



# EXHIBIT A

April 19, 2017

Sarissa Capital Domestic Fund LP  
Sarissa Capital Offshore Master Fund LP  
Sarissa Capital Fund GP LLC  
Sarissa Capital Fund GP LP  
Sarissa Capital Offshore Fund LP LLC  
Sarissa Capital Management GP LLC  
Sarissa Capital Management LP  
660 Steamboat Road, 3rd Floor  
Greenwich, Connecticut 06830  
Attention: Alexander J. Denner

Ladies and Gentlemen:

This letter agreement is to advise you that upon the issuance of the attached press release, included as Exhibit A hereto, the entities and natural persons set forth in the signature pages hereto (collectively, "Sarissa") on behalf of Sarissa and its Affiliates (as such term is defined under Rule 12b-2 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder) hereby agree to (i) irrevocably withdraw the notice of stockholder nomination of individuals for election as directors at the 2017 annual meeting of stockholders (the "2017 Annual Meeting") of Innoviva, Inc., a Delaware corporation (the "Company"), and the notice of a stockholder proposal to repeal certain of the Company's Amended and Restated Bylaws submitted to the Company on February 8, 2017, dated as of February 7, 2017, as supplemented by Sarissa's notice submitted to the Company on March 8, 2017, dated as of March 7, 2017, and any related materials or notices submitted to the Company in connection therewith, (ii) terminate its solicitation of proxies in connection with the 2017 Annual Meeting and (iii) promptly, within two (2) business days from the date hereof, cause a stipulation of dismissal with prejudice to be filed with respect to the matter captioned Sarissa Capital Domestic Fund LP v. Innoviva, Inc., C.A. No. 2017-0216-JRS, currently pending before the Court of Chancery of the State of Delaware.

In consideration for, among other things, the willingness of Sarissa to take the actions outlined in the preceding paragraph, the Company agrees to (i) immediately increase the size of the Company's board of directors (the "Board") to nine (9) members, (ii) appoint each of George W. Bickerstaff, III and Jules Haimovitz as a director of the Company (collectively, the "Sarissa Designees") and (iii) include each of the Sarissa Designees as nominees of the Board to stand for election as directors at the Company's 2017 Annual Meeting. In order to effectuate the provisions of this letter agreement, the Company agrees to convene and adjourn the 2017 Annual Meeting, currently scheduled to be held on April 20, 2017, to not later than May 19, 2017 to enable the inclusion of the two (2) Sarissa Designees in the Company's recommended slate of director nominees for election to the Board at the 2017 Annual Meeting and take such other

actions as appropriate in connection therewith, including filing supplemental proxy solicitation material, which shall be subject to the review and comment of Sarissa.

This letter agreement may be executed in two or more counterparts (delivery of which may be by facsimile or via email as a portable document format (.pdf)) which together shall constitute a single agreement.

*[Signature Pages Follow]*

Please confirm your agreement with the foregoing by signing and returning one copy of this letter agreement to the undersigned.

Very truly yours,

**INNOVIVA, INC.**

By: \_\_\_\_\_  
Name:  
Title:

AGREED AND ACKNOWLEDGED  
(as of the date indicated above):

SARISSA CAPITAL DOMESTIC FUND LP

By: \_\_\_\_\_

Name: [•]

Title: [•]

SARISSA CAPITAL OFFSHORE MASTER FUND LP

By: \_\_\_\_\_

Name: [•]

Title: [•]

SARISSA CAPITAL FUND GP LLC

By: \_\_\_\_\_

Name: [•]

Title: [•]

SARISSA CAPITAL FUND GP LP

By: \_\_\_\_\_

Name: [•]

Title: [•]

SARISSA CAPITAL OFFSHORE FUND LP LLC

By: \_\_\_\_\_

Name: [•]

Title: [•]

SARISSA CAPITAL MANAGEMENT GP LLC

By: \_\_\_\_\_

Name: [•]

Title: [•]

SARISSA CAPITAL MANAGEMENT LP

By: \_\_\_\_\_

Name: [•]

Title: [•]

