



PACIFICBIOSCIENCES™

September 24, 2014

[Employee
Street Address
City, State Zip]

Dear [Employee],

We write to inform you about the recent theft from an employee's home of a password-protected work laptop that occurred on or about September 16, 2014. The laptop may have contained files with some personal information about you, including your name, contact information, birthdate, social security number, direct deposit information, compensation information, and insurance information, which Pacific Biosciences maintains in connection with employment and related business purposes. If you provided Pacific Biosciences with personal information about your dependent(s), we will send separate letters (1) to you regarding any such minor dependent(s) and (2) directly to any such adult dependents.

A police report was filed concerning the theft, and we plan to fully cooperate with any investigation. We have no evidence or reason to believe that any of the information contained in the files has been accessed or misused. However, because you are in a position to further protect against any potential misuse of personal information, we wanted to inform you of the situation and encourage you to take steps you deem appropriate to help protect yourself. To assist you with these efforts, we arranged to make credit monitoring available to you at no cost, which is explained in detail below.

AllClear ID Service

We have arranged to have AllClear ID provide identity protection services for 12 months at no cost to you. The following identity protection services start on the date of this notice and you can use them at any time during the next 12 months.

AllClear SECURE: The team at AllClear ID is ready and standing by if you need help protecting your identity. This protection is automatically available to you with no enrollment required. If a problem arises, simply call (866) 979-2595 and a dedicated investigator will do the work to recover financial losses, restore your credit and make sure your identity is returned to its proper condition. AllClear maintains an A+ rating at the Better Business Bureau.

AllClear PRO: This service offers additional layers of protection including credit monitoring and a \$1 million identity theft insurance policy. To use the PRO service, you will need to provide your personal information to AllClear ID. You may sign up online at enroll.allclearid.com or by phone by calling (866) 979-2595 using the following redemption code: {RedemptionCode}.

Please note: Additional steps may be required by you in order to activate your phone alerts.

How You Can Protect Yourself

To assist you in protecting yourself, with this letter we provide general information which may be useful to you in analyzing what precautionary steps you may want to take.

Although we have no reason to believe the information is at risk, access to personal information by others is increasingly of public concern. The following resources contain information that you may find useful:

<http://oag.ca.gov/idtheft/information-sheets>

<http://www.consumer.ftc.gov/features/feature-0014-identity-theft>

The law entitles you to receive a free copy of your credit report annually from each of the three major credit reporting agencies. We also recommend that you consider a review of your credit report from each of the three major credit reporting agencies: Experian, Equifax, and Transunion (contact information provided below). When you receive your credit report, review it carefully. You should notify the credit bureaus of any inaccuracies in your report as soon as possible so the information can be investigated and, if found to be in error, corrected. If you discover unauthorized accounts or charges on your credit reports, you should immediately notify the appropriate credit bureau by telephone and in writing. If you find suspicious activity on your credit reports or have reason to believe your information is being misused, notify local law enforcement and file a police report and/or the Federal Trade Commission. You should obtain a copy of the police report because many creditors require the information it contains before they will absolve you of the fraudulent debts.

EXPERIAN
P.O. Box 9532
Allen, TX 75013
(888) 397-3742

EQUIFAX
P.O. Box 740256
Atlanta, GA 30374
(800) 525-6285

TRANSUNION
P.O. Box 2000
Chester, PA 19022
(800) 680-7289

Even if you do not find any suspicious activity on your initial credit reports, the Federal Trade Commission recommends that you check your credit reports and account statements periodically. Monitoring your credit reports is one of the best ways you can protect yourself.

Pacific Biosciences takes your privacy and the protection of personal information very seriously. Pacific Biosciences is taking additional steps to strengthen its protection of the personal information which it maintains, and it will continue to closely monitor and take further steps as appropriate to safeguard such information. We sincerely regret any inconvenience that this situation may cause you, and assure you that Pacific Biosciences has been and will continue to be vigilant in the protection of personal information. We encourage you to take advantage of the AllClear ID service that Pacific Biosciences is offering to you at no expense.

