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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended December 31 , 2023

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-37477

TELADOC HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware	**04-3705970**
(State of incorporation)	*(I.R.S. Employer Identification No.)*
2 Manhattanville Road , Suite 203	
Purchase , New York	**10577**
(Address of principal executive office)	*(Zip code)*

(203) 635-2002

(Registrant's telephone number including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	TDOC	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: Not Applicable

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes o No x

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	x	Accelerated filer	o	Non-accelerated filer	o	Smaller reporting company	o
Emerging growth company	o						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes o No x

The aggregate market value of the common stock held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was

approximately $ 4,144,640,168 . The registrant has no non-voting stock outstanding.

As of February 16, 2024, there were 167,038,966 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be delivered to stockholders in connection with the 2024 annual meeting of stockholders are incorporated by reference in response to Part III of this Report to the extent stated herein.

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PART I

-SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Many statements made in this Annual Report on Form 10-K that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipates”, “believes”, “suggests”, “targets”, “projects”, “plans”, “expects”, “future”, “intends”, “estimates”, “predicts”, “potential”, “may”, “will”, “should”, “could”, “would”, “likely”, “foresee”, “forecast”, “continue” and other similar words or phrases, as well as statements in the future tense to identify these forward-looking statements. These forward-looking statements and projections are contained throughout this Form 10-K, including the sections entitled “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” the “Company,” or “we.” We base these forward-looking statements or projections on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such time. As you read and consider this Form 10-K, you should understand that these statements are not guarantees of performance or results. The forward-looking statements and projections are subject to and involve risks, uncertainties and assumptions and you should not place undue reliance on these forward-looking statements or projections. Although we believe that these forward-looking statements and projections are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections. Factors that may materially affect such forward-looking statements and projections include, but are not limited to section entitled “Risk Factors” in this Form 10-K and in our other reports and Securities and Exchange Commission (“SEC”) filings. These cautionary statements should not be construed by you to be exhaustive and are made only as of the date of this Form 10-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should evaluate all forward-looking statements made in this Form 10-K in the context of these risks and uncertainties.

Item 1. Business

Overview

Teladoc Health is the global leader in whole person virtual care, forging a new healthcare experience with better convenience, outcomes, and value. Our mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience.

Teladoc Health was founded on a simple, yet revolutionary idea: that everyone should have access to the best healthcare, anywhere in the world on their terms. Today, we have a vision of making virtual care the first step on any healthcare journey, and we are delivering on this mission by providing whole person virtual care that includes primary care, mental health, chronic condition management, and more.

We have developed and built upon our diverse capabilities over the course of more than 20 years, evolving our product and service portfolio from a suite of point solutions to a whole person offering. We are creating a unified and personalized consumer experience, developing technologies to connect patients and extend the reach of care providers, delivering the highest standard of clinical quality at every touchpoint, and enhancing health decisions and outcomes with smart data and actionable insights. Regardless of people’s healthcare needs, across any site of care, we aim to provide the right level of personalized support to meet that need.

We believe that we have the largest breadth of integrated whole person products and services in the virtual care industry, enabling us to treat the whole person, from mental healthcare to physical healthcare, and from acute episodic needs to chronic needs. We strive to be the “front door” to the healthcare system for our members, with a unique ability to connect them to the care they need. People who come to us with one of these needs are in turn much more likely to rely on us for other healthcare needs, which creates the opportunity for us to build longitudinal relationships, with care that’s personalized for each individual.

We aim to achieve our vision of making virtual care the first step on any healthcare journey by delivering, enabling, and empowering integrated whole person virtual care services and experiences that span every stage of the

healthcare journey. We offer a portfolio of services and solutions covering hundreds of medical subspecialties, bolstered by technology, artificial intelligence ("AI"), machine learning and human expertise to provide an effective care experience that people value and trust. By combining the latest in data science and analytics with an award-winning user experience through a set of highly flexible integrated technology platforms, we completed approximately 18.4 million telehealth visits in 2023 through our business to business and direct-to-consumer ("D2C") channels. We provide access to healthcare through our portfolio of consumer brands 24 hours a day, 7 days a week, and 365 days a year.