By: \_\_\_\_\_

Name: George W. Bickerstaff, III

By: \_\_\_\_\_

Name: Jules Haimovitz

**EXHIBIT A**

FORM OF PRESS RELEASE

[Exhibit A]



## ***Innoviva Reaches Agreement with Sarissa***

### ***Appoints George Bickerstaff, III and Jules Haimovitz to the Board***

**Brisbane, Calif. – April 19, 2017** – Innoviva, Inc. (the “Company” or “Innoviva”) (NASDAQ: INVA) today announced it reached an agreement with Sarissa Capital Domestic Fund LP and certain of its affiliates (together, “Sarissa”), ending the proxy contest before the Company’s upcoming Annual Meeting of Stockholders. Pursuant to the agreement, Sarissa withdrew both its shareholder proposal and its notice of shareholder nomination of individuals for election as directors to the Company’s Board of Directors (the “Board”) and terminated its pending litigation under Section 220 of the Delaware General Corporation Law.

The Company has expanded the size of the Board from seven to nine members and appointed George Bickerstaff, III and Jules Haimovitz as independent directors, bringing the number of independent directors to eight members. The Company will convene the Annual Meeting on April 20, 2017, solely for the purpose of adjourning the meeting to a later time, date and place to be announced, in order to provide supplemental information to our shareholders relating to the Board’s revised slate of nine directors.

“We are pleased to have reached this agreement with Sarissa, enabling our Board and management team to focus our full attention on growing Innoviva, and continuing to return value to our investors. It is clear Sarissa, Mr. Bickerstaff and Mr. Haimovitz see the potential of Innoviva, and we respect their willingness to work collaboratively to drive sustainable shareholder value today and into the future. Our Board remains committed to delivering value to all investors,” said Innoviva Chairman of the Board William H. Waltrip.

Alexander Denner, founder of Sarissa, stated: “I am happy to have reached this agreement with Innoviva and believe that George and Jules will be strong additions to the Company’s Board in the shared goal of enhancing shareholder value. Innoviva’s Board has demonstrated a willingness to accept shareholder input, and as a shareholder, I look forward to future productive dialogue.”

#### **Additional Biographical Information**

##### **George Bickerstaff, III**

Mr. Bickerstaff, 61, currently serves as a Managing Director of M.M. Dillon & Co., LLC, an investment banking firm. Prior to joining M.M. Dillon & Co., LLC, Mr. Bickerstaff held various positions with Novartis International AG, a global leader in pharmaceuticals and consumer health, including Chief Financial Officer of Novartis Pharma AG. Mr. Bickerstaff currently serves on the board of directors of



CareDx, Inc. and Cardax, Inc. Mr. Bickerstaff previously served on the board of directors of ARIAD Pharmaceuticals, Inc. until it was acquired by Takeda Pharmaceutical Company Limited in February 2017.

### **Jules Haimovitz**

Mr. Haimovitz, 66, currently serves as President of the Haimovitz Consulting Group, a private media consulting firm. Mr. Haimovitz previously served as Vice Chairman and Managing Partner of Dick Clark Productions Inc., a producer of programming for television, cable networks and syndicators, and in various capacities at Metro Goldwyn Mayer Inc., including President of MGM Networks Inc. Mr. Haimovitz served on the board of directors of ARIAD Pharmaceuticals, Inc. until ARIAD was acquired by Takeda Pharmaceutical Company Limited in February 2017. Mr. Haimovitz also previously chaired the Audit Committee and the Strategic Planning Committee of ImClone Systems Incorporated, and served on the boards of Spelling Entertainment Inc., Blockbuster, Dial Global Inc. (formerly Westwood One), Blucora (formerly Infospace), Orion Pictures Corporation, Lifetime and Video Jukebox Network Inc.

