicine"), at a price of \$ 10million (the "Purchase Price"). If at any time or from time to time hereafter, the Owner (which, for purposes of this Agreement, shall also include any other Purchasing Affiliate beneficially owned and controlled by Mr. Gates that purchases an interest in Foundation Medicine) shall, in its sole and absolute discretion, make additional investments in Foundation Medicine, the Owner shall give prompt written notice to Mr. Nikolic of such additional investments, and the Interest shall be deemed to include all such additional investments, and the Purchase Price shall be increased by the amount of the purchase price paid by the Owner for all such additional investments. The term "Interest" shall also include any and all dividends, payments, distributions, proceeds, or other value at any time previously or hereafter received by the Owner in respect of all or any portion of the Interest. The Owner shall give Mr. Nikolic written notice promptly after it receives any such dividends, payments, distributions, proceeds, or other value in respect of all or any portion of the Interest.

The Owner shall not sell, transfer, convey, encumber or otherwise dispose of all or any portion of the Interest referred to and contained in the lock up agreement (other than granting the Call Option (as hereinafter defined) and the Put Option (as hereinafter defined)), without the prior written consent of Mr. Nikolic; nor shall the Owner, for so long as ~~the Call~~

~~Optioncontract~~ and the Put Option remain outstanding, permit the sale, transfer, conveyance, encumbrance or other disposition to anyone other than Mr. Gates of the controlling interest in any such Purchasing Affiliate, without the prior written consent of Mr. Nikolic. Without the prior written consent of Mr. Nikolic, the Owner shall not take or omit to take any action with respect to the Interest if it has any reason to believe that such action or omission has the potential to adversely affect the value of the Interest. Mr. Gates, such Purchasing Affiliate(s) and Mr. Nikolic shall sign any and all documents necessary or appropriate to evidence these obligations and restrictions.

_____ [what office shall BN hold in the Company?]

~~Valuations and
Reports and
Informationcontract~~

At all times while the ~~Call-Optioncontract~~ and the Put Option remain outstanding, the Owner shall provide Mr. Nikolic with true and correct copies of all valuations, financial statements (whether audited or unaudited), reports and other communications (whether in electronic form or hard copy) which the Owner receives from or delivers to Foundation Medicine promptly after receiving or delivering the same.

The Owner shall communicate with the appropriate representatives of Foundation Medicine to designate Mr. Nikolic as an authorized representative of the Owner to ask questions of, receive reports, financial statements, documents, materials, emails, and other information from, and otherwise communicate with, representatives of Foundation Medicine regarding any and all matters material to the value of the Interest and the prospects, performance and financial condition Foundation Medicine. At all times while the ~~Call-Optioncontract~~ and the Put Option remain outstanding, the Owner shall also promptly disclose to Mr. Nikolic any and all information within its possession and control regarding any and all matters material to the value of the Interest and the prospects, performance and financial condition of Foundation Medicine.

Call Option

Immediately following the execution of this Agreement, the Owner shall grant Mr. Nikolic ~~a Call-Option to purchase from the Owner the right to receive~~ 90% of the Owner's ~~right, title and interest in and to all~~ profits, gains, proceeds, dividends, payments, distributions, and other value previously or hereafter derived by the Owner in respect the Interest, ~~including, without limitation all of the Owner's additional investments in~~ Foundation Medicine and all dividends, payments, distributions, proceeds, and other value previously or hereafter received in respect of the Interest (the "Optioned Interest") ~~for an exercise price (the "Call Price") equal to 90% of the Purchase Price (the "Call Option"). The term of the Call Option shall be for three (3) years commencing on the Effective Date and ending on the third anniversary of the date of this Agreement.~~

The ~~Call-Option may~~contract should be be ~~exercised, valued~~ at the discretion of Mr. Nikolic, at any time after the six-month anniversary of

the Effective Date by written notice to the Owner.

~~Upon exercise of the Call Option notice, Mr. Nikolic's purchase of the Optioned Interest from the Owner shall close on a date mutually agreed to by Mr. Nikolic and the Owner, but not later than thirty (30) days after the exercise of the Call Option.~~

~~If BN's employment is terminated with cause, then the terms of this letter will immediately become null and void, all obligations of bgC3 and Owner under this letter will immediately cease and be of no further force or effect, and no amounts will be payable to BN under this letter (whether or not accrued as of the date of termination).~~

Put Option

Included in the terms of the ~~Call Option contract~~ shall be the right of Mr. Nikolic to require the Owner to purchase the ~~Call Option contract~~ from Mr. Nikolic (the "Put Option"). The term of the Put Option shall be for three (3) years, starting and ending concurrently with the term of the Call Option. The ~~exercise value~~ price of the Put Option (the "Put Price") shall be equal to 90% of the difference of:

- the fair market value of the Interest as of the Exercise Date (as hereinafter defined)

minus

- ~~the Call Price cost of the initial preferred~~

~~The Put Option may be exercised contract can be sold back to gates, at the discretion of Mr. Nikolic, at any time after the six-month anniversary of the Effective Date by written notice to the Owner. The date of such notice shall herein be referred to as the "Exercise Date." The Owner's purchase from Mr. Nikolic of the Call Option upon exercise of the Put Option shall be closed not later than thirty (30) days after the later of (a) Exercise Date, and (b) the completion of any Independent Valuation conducted pursuant to this Agreement. At the closing, the Owner gates shall pay Mr. Nikolic the Put Price calculated by wire transfer of immediately available funds to an account designated by Mr. Nikolic.~~

Independent Valuations

In the event that Mr. Nikolic shall determine in his reasonable discretion that an independent valuation is necessary in order to properly determine the fair market value of the Interest, including, without limitation, all of the Owner's additional investments in Foundation Medicine and all dividends, payments, distributions, proceeds, or other value at any time received by the Owner in respect of the Interest, at Mr. Nikolic's written election, upon his exercise of the Put Option, an independent valuation of the Interest, and the Put Price, calculated as of the Exercise Date, shall be conducted in the manner provided below (an "Independent Valuation").

~~An Independent Valuation shall be commenced within forty-five (45) days after the Exercise Date and the full amount of all fees, costs and expenses~~

~~of the Independent Valuation will be borne solely by the Owner.~~

~~The Independent Valuation shall be conducted by an independent appraiser, jointly agreed to by Mr. Nikolic and the Owner, having no affiliation with Mr. Nikolic, the Owner, or any of their respective affiliates or existing investment relationships, including, without limitation, "BGI," the Bill and Melinda Gates Foundation, Cascade Investment, L.L.C., Intellectual Ventures LLC, Gates Ventures, LLC, and Microsoft Corporation (an "Independent Appraiser"). Mr. Nikolic and the Owner shall use reasonable efforts to jointly agree on an Independent Appraiser within ten (10) days after the Exercise Date. If Mr. Nikolic and the Owner are unable to jointly agree on an Independent Appraiser by the end of said ten (10) day period, then within fifteen days after the Exercise Date, each of Mr. Nikolic and the Owner shall select, and give written notice to the other of, their own respective Independent Appraisers to conduct the valuation, and within twenty-five (25) days after the Exercise Date, the two Independent Appraisers so selected by Mr. Nikolic and the Owner, respectively, shall select a third Independent Appraiser to conduct a joint valuation with the two other Independent Appraisers so selected. The jointly agreed Independent Appraiser, or the three Independent Appraisers selected as provided above, shall commence the valuation within forty-five (45) days after the Exercise Date and by not later than ninety (90) days after the Exercise Date shall complete said valuation and provide to the Owner and Mr. Nikolic a written report of such valuation containing comprehensive explanations of all assumptions and calculations made in connection with such valuation. The valuation and written report of the jointly agreed Independent Appraiser shall be binding on the parties hereto absent manifest error or proof of bias. In the event that three Independent Appraisers are selected as provided above, and all three Independent Appraisers are unable or unwilling to agree upon the valuation, the approval of the valuation and the written report by two of the three Independent Appraisers shall be binding on the parties hereto absent manifest error or proof of bias.~~

Each of the Owner and Mr. Nikolic will reasonably and timely cooperate with the Independent Appraiser(s) and provide to the Independent Appraiser(s) any and all material information within such person's possession and control that may be reasonably requested by such Independent Appraiser(s) or as is reasonably necessary for such Independent Appraiser(s) to properly complete the Independent Valuation.

Prior Agreement

In consideration of the provisions contained in this Agreement, upon execution of this Agreement by the parties hereto, the Prior Agreement is hereby terminated, and no party thereto shall have any rights or obligations thereunder.

Governing Law This letter will be governed, interpreted, and construed under the laws of the State of Washington without regard to its conflicts of law provisions.

Expenses Except as otherwise expressly provided herein, each party will be responsible for his and its own costs and expenses (including any fees and expenses of their representatives or advisors) incurred at any time in connection with this letter or any other agreements entered into in connection with the matters addressed by this letter.

Confidentiality Neither party will disclose the existence or terms of this letter (other than to such party's attorneys, accountants and professional advisors) without the prior consent of the other party, except as required by law.

Expiration Please advise Boris Nikolic in person or by e-mail to Boris Nikolic [REDACTED] of your response by to this letter by 5:00 p.m. on July __, 2013, after which time it will expire.

Please signify your agreement to the foregoing provisions by signing this letter in the space provided below, whereupon it will become a binding agreement between us.

Sincerely,

Boris Nikolic
[REDACTED]
email: [REDACTED]
Fax:

AGREED TO AND ACCEPTED THIS __ day of July, 2013

William H. Gates
[Provide Address, email and fax]