We have two reportable segments: Teladoc Health Integrated Care (“Integrated Care”) and BetterHelp.

Our Integrated Care segment includes a suite of global virtual medical services including general medical, expert medical services, specialty medical, chronic condition management, mental health, and enabling technologies and enterprise telehealth solutions for hospitals and health systems. Services in this segment are distributed primarily on a business-to-business (“B2B”) basis.

Our BetterHelp segment primarily consists of our market leading D2C mental health platform. The online counseling and therapy services are provided via our network of over 40,000 licensed clinicians leveraging our platform for web, mobile app, phone, and text-based interactions.

Who We Serve

As of December 31, 2023, approximately 90 million members in the United States (“U.S.”) have access to one or more of our products and services. The customers of our Integrated Care segment primarily consist of employers, health plans, hospitals and health systems, insurance and financial services companies (collectively “Clients”), as well as individual members who utilize our solutions. Clients and individual consumers purchase our solutions to expand access to convenient, affordable, and high-quality healthcare to their constituents and to reduce their healthcare spending. Our solutions offer our Clients substantial savings opportunities and an attractive return on investment. As part of this segment, we sell to our Clients on behalf of their beneficiaries, including employees and health plan members. In our various sales channels, a range of third parties, including health plans, pharmacy benefits managers, financial institutions, brokers, agents, benefits consultants, and resellers, sell our solutions to various end markets around the world. Our BetterHelp segment primarily sells directly to individual consumers.

How We Generate Revenue

For the year ended December 31, 2023, 88% of our consolidated revenue was derived from access fees. To a lesser extent, we generate revenue from visit fees as well as sales of hardware and other related services to hospital and health systems, which is reported in "other revenue".

Teladoc Health Integrated Care Segment

Our Integrated Care segment primarily generates revenue on a contractually recurring, access fee basis, typically on a per-member-per-month (“PMPM”) basis. In some cases, Clients pay monthly access fees based on a per-participant-per-month model, based on the number of actively enrolled members each month. This segment also generates revenue from health system and provider Clients related to our licensed technology platform, primarily in the form of recurring access fee revenue as well as from the sale and lease of devices such as robots, carts, and tablets. Some of our contracts place a portion of our fees at risk or provide for gain share opportunity based on achieving desired performance metrics, cost savings, and/or clinical outcomes improvements.

Access fees comprise the significant majority of our Integrated Care segment revenue. We also generate revenue on a per-telehealth visit basis through certain Clients with visit fee only arrangements. For certain Clients, we also earn visit fees or per-case fees in combination with access fees.

Access fees are paid by our Clients on behalf of their employees, dependents, policy holders, card holders, beneficiaries, clinicians, or as is the case with certain of our subscribers, fees are paid by our members themselves. Visit fees for general medical and specialty visits are typically paid by Clients and/or members.

BetterHelp Segment

In our BetterHelp segment, we primarily generate revenue from paying users who pay a fee, most commonly monthly, to access our network of therapists and psychiatrists as well as to use our BetterSleep app designed to help people improve their sleep quality and overall well-being.

The Teladoc Health Brand Portfolio

Our Teladoc Health family of brands – which include, among others, Teladoc and BetterHelp, deliver access to advice and resolution for a broad array of healthcare needs, in intuitive, award-winning experiences designed to meet the expectations of today's consumers, from children to the senior population. The most common way for individuals to engage with our services is by using a mobile device, reflecting the growing consumer adoption of mobile technology and applications in managing their health.

Our Competitive Strengths

We believe that Teladoc Health is the leading global virtual healthcare provider because of our strong competitive advantages that address the most pressing challenges and trends in the delivery of healthcare around the world. We believe our history of innovation and long-standing operational excellence provide us with significant first-mover advantages, and we continue to invest and expand our services and geographic footprint globally. As the first comprehensive virtual healthcare company providing whole person care at scale, we have pioneered solutions and created what we believe are collectively the telehealth industry's first and only offerings of their kind. Our competitive advantages allow us to deliver whole person care solutions that create and demonstrate positive clinical outcomes for our members, and strong return on investment for our Clients.