Should you have any questions about this matter, please contact Natalie Welch at Pacific Biosciences, 1380 Willow Rd., Menlo Park, CA 94025 or by telephone at (650) 521-8215, and we will address any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that appears to read "Natalie Welch".

Natalie Welch
Senior Director, Human Resources

Enclosures

Terms of Use for AllClear Secure

If you become a victim of fraud using your personal information without authorization, AllClear ID will help recover your financial losses and restore your identity. Benefits include:

- Automatic 12 months of coverage;
- No cost to you – ever. AllClear Secure is paid for by the participating Company.

Services Provided

If you suspect identity theft, simply call AllClear ID to file a claim. AllClear ID will provide appropriate and necessary remediation services ("Services") to help restore the compromised accounts and your identity to the state prior to the incident of fraud. Services are determined at the sole discretion of AllClear ID and are subject to the terms and conditions found on the AllClear ID website. AllClear Secure is not an insurance policy, and AllClear ID will not make payments or reimbursements to you for any financial loss, liabilities or expenses you incur.

Coverage Period

You are automatically protected for 12 months from the date the breach incident occurred, as communicated in the breach notification letter you received from Company (the "Coverage Period"). Fraud Events that occurred prior to your Coverage Period are not covered by AllClear Secure services.

Eligibility Requirements

To be eligible for Services under AllClear Secure coverage, you must fully comply, without limitations, with your obligations under the terms herein, you must be a citizen or legal resident, eighteen (18) years of age or older, reside in the United States, and have a valid U.S. Social Security number. Minors under eighteen (18) years of age may be eligible, but must be sponsored by a parent or guardian. The Services cover only you and your personal financial and medical accounts that are directly associated with your valid U.S. Social Security number, including but not limited to credit card, bank, or other financial accounts and/or medical accounts.

How to File a Claim

If you become a victim of fraud covered by the AllClear Secure services, you must:

- Notify AllClear ID by calling 1.855.434.8077 to report the fraud prior to expiration of your Coverage Period;
- Provide proof of eligibility for AllClear Secure by providing the redemption code on the notification letter you received from the sponsor Company;
- Fully cooperate and be truthful with AllClear ID about the Event and agree to execute any documents AllClear ID may reasonably require;
- Fully cooperate with AllClear ID in any remediation process, including, but not limited to, providing AllClear ID with copies of all available investigation files or reports from any institution, including, but not limited to, credit institutions or law enforcement agencies, relating to the alleged theft.

Coverage under AllClear Secure Does Not Apply to the Following:

Any expense, damage or loss:

- Due to
 - Any transactions on your financial accounts made by authorized users, even if acting without your knowledge
 - Any act of theft, deceit, collusion, dishonesty or criminal act by you or any person acting in concert with you, or by any of your authorized representatives, whether acting alone or in collusion with you or others (collectively, your "Misrepresentation")
- Incurred by you from an Event that did not occur during your coverage period;
- In connection with an Event that you fail to report to AllClear ID prior to the expiration of your AllClear Secure coverage period.

Other Exclusions:

- AllClear ID will not pay or be obligated for any costs or expenses other than as described herein, including without limitation fees of any service providers not retained by AllClear ID; AllClear ID reserves the right to investigate any asserted claim to determine its validity;
- AllClear ID is not an insurance company, and AllClear Secure is not an insurance policy; AllClear ID will not make payments or reimbursements to you for any loss or liability you may incur;
- AllClear ID is not a credit repair organization, is not a credit counseling service, and does not promise to help you improve your credit history or rating beyond resolving incidents of fraud; and
- You are expected to protect your personal information in a reasonable way at all times. Accordingly, you will not recklessly disclose or publish your Social Security number or any other personal information to those who would

reasonably be expected to improperly use or disclose that Personal Information, such as, by way of example, in response to "phishing" scams, unsolicited emails, or pop-up messages seeking disclosure of personal information.