### **About Innoviva**

Innoviva is focused on bringing compelling new medicines to patients in areas of unmet need by leveraging its significant expertise in the development, commercialization and financial management of bio-pharmaceuticals. Innoviva's portfolio is anchored by the respiratory assets partnered with Glaxo Group Limited (GSK), including RELVAR<sup>®</sup>/BREO<sup>®</sup> ELLIPTA<sup>®</sup> and ANORO<sup>®</sup> ELLIPTA<sup>®</sup>, which were jointly developed by Innoviva and GSK. Under the agreement with GSK, Innoviva is eligible to receive associated royalty revenues from RELVAR<sup>®</sup>/BREO<sup>®</sup> ELLIPTA<sup>®</sup>, ANORO<sup>®</sup> ELLIPTA<sup>®</sup>. In addition, Innoviva retains a 15 percent economic interest in future payments made by GSK for earlier-stage programs partnered with Theravance BioPharma, Inc., including the closed triple combination therapy for Chronic Obstructive Pulmonary Disease (COPD). For more information, please visit Innoviva's website at [www.inva.com](http://www.inva.com).

ANORO<sup>®</sup>, RELVAR<sup>®</sup>, BREO<sup>®</sup> and ELLIPTA<sup>®</sup> are trademarks of the GlaxoSmithKline group of companies.

### **Forward-Looking Statements**

This press release contains certain “forward-looking” statements as that term is defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, statements relating to goals, plans, objectives and future events, including expected cost savings. Innoviva intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. The words “anticipate”, “expect”, “goal”, “intend”, “objective”, “opportunity”, “plan”, “potential”, “target” and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve substantial risks, uncertainties and assumptions. These statements are based on the current estimates and assumptions of the management of Innoviva as of the date of this press release and are subject to risks, uncertainties, changes in circumstances, assumptions and other factors that may cause the actual results of Innoviva to be materially different

from those reflected in the forward-looking statements. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, among others, risks related to: expected cost savings, lower than expected future royalty revenue from respiratory products partnered with GSK, the commercialization of RELVAR®/BREO® ELLIPTA® and ANORO® ELLIPTA® in the jurisdictions in which these products have been approved; the strategies, plans and objectives of Innoviva (including Innoviva’s growth strategy and corporate development initiatives beyond the existing respiratory portfolio); the timing, manner, amount and planned growth of anticipated potential capital returns to shareholders (including, without limitation, statements regarding Innoviva’s expectations of future purchases under its capital return programs and future cash dividends); the status and timing of clinical studies, data analysis and communication of results; the potential benefits and mechanisms of action of product candidates; expectations for product candidates through development and commercialization; the timing of regulatory approval of product candidates; and projections of revenue, expenses and other financial items. Other risks affecting Innoviva are described under the headings “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained in Innoviva’s Annual Report on Form 10-K for the year ended December 31, 2016, which is on file with the SEC and available on the SEC’s website at [www.sec.gov](http://www.sec.gov). Additional factors may be described in those sections of Innoviva’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2017, to be filed with the SEC in the second quarter of 2017. In addition to the risks described above and in Innoviva’s other filings with the SEC, other unknown or unpredictable factors also could affect Innoviva’s results. Past performance is not necessarily indicative of future results. No forward-looking statements can be guaranteed and actual results may differ materially from such statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. The information in this press release is provided only as of the date hereof, and Innoviva assumes no obligation to update its forward-looking statements on account of new information, future events or otherwise, except as required by law.

**Investor Contact:**

Eric d’Esparbes  
Senior Vice President and Chief Financial Officer  
Innoviva, Inc.  
650-238-9640  
[investor.relations@inva.com](mailto:investor.relations@inva.com)

**Media Contacts:**

Abernathy MacGregor  
Patrick Tucker or Ina McGuinness  
212-371-5999 or 213-630-6550  
[pct@abmac.com](mailto:pct@abmac.com) or [ina@abmac.com](mailto:ina@abmac.com)

# EXHIBIT B

April 19, 2017

Sarissa Capital Domestic Fund LP  
Sarissa Capital Offshore Master Fund LP  
Sarissa Capital Fund GP LLC  
Sarissa Capital Fund GP LP  
Sarissa Capital Offshore Fund LP LLC  
Sarissa Capital Management GP LLC  
Sarissa Capital Management LP  
660 Steamboat Road, 3rd Floor  
Greenwich, Connecticut 06830  
Attention: Alexander J. Denner