Comprehensive Suite of Virtual Healthcare Clinical Services

We believe that we are the first and only company to provide a comprehensive and integrated whole person virtual healthcare solution that both provides and enables care for a full spectrum of clinical conditions, including wellness and prevention, acute care, chronic conditions, and complex healthcare needs. We also provide a broad range of programs and services, including primary and specialty care telehealth solutions, chronic condition management, expert medical services, mental health solutions, and platform & program services.

Global Footprint Spanning Clients, Medical Operations and Members

We believe we have the only global virtual healthcare footprint spanning a diverse set of Client channels, medical operations, and members. Combining our suite of international clinical capabilities with our technology and operational scale uniquely equips us to meet the needs of multinational employers.

Unmatched Breadth of Solutions for Clients Across All Channels Served

We deliver a comprehensive set of solutions to a diverse Client population through a highly efficient and effective distribution network wherein we reach Clients and individuals in our Integrated Care segment through our Clients and channel partners. In our BetterHelp segment we primarily market our solution directly to potential members.

We believe the breadth of our distribution strategy allows us to directly reach individuals and Clients of nearly every size and in nearly every market.

Comprehensive Engagement Model that Drives Utilization

We believe that our ability to drive behavior change on a global scale to deliver the highest utilization of virtual healthcare services in the industry is a key competitive differentiator for Teladoc Health. We utilize a combination of our proprietary engagement science, our "surround sound" capabilities, personalized individual experiences, as well as our deep knowledge and expertise of various populations to increase the adoption of our virtual care services.

Our engagement science is a unique combination of the application of predictive analytics and modeling, our deep experience with all population demographics, and expertise in applying this knowledge to our member populations on a global scale. With our proprietary engagement science, we target members using behavioral triggers, advanced predictive

modeling, and demographic/firmographic insights. This increases efficiency and the impact of our communications by reaching the right member, with the right personalized message, in the right micro moments of their day-to-day lives.

We believe that our “surround sound” capabilities are unique in the breadth and scale of media mix, analytics, and targeting techniques that we actively deploy across our diverse member populations on a global scale. We use these capabilities, plus our engagement science, to drive awareness and utilization of Teladoc Health services through innovative media strategies designed to reach members in their homes, on the go, and in their moments of need. Our surround sound capabilities and strategies are continuously being evaluated, analyzed, and evolved to meet ever-shifting consumer behaviors.

Intelligent, Adaptable and Innovative Solution to Whole Person Care

We have taken an innovative approach to technology to address whole person care. We have fused technology, logistics, and behavioral and clinical science, with data science serving as the intelligent connective tissue that powers our whole person care model. We have a large and unique set of data points that gives us a longitudinal understanding of an individual’s clinical truth and enables us to engage in a holistic stepped care model. We integrate capabilities for our members across health plan, employer, and health system relationships, in a way that we believe is unique in the industry.

Our platform features the full range of health support – from AI engine-driven “nudges” and health coaches to therapists and board-certified physicians and the world’s leading specialists – available anytime, anywhere we operate to ensure the right care is always delivered.

Highly Scalable and Secure API-Driven Technology Integrated Platform

Our core platform is a highly scalable, integrated, application program interface (“API”) driven technology platform, for virtual healthcare delivery, with multiple real-time integrations spanning the healthcare ecosystem.

The core platform is equipped to provide the same level of member support and response time for upwards of 100,000 visits per day. Further, our platform has been built to accommodate the seamless and quick introduction of new clinical and digital services and products.

We leverage and develop a unique combination of cloud-based technology that integrates smart connected devices with sophisticated data science to deliver personalized health insight. For example, we provide a unique and proprietary blood glucose meter to members enrolled in our diabetes program. This Class II, Food and Drug Administration (“FDA”)-cleared medical device includes a cellular antenna and color touchscreen to provide seamless integration with our platform. Our proprietary software relays the blood glucose measurements and user inputs to our cloud service, and then displays targeted communications and AI-selected “nudges” based on the current context and medical history of the member. These communications are dynamically personalized and optimized using our algorithms to deliver improved clinical health outcomes, which drives value to the healthcare ecosystem. The software on the device can also be remotely upgraded through the cellular antenna to deliver usability improvements and program enhancements.