Opt-out Policy

If for any reason you wish to have your information removed from the eligibility database for AllClear Secure, please contact AllClear ID:

E-mail	Mail	Phone
support@allclearid.com	AllClear ID, Inc. 823 Congress Avenue Suite 300 Austin, Texas 78701	1.855.434.8077



September 24, 2014

[Adult Dependent
Street Address
City, State Zip]

Dear [Adult Dependent],

As the listed dependent of a Pacific Biosciences employee or former employee, we write to inform you about the recent theft from an employee's home of a password-protected work laptop that occurred on or about September 16, 2014. The laptop may have contained files with some personal information about you, including your name, birthdate, and social security number, which Pacific Biosciences maintains in connection with employment and related business purposes.

A police report was filed concerning the theft, and we plan to fully cooperate with any investigation. We have no evidence or reason to believe that any of the information contained in the files has been accessed or misused. However, because you are in a position to further protect against any potential misuse of personal information, we wanted to inform you of the situation and encourage you to take steps you deem appropriate to help protect yourself. To assist you with these efforts, we arranged to make credit monitoring available to you at no cost, which is explained in detail below.

AllClear ID Service

We have arranged to have AllClear ID provide identity protection services for 12 months at no cost to you. The following identity protection services start on the date of this notice and you can use them at any time during the next 12 months.

AllClear SECURE: The team at AllClear ID is ready and standing by if you need help protecting your identity. This protection is automatically available to you with no enrollment required. If a problem arises, simply call (866) 979-2595 and a dedicated investigator will do the work to recover financial losses, restore your credit and make sure your identity is returned to its proper condition. AllClear maintains an A+ rating at the Better Business Bureau.

AllClear PRO: This service offers additional layers of protection including credit monitoring and a \$1 million identity theft insurance policy. To use the PRO service, you will need to provide your personal information to AllClear ID. You may sign up online at enroll.allclearid.com or by phone by calling (866) 979-2595 using the following redemption code: {RedemptionCode}.

Please note: Additional steps may be required by you in order to activate your phone alerts.

How You Can Protect Yourself

To assist you in protecting yourself, with this letter we provide general information which may be useful to you in analyzing what precautionary steps you may want to take.

Although we have no reason to believe the information is at risk, access to personal information by others is increasingly of public concern. The following resources contain information that you may find useful:

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The law entitles you to receive a free copy of your credit report annually from each of the three major credit reporting agencies. We also recommend that you consider a review of your credit report from each of the three major credit reporting agencies: Experian, Equifax, and Transunion (contact information provided below). When you receive your credit report, review it carefully. You should notify the credit bureaus of any inaccuracies in your report as soon as possible so the information can be investigated and, if found to be in error, corrected. If you discover unauthorized accounts or charges on your credit reports, you should immediately notify the appropriate credit bureau by telephone and in writing. If you find suspicious activity on your credit reports or have reason to believe your information is being misused, notify local law enforcement and file a police report and/or the Federal Trade Commission. You should obtain a copy of the police report because many creditors require the information it contains before they will absolve you of the fraudulent debts.

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Chester, PA 19022
(800) 680-7289

Even if you do not find any suspicious activity on your initial credit reports, the Federal Trade Commission recommends that you check your credit reports and account statements periodically. Monitoring your credit reports is one of the best ways you can protect yourself.

Pacific Biosciences takes your privacy and the protection of personal information very seriously. Pacific Biosciences is taking additional steps to strengthen its protection of the personal information which it maintains, and it will continue to closely monitor and take further steps as appropriate to safeguard such information. We sincerely regret any inconvenience that this situation may cause you, and assure you that Pacific Biosciences has been and will continue to be vigilant in the protection of personal information. We encourage you to take advantage of the AllClear ID service that Pacific Biosciences is offering to you at no expense.

Should you have any questions about this matter, please contact Natalie Welch at Pacific Biosciences, 1380 Willow Rd., Menlo Park, CA 94025 or by telephone at (650) 521-8215, and we will address any questions or concerns you may have.