Ladies and Gentlemen:

This letter agreement is to confirm our agreement that the entities and natural persons set forth on the second and third signature pages hereto (collectively, "Sarissa") on behalf of Sarissa and its Affiliates (as such term is defined under Rule 12b-2 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder) hereby (i) irrevocably withdraw the notice of stockholder nomination of individuals for election as directors at the 2017 annual meeting of stockholders (the "2017 Annual Meeting") of Innoviva, Inc., a Delaware corporation (the "Company"), and the notice of a stockholder proposal to repeal certain of the Company's Amended and Restated Bylaws submitted to the Company on February 8, 2017, dated as of February 7, 2017, as supplemented by Sarissa's notice submitted to the Company on March 8, 2017, dated as of March 7, 2017, and any related materials or notices submitted to the Company by Sarissa in connection therewith, (ii) terminate their solicitation of proxies in connection with the 2017 Annual Meeting and (iii) agree to promptly, within two (2) business days from the date hereof, cause a stipulation of dismissal with prejudice to be filed with respect to the matter captioned Sarissa Capital Domestic Fund LP v. Innoviva, Inc., C.A. No. 2017-0216-JRS, currently pending before the Court of Chancery of the State of Delaware. As soon as practicable following the execution of this letter agreement, the Company will issue the press release attached hereto as Exhibit A.

In consideration for, among other things, the willingness of Sarissa to take the actions outlined in the preceding paragraph, the Company (i) confirms, represents and warrants to Sarissa that, concurrently with the execution of this letter agreement, it has (A) increased the size of the Company's board of directors (the "Board") to nine (9) members, (B) appointed each of George W. Bickerstaff, III and as a director of the Company (each, a "Sarissa Designee" and collectively, the "Sarissa Designees") and (ii) agrees to (x) include each of the Sarissa Designees as nominees of the Board to stand for election as directors at the Company's 2017 Annual Meeting and (y) use reasonable best efforts to cause the election of each Sarissa Designee at such meeting, including by supporting each Sarissa Designee for election in a manner no less rigorous and favorable than the manner in which the Company supports any of its other nominees. In

order to effectuate the provisions of this letter agreement, the Company agrees to convene the 2017 Annual Meeting on April 20, 2017, and to adjourn the 2017 Annual Meeting to not later than May 19, 2017 to enable the inclusion of the two (2) Sarissa Designees in the Company's recommended slate of director nominees for election to the Board at the 2017 Annual Meeting and take such other actions as appropriate in connection therewith, including filing supplemental proxy solicitation material, which shall be subject to the prompt review and comment of Sarissa prior to any public dissemination thereof.

This letter agreement may be executed in two or more counterparts (delivery of which may be by facsimile or via email as a portable document format (.pdf)) which together shall constitute a single agreement and shall be governed by the laws of the State of Delaware without giving effect to any conflict of law principle that would compel the application of the laws of another jurisdiction. Irreparable damage for which money damages are not a sufficient remedy would result from any breach or threatened breach of this letter agreement. Accordingly, the parties are entitled to specific performance in respect of their respective obligations hereunder without the need to post a bond or other collateral in connection therewith.

*[Signature Pages Follow]*

Please confirm your agreement with the foregoing by signing and returning one copy of this letter agreement to the undersigned.

Very truly yours,

**INNOVIVA, INC.**

By: \_\_\_\_\_  
Name:  
Title:

AGREED AND ACKNOWLEDGED  
(as of the date indicated above):

SARISSA CAPITAL DOMESTIC FUND LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL OFFSHORE MASTER FUND LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL FUND GP LLC

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL FUND GP LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL OFFSHORE FUND LP LLC

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL MANAGEMENT GP LLC

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL MANAGEMENT LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

By: \_\_\_\_\_  
Name: George W. Bickerstaff, III

By: \_\_\_\_\_  
Name:



**EXHIBIT A**

FORM OF PRESS RELEASE

[Exhibit A]