Our platform’s APIs power external connectivity and deep integration with a wide range of payors, electronic medical records ("EMR"), third-party applications, and other interfaces with employers, hospital systems, and health systems, which we believe uniquely positions us as a long-term partner meeting the unique needs of the rapidly changing healthcare industry. We are able to white label our solutions, so they fit into the plans and strategies of our Clients, all on a platform that is high performing and highly scalable.

Our platform is compliant with numerous international data and privacy regulations, including the General Data Protection Regulation (“GDPR”), data-in-country rules, and other national requirements. This gives us the opportunity and ability to offer our products and services internationally, using the host countries’ languages and currencies, and addressing their specific local needs. We are also able to customize our platform for key partnerships globally.

Due to the sensitive nature of our members’ and Clients’ data, we have a heightened focus on data security and protection. We have a rigorous and comprehensive information security program managed by a dedicated team of security engineers and analysts. We have implemented telehealth industry standard processes, policies, and tools through all levels of our software development and network administration, including regularly scheduled vulnerability scanning and third-party penetration testing to reduce the risk of vulnerabilities in our system. In addition, our enterprise security program is periodically evaluated by expert third parties to ensure we are meeting or exceeding standards, best practices, and

regulatory requirements. One example of such an independent third-party certification that we have achieved is the Health Information Trust Alliance ("HITRUST").

To meet the growing needs of hospitals and health systems, as well as multi-national insurers, our proprietary licensed platform enables Clients to fully integrate private instances of our platform alongside their traditional modes of delivering healthcare to their patients. Leveraging the flexibility and customization available on the platform, most of these implementations incorporate deep integration with the hospital's or health system's EMR platform for scheduling and bi-directional clinical data sharing.

Our unique technology designed for the hospital and health system market is a complete end-to-end telehealth solution, including patient intake, emergent and scheduled encounters, video conferencing capabilities (including our virtual care end-point offering, Inpatient Connected Care), access to medical images, full application-specific clinical documentation tools – including interfaces to health system EMRs, and complete operational and clinical reporting and analytics. The technology also supports industry-leading medical devices such as robots, carts, and tablets via a unique network architecture for maximum performance, reliability, and security. The solution supports the entire patient journey and the full range of telehealth use cases encountered by hospitals and health systems.

Clinical Capabilities Tailored to Virtual Care

We deliver high-quality clinical care and advice in a virtual setting to our members through the unique mix of our proprietary guidelines, breadth and depth of clinical quality data and analytics as well as through our in-house and third-party medical professionals.

We apply analytics to the anonymized data points generated in our millions of visits with patients to continuously improve the clinical quality of our services. These data sets and insights are applied to enhance our providers' ability to deliver quality care through tools such as our provider dashboards, as well as serving as a foundation for clinical innovation and collaboration with other leading healthcare organizations that are focused on the advancement of virtual care delivery.

We established The Institute for Patient Safety and Quality of Virtual Care in 2019, the healthcare industry's first Patient Safety Organization ("PSO") dedicated to virtual care with the mission of conducting quality and safety initiatives with and on behalf of key healthcare stakeholders, including other PSOs, to improve the delivery of virtual care. This PSO is formally recognized by the U.S. Department of Health and Human Services ("HHS") and certified by the Agency for Healthcare Research and Quality.

Our Growth Strategies

Enable A Virtual First Strategy for Consumer Healthcare Access

Our vision is to position virtual care as the first place individuals go to get the care they need and manage their health. For whatever healthcare needs an individual has, across any site of care, we aim to provide the right level of personalized support to meet that need. As we drive the world to a "virtual first" mindset, we believe Teladoc Health has the enterprise scale, technical capabilities, clinical depth, and consumer engagement expertise to achieve this vision.