Sincerely,

Natalie Welch

Natalie Welch
Senior Director, Human Resources

Enclosures

Terms of Use for AllClear Secure

If you become a victim of fraud using your personal information without authorization, AllClear ID will help recover your financial losses and restore your identity. Benefits include:

- Automatic 12 months of coverage;
- No cost to you – ever. AllClear Secure is paid for by the participating Company.

Services Provided

If you suspect identity theft, simply call AllClear ID to file a claim. AllClear ID will provide appropriate and necessary remediation services ("Services") to help restore the compromised accounts and your identity to the state prior to the incident of fraud. Services are determined at the sole discretion of AllClear ID and are subject to the terms and conditions found on the AllClear ID website. AllClear Secure is not an insurance policy, and AllClear ID will not make payments or reimbursements to you for any financial loss, liabilities or expenses you incur.

Coverage Period

You are automatically protected for 12 months from the date the breach incident occurred, as communicated in the breach notification letter you received from Company (the "Coverage Period"). Fraud Events that occurred prior to your Coverage Period are not covered by AllClear Secure services.

Eligibility Requirements

To be eligible for Services under AllClear Secure coverage, you must fully comply, without limitations, with your obligations under the terms herein, you must be a citizen or legal resident, eighteen (18) years of age or older, reside in the United States, and have a valid U.S. Social Security number. Minors under eighteen (18) years of age may be eligible, but must be sponsored by a parent or guardian. The Services cover only you and your personal financial and medical accounts that are directly associated with your valid U.S. Social Security number, including but not limited to credit card, bank, or other financial accounts and/or medical accounts.

How to File a Claim

If you become a victim of fraud covered by the AllClear Secure services, you must:

- Notify AllClear ID by calling 1.855.434.8077 to report the fraud prior to expiration of your Coverage Period;
- Provide proof of eligibility for AllClear Secure by providing the redemption code on the notification letter you received from the sponsor Company;
- Fully cooperate and be truthful with AllClear ID about the Event and agree to execute any documents AllClear ID may reasonably require;
- Fully cooperate with AllClear ID in any remediation process, including, but not limited to, providing AllClear ID with copies of all available investigation files or reports from any institution, including, but not limited to, credit institutions or law enforcement agencies, relating to the alleged theft.

Coverage under AllClear Secure Does Not Apply to the Following:

Any expense, damage or loss:

- Due to
 - Any transactions on your financial accounts made by authorized users, even if acting without your knowledge
 - Any act of theft, deceit, collusion, dishonesty or criminal act by you or any person acting in concert with you, or by any of your authorized representatives, whether acting alone or in collusion with you or others (collectively, your "Misrepresentation")
- Incurred by you from an Event that did not occur during your coverage period;
- In connection with an Event that you fail to report to AllClear ID prior to the expiration of your AllClear Secure coverage period.

Other Exclusions:

- AllClear ID will not pay or be obligated for any costs or expenses other than as described herein, including without limitation fees of any service providers not retained by AllClear ID; AllClear ID reserves the right to investigate any asserted claim to determine its validity;
- AllClear ID is not an insurance company, and AllClear Secure is not an insurance policy; AllClear ID will not make payments or reimbursements to you for any loss or liability you may incur;
- AllClear ID is not a credit repair organization, is not a credit counseling service, and does not promise to help you improve your credit history or rating beyond resolving incidents of fraud; and
- You are expected to protect your personal information in a reasonable way at all times. Accordingly, you will not recklessly disclose or publish your Social Security number or any other personal information to those who would

reasonably be expected to improperly use or disclose that Personal Information, such as, by way of example, in response to "phishing" scams, unsolicited emails, or pop-up messages seeking disclosure of personal information.

Opt-out Policy

If for any reason you wish to have your information removed from the eligibility database for AllClear Secure, please contact AllClear ID:

<u>E-mail</u>	<u>Mail</u>	<u>Phone</u>
support@allclearid.com	AllClear ID, Inc. 823 Congress Avenue Suite 300 Austin, Texas 78701	1.855.434.8077



PACIFICBIOSCIENCES™

September 24, 2014

[Minor Dependent
Street Address
City, State Zip]

Dear Parent or Guardian of [Minor Dependent],

We write to inform you about the recent theft from an employee's home of a password-protected work laptop that occurred on or about September 16, 2014. The laptop may have contained files with personal information about your minor dependent, including name, birthdate, and social security number, which Pacific Biosciences maintains in connection with employment and related business purposes.