# EXHIBIT C

April 19, 2017

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Sarissa Capital Offshore Master Fund LP  
Sarissa Capital Fund GP LLC  
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Sarissa Capital Management LP  
660 Steamboat Road, 3rd Floor  
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Attention: Alexander J. Denner

Ladies and Gentlemen:

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In consideration for, among other things, the willingness of Sarissa to take the actions outlined in the preceding paragraph, the Company (i) confirms, represents and warrants to Sarissa that, concurrently with the execution of this letter agreement, it has (A) increased the size of the Company’s board of directors (the “Board”) to nine (9) members, (B) appointed each of George W. Bickerstaff, III and Odysseas Kostas as a director of the Company (each, a “Sarissa Designee” and collectively, the “Sarissa Designees”) and (ii) agrees to (x) include each of the Sarissa Designees as nominees of the Board to stand for election as directors at the Company’s 2017 Annual Meeting and (y) use reasonable best efforts to cause the election of each Sarissa Designee at such meeting, including by supporting each Sarissa Designee for election in a

manner no less rigorous and favorable than the manner in which the Company supports any of its other nominees. In order to effectuate the provisions of this letter agreement, the Company agrees to convene the 2017 Annual Meeting on April 20, 2017, and to adjourn the 2017 Annual Meeting to not later than May 19, 2017 to enable the inclusion of the two (2) Sarissa Designees in the Company's recommended slate of director nominees for election to the Board at the 2017 Annual Meeting and take such other actions as appropriate in connection therewith, including filing supplemental proxy solicitation material, which shall be subject to the [prompt](#) review and comment of Sarissa prior to any public dissemination thereof.

This letter agreement may be executed in two or more counterparts (delivery of which may be by facsimile or via email as a portable document format (.pdf)) which together shall constitute a single agreement and shall be governed by the laws of the State of Delaware without giving effect to any conflict of law principle that would compel the application of the laws of another jurisdiction. Irreparable damage for which money damages are not a sufficient remedy would result from any breach or threatened breach of this ~~Agreement~~[letter agreement](#). Accordingly, the parties are entitled to specific performance in respect of their respective obligations hereunder without the need to post a bond or other collateral in connection therewith.

*[Signature Pages Follow]*

Please confirm your agreement with the foregoing by signing and returning one copy of this letter agreement to the undersigned.

Very truly yours,

**INNOVIVA, INC.**

By: \_\_\_\_\_

Name:

Title:

*[Signature Page to Letter Agreement]*

Redline Innoviva - Letter Agreement Settlement - Sarissa 1442349v3 and Innoviva - Letter Agreement Settlement - Sarissa 1442349v4A 4/19/2017 4:07:33 PM

AGREED AND ACKNOWLEDGED  
(as of the date indicated above):

SARISSA CAPITAL DOMESTIC FUND LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL OFFSHORE MASTER FUND LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

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By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

SARISSA CAPITAL MANAGEMENT LP

By: \_\_\_\_\_  
Name: Mark DiPaolo  
Title: Authorized Person

By: \_\_\_\_\_  
Name: George W. Bickerstaff, III

By: \_\_\_\_\_  
Name: **Odysseas Kostas**

**EXHIBIT A**

FORM OF PRESS RELEASE

[Exhibit A]

Redline Innoviva - Letter Agreement Settlement - Sarissa 1442349v3 and Innoviva - Letter Agreement Settlement - Sarissa 1442349v4A 4/19/2017 4:07:33 PM



<b>Summary report:</b> <b>Litéra® Change-Pro TDC 7.5.0.215 Document comparison done on</b> <b>4/19/2017 4:07:33 PM</b>	
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<b>Intelligent Table Comparison:</b> Active	
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<b>Description:</b> Innoviva - Letter Agreement Settlement - Sarissa	
<b>Modified DMS:</b> dm://NYCSR03A/1442349/4A	
<b>Description:</b> Innoviva - Letter Agreement Settlement - Sarissa	
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<a href="#">Add</a>	12
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<del>Move From</del>	0
<del>Move To</del>	0
<del>Table Insert</del>	0
<del>Table Delete</del>	0
<del>Table moves to</del>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	2
<b>Total Changes:</b>	<b>19</b>