Teladoc Health's platform delivers a single solution leveraging our comprehensive clinical expertise, data, and scale, to address the complete spectrum of conditions from non-critical, episodic care to chronic conditions and mental health conditions. The virtual first model is built on our integrated platform, combining smart technologies, AI and machine learning, rich data exchange, digital self-management tools, integrated remote patient monitoring devices, analytics, and scalability to streamline care and drive better outcomes. Our platform matches the expectations of today's digital consumer by delivering a new kind of healthcare experience that is personalized, convenient, and connected.

Expand our Suite of Services to Address Unmet Needs

We believe that our integrated technology platforms address significant unmet needs, and we intend to continue to expand our solutions across use cases and additional care settings and clinical conditions, including virtual primary care, virtual care in a hospital room, home care, post discharge follow-ups, wellness/screening, and new areas in chronic care.

We continue to expand our virtual primary care offering, Primary360, through commercial health plans, employers, and other organizations that sponsor healthcare for individuals and families in the U.S. Our strategy is to deliver

a reimagined model for primary care, build on a foundation of integrated, multi-source data, leveraging a unified whole person experience; dedicated care team of physicians and non-medical doctors for a personalized longitudinal care plan; continuous guidance and support; navigation and coordination with high quality providers; and “last mile” services like lab testing, prescriptions, and in-home exams. We believe that Primary360 will be an effective gateway to the full range of our services for an individual. Clients have adopted Primary360 utilizing different models, including making it a care option for all members in a broad employee or health plan population, or offering a specific Virtual First Health Plan designed for Primary360 to be the access point for primary care for members. We intend to continue to respond quickly to evolving market needs with innovative solutions.

Our Inpatient Connected Care offering enables hospitals, health systems, and other clinical facilities to turn the television in every patient room into a virtual care end-point, utilizing a special purpose set-top box, camera, microphone, software, and networking. Hospitals have been experiencing critical staffing shortages, exacerbated by the impact of COVID-19 on nursing capacity, with a projected need for 2.1 million new registered nurses for expansion and replacement of retirees through 2025. Through our technology and workflows, Clients can more efficiently administer admissions, discharge planning, patient education, nursing coverage, and virtual provider consultations, improving efficiency and quality of care, and helping address hospital staffing challenges.

We continue to invest in new expansions and innovation within our chronic care management and mental health suite of offerings, such as myStrength Complete and Chronic Care Complete. myStrength Complete is an integrated mental health service providing personalized, targeted care to consumers in a single, comprehensive experience. myStrength Complete’s proprietary stepped care model is designed to seamlessly combine app-based tools and coaching expertise with our therapists and psychiatrists to ensure that consumers get the level of mental health support and care they need, when they need it. Chronic Care Complete is a first-of-its-kind chronic condition management solution to help individuals improve their health outcomes while living with multiple chronic conditions. This solution provides members with a unified, comprehensive experience that leverages connected health monitoring devices, access to health coaches and support from physicians and mental health specialists. Examples of expansion and innovation include enhanced gaps in care reporting, home delivery of continuous glucose monitors and A1c test kits, flexibility to use a wider range of monitoring devices, and expanded availability of mental health therapy for adolescents. We believe that these and other enhancements will improve quality of care and patient experience and expand the scope of populations we serve.

Increase Engagement and Long-term Relationships with Our Members by Driving Expanded Access & Enhanced Touch Points

We believe there is significant opportunity within our existing membership base to increase engagement by continually driving awareness and usage of our solutions. We believe our platform can become the primary entry point for on-demand, virtual healthcare for eligible individuals around the world. We expect to continually refine and enhance our user experience, which is a critical driver of new and repeat engagement, and building longer term relationships with our members, and to continue validating our member satisfaction with surveys and other proactive tools.

Our mobile app is foundational for us as we have redefined virtual healthcare delivery. During 2023, we launched a new unified mobile app that seamlessly offers members access to all of our virtual health services within a single, modern, user-friendly digital experience, under the Teladoc Health brand to support member engagement, multi-program enrollment, and longitudinal relationships with members. In addition, our integrated smart devices, such as our cellular blood glucose monitor, provide additional touch points for engaging members with relevant AI driven nudges to drive behavior change and improved health outcomes.

As we expand the range of products and services available to our members, we are investing in a seamless, relevant, and personalized virtual and digital experience that provides smart guidance for our members.

Our industry leading capabilities and expertise enable unique types of partnerships where our services are delivered to our partners with their brands, logos, and workflows on mobile and web platforms. These integrated member experiences drive higher member engagement, convenience, and utilization.

Expand Penetration of our Suite of Services Among Existing Clients

We believe that we offer a highly differentiated suite of solutions for a broad range of market channels, spanning the spectrum of traditional healthcare system participants such as employers, health plans, and health systems as well as global financial services businesses and other organizations. We plan to execute this strategy by selling additional, high

value services to our Clients, including our primary care services, chronic condition management programs, and mental health services. We believe that this strategy will help drive an increase in our average revenue per member over time.

Within existing Clients, we believe our current membership represents only a portion of the potential members available to us. Our existing health plan Clients and self-insured Clients associated with these health plans currently purchase our solutions for only a portion of their beneficiaries in the aggregate, and we estimate this provides us the opportunity to grow our membership base by expanding our penetration within our existing Clients. We also have substantial room to drive cross-sell opportunities of chronic condition management products into our Client base of telehealth customers, as we see limited overlap of existing Client bases.

Leverage Existing Distribution Channels and Expand Penetration of Global Markets

We have developed a highly effective and efficient global distribution network. Our international operations are headquartered in Barcelona, Spain with satellite locations in Europe, South America, and Asia. With these locations, we are able to provide 24x7 services to our members internationally. When medically necessary, our doctors can help members navigate the local health systems to obtain the best healthcare for their situation.

Our international Client base, largely comprising global financial services and health insurance companies, provides fertile ground for expansion of our product portfolio through existing partners in attractive markets where our infrastructure is already in place. We also market our solution in international markets, supporting the needs of government health systems and hospitals, as well as private entities. In addition, we partner with companies, such as consumer telecommunications companies, in certain international markets to offer virtual care services on a co-branded or white-labelled basis directly to customers of those companies and other consumers.

Drive Direct-To-Consumer Channel Growth

We plan to continue driving growth through investments in our D2C channels, which primarily includes our BetterHelp segment. Relative to our mental health capabilities, BetterHelp is the leader in the D2C therapy market, both in terms of the number of individuals enrolled and the number of licensed professionals who provide services on the platform. The scale of our data and provider network, powered by our data science capabilities, creates a competitive advantage for us in providing an optimal match of an individual with a provider, increasing the rate of success in therapy. We leverage diverse customer acquisition channels and increase organic sources of traffic, which reduces dependence on any single source of member acquisition. Even with our strong historical growth, we believe there is substantial untapped growth potential, both domestically and internationally. Historically, almost half of individuals seeking care from BetterHelp have never sought therapy before, suggesting that the availability of high quality, convenient, consumer friendly virtual mental healthcare is expanding the mental healthcare market.

Expand Through Focused Investments and Acquisitions

We plan to continue to support our overall strategy and market leadership with selective investments and acquisitions. To date, we have completed multiple acquisitions that have expanded our distribution capabilities, broadened our service offering, and created a broad global footprint. Our acquisition strategy is centered on acquiring products, capabilities, clinical specialties, technologies, and distribution channels that are highly scalable and rapidly growing. We have also established a track record of integrating these acquisitions to deliver incremental value to our Clients and members.

Sales and Marketing

We sell our Integrated Care services principally through our direct sales organization. Our direct sales team comprises enterprise focused sales professionals, who are supported by a sales operations staff, including product technology experts, lead generation professionals, and sales data experts. We maintain relationships with key industry participants including benefit consultants, brokers, group purchasing organizations, health plans, and hospital partners.

We generate Client leads, accelerate sales opportunities, and build brand awareness through our marketing programs. Our marketing programs target human resource, benefits, and finance executives in addition to technology and health professionals, senior business leaders, and healthcare channel partners. Our principal marketing programs include use of our website to provide information about our company and our solutions, as well as learning opportunities for potential members; integrated marketing campaigns; and participation in industry events, trade shows, and conferences.

We sell our BetterHelp services principally by marketing our solution directly to potential users. We also rely on relationships with a wide variety of third parties, including Internet search providers such as Google, social networking platforms such as Facebook, internet advertising networks, co-registration partners, retailers, distributors, television advertising agencies, and direct marketers, to source new users and to promote or distribute our services and products.

Research and Development

Our ability to compete depends, in large part, on our continuous commitment to rapidly introduce new products, services, technologies, features, and functionality. We have invested, and expect to continue to invest, significant resources in research and development and acquisitions to enhance our existing solutions and introduce innovative products and capabilities. Our multi-disciplinary team includes a product development team responsible for the design, development, testing, and certification of our solutions. It also includes software engineering teams responsible for solution development and deployment, and a data science team providing the insight that powers our differentiated health actions. We continuously focus on developing new products and further enhancing the usability, functionality, reliability, performance, and flexibility of our solutions.

Competition

We view our competitors as those companies that currently (or in the future will) (i) develop and market virtual care technology (devices, software, and systems) and/or (ii) provide virtual care services, such as the delivery of on-demand access to healthcare and chronic condition management. Competition focuses on, among other factors, experience in operation, customer service, quality of technology and know-how, ability to generate and demonstrate clinical and financial outcomes for clients, and reputation.

Teladoc Health Integrated Care Segment

Competitors in the telehealth and expert medical services market include MDLive, Inc. (now owned by Cigna), American Well Corporation, Included Health, and Accolade, Inc., among other participants. In the digital chronic condition management market, competitors include Omada Health, Inc., Virta Health Corp., and other participants. In the market for technology solutions for hospitals and health systems, competitors include American Well Corporation and MDLive, Inc., as well as smaller technology providers. We also face competition from large, well-financed health plans that in some cases have developed their own virtual care, expert medical service or chronic condition management tools, as well as large technology and retail companies, such as Amazon and Walmart, which have developed or acquired their own virtual care solutions.

BetterHelp Segment

In the D2C mental health and other wellness services markets, competitors include a variety of smaller direct-to-consumer platforms, including Talkspace and Calm.

Teladoc Health Medical Group, P.A.

We provide business support and administrative services pursuant to a services agreement with our affiliated clinical entities, including Teladoc Health Medical Group, P.A., formerly Teladoc Physicians, P.A. (“THMG”), which operate our Integrated Care telehealth provider network. We do not own THMG, which is a 100% physician-owned independent entity, or the professional corporations with which it contracts. Instead, THMG and the professional corporations (collectively, the “THMG Association”) are owned by physicians licensed in their respective jurisdictions. Under the services agreement with THMG, we have agreed to serve, on an exclusive basis, as manager and administrator of THMG’s non-clinical functions and services related to the provision of the telehealth services by providers employed by or under contract with THMG. The non-clinical functions and services we provide under the services agreement primarily include member management services, such as maintaining network operations centers for our members to request a visit with THMG’s providers, member billing and collection administration, and maintenance and storage of member medical records. THMG has agreed to provide our members, through its providers, access to telehealth services and recommended treatment 24 hours per day, 365 days per year. The services agreement also requires THMG to maintain the state licensure and other credentialing requirements of its providers. The services agreement has a 20-year term unless earlier terminated upon mutual agreement of the parties or unilaterally by a party following the commencement of bankruptcy or liquidation proceeds by the non-terminating party, a material breach of the services agreement by the non-terminating party, or a governmental or judicial termination order related to the services agreement. The THMG Association is considered a variable interest entity and its financial results are included in Teladoc Health’s consolidated financial statements.

Seasonality

Our business has historically been subject to seasonality. In our Integrated Care segment, a concentration of our new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, we historically have experienced our highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end-of-year holiday season, our BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic, we have typically experienced fewer new member additions and the strongest operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year, we typically experience the weakest operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

See "Risk Factors—Risks Related to Our Business and Industry—Our quarterly results may fluctuate significantly, which could adversely impact the value of our common stock." included elsewhere in this Annual Report on Form 10-K.

Health Equity

Our commitment to health equity is central to our mission of empowering all people everywhere to live their healthiest lives. We continue to make targeted investments to advance health equity by capturing and leveraging actionable data, designing for equity in our products and services, supporting the social drivers of health, and contributing to the industry's collective progress in this area via partnerships and collaboration.

As health equity increasingly becomes a regulatory and market differentiating reality for our Clients, Teladoc Health remains well positioned to meet the diverse needs, preferences, and circumstances of those whom we collectively serve. Our size, scale, and quality infrastructure enable us to continually assess and improve our services in order to deliver equitable access, experiences, and outcomes for all.

Regulatory Environment

Our operations are subject to comprehensive U.S. federal, state and local, and comparable multiple levels of international regulation in the jurisdictions in which we do business. The laws and rules governing our business and interpretations of those laws and rules continue to expand and become more restrictive each year and are subject to frequent change. Our ability to operate profitably will depend in part upon our ability, and that of our affiliated providers, to maintain all necessary licenses and to operate in compliance with applicable laws and rules. Those laws and rules continue to evolve, and we therefore devote significant resources to monitoring developments in healthcare and medical practice regulation. As the applicable laws and rules change, we are likely to make conforming modifications in our business processes from time to time. In many jurisdictions where we operate, neither our current nor our anticipated business model has been the subject of judicial or administrative interpretation. We cannot be assured that a review of our business by courts or regulatory authorities will not result in determinations that could adversely affect our operations or that the healthcare regulatory environment will not change in a way that restricts our operations.

Since the onset of the COVID-19 pandemic, state and federal regulatory authorities have reduced or removed a number of regulatory requirements in order to increase the availability of telehealth services. For example, changes were made to the Medicare and Medicaid programs (through waivers and other regulatory authority) to increase access to telehealth services by, among other things, increasing reimbursement, permitting the enrollment of out of state providers, and eliminating prior authorization requirements. It is uncertain how long these COVID-19 related regulatory changes will remain in effect. We do not believe that our operations or results will be materially adversely affected by a return to the status quo from a regulatory perspective.

For additional discussion of our regulatory environment, see "Risk Factors" included in Part I, Item 1A of this Annual Report on Form 10-K.

Telehealth Provider Licensing, Medical Practice, Certification and Related Laws and Guidelines

The practice of medicine, including the provision of mental health services, is subject to various federal, state, and local certification and licensing laws, regulations, and approvals, relating to, among other things, the adequacy of medical care, the practice of medicine (including the provision of remote care and cross coverage practice), equipment, personnel, operating policies and procedures, and the prerequisites for the prescription of medication. The application of some of these laws to telehealth is unclear and subject to differing interpretation. Physicians, physician assistants, advanced practice registered nurses, nurses, and mental health professionals who provide professional medical or mental health services to a patient via telehealth must, in most instances, hold a valid license to practice medicine or to provide mental health treatment in the state in which the patient is located. We have established systems for ensuring that our affiliated providers are appropriately licensed under applicable state law and that their provision of telehealth to our members occurs in each instance in compliance with applicable rules governing telehealth. Failure to comply with these laws and regulations could result in our services being found to be non-reimbursable or prior payments being subject to recoupments and can give rise to civil or criminal penalties.

U.S. Corporate Practice of Medicine; Fee Splitting

We contract with physician-owned professional associations and professional corporations to deliver our U.S. telehealth services to their patients. We enter into management services contracts with these physician-owned professional associations and professional corporations pursuant to which we provide them with non-clinical functions and services related to the provision of the telehealth services by the providers, such as maintaining network operations centers for our members to request a visit with the providers, member billing and collection administration, and maintenance and storage of member medical records, and the professional associations and professional corporations pay us for those services out of the fees they collect from patients and third-party payors. These contractual relationships are subject to various state laws that prohibit fee splitting or the practice of medicine by lay entities