A police report was filed concerning the theft, and we plan to fully cooperate with any investigation. We have no evidence or reason to believe that any of the information contained in the files has been accessed or misused. However, because you are in a position to further protect against any potential misuse of personal information, we wanted to inform you of the situation and encourage you to take steps you deem appropriate to help protect your minor dependent. To assist you with these efforts, we arranged to make identity protection services available to your minor dependent at no cost, which is explained in detail below.

AllClear ID Service

We have arranged to have AllClear ID provide identity protection services for 12 months at no cost to you. The following identity protection services start on the date of this notice and you can use them at any time during the next 12 months.

AllClear SECURE: The team at AllClear ID is ready and standing by if you need help protecting your minor dependent's identity. This protection is automatically available to your minor dependent with no enrollment required. If a problem arises, simply call (866) 979-2595 and a dedicated investigator will do the work to make sure your minor dependent's identity is returned to its proper condition. AllClear maintains an A+ rating at the Better Business Bureau.

AllClear PRO-ChildScan: This service offers additional layers of protection including a \$1 million identity theft insurance policy. For a child under 18 years old, AllClear ID ChildScan identifies acts of credit, criminal, medical or employment fraud against children by searching thousands of public databases for use of your minor dependent's information. To use the PRO-ChildScan service, you will need to provide your minor dependent's personal information to AllClear ID. You may sign up your minor dependent online at enroll.allclearid.com or by phone by calling (866) 979-2595 using the following redemption code: {RedemptionCode}

Please note: Additional steps may be required by you in order to activate your phone alerts.

How You Can Protect Yourself and Your Family:

To assist you in protecting yourself and your family, with this letter we provide general information which may be useful to you in analyzing what precautionary steps you may want to take.

Although we have no reason to believe the information is at risk, access to personal information by others is increasingly of public concern. The following resources contain information that you may find useful:

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The law entitles your dependent to receive a free copy of his/her credit report annually from each of the three major credit reporting bureaus. We also recommend that you consider a review of his/her credit report from each of the three major credit reporting agencies: Experian, Equifax, and Transunion (contact information provided below). When you receive his/her credit report, review it carefully. You should notify the credit bureaus of any inaccuracies in the report as soon as possible so the information can be investigated and, if found to be in error, corrected. If you discover unauthorized accounts or charges on the credit reports, you should immediately notify the appropriate credit bureau by telephone and in writing. If you find suspicious activity on the credit reports or have reason to believe your dependent's information is being misused, notify local law enforcement and file a police report and/or the Federal Trade Commission. You should obtain a copy of the police report because many creditors require the information it contains before they will absolve your dependent of the fraudulent debts.

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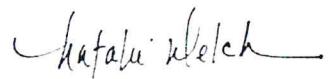
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Should you have any questions about this matter, please contact Natalie Welch at Pacific Biosciences, 1380 Willow Rd., Menlo Park, CA 94025 or by telephone at (650) 521-8215, and we will address any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink that reads "Natalie Welch". The signature is fluid and cursive, with "Natalie" on the top line and "Welch" on the bottom line, slightly overlapping.

Natalie Welch
Senior Director, Human Resources

Enclosures

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- AllClear ID is not an insurance company, and AllClear Secure is not an insurance policy; AllClear ID will not make payments or reimbursements to you for any loss or liability you may incur;
- AllClear ID is not a credit repair organization, is not a credit counseling service, and does not promise to help you improve your credit history or rating beyond resolving incidents of fraud; and
- You are expected to protect your personal information in a reasonable way at all times. Accordingly, you will not recklessly disclose or publish your Social Security number or any other personal information to those who would

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E-mail	Mail	Phone
support@allclearid.com	AllClear ID, Inc. 823 Congress Avenue Suite 300 Austin, Texas 78701	1.855.434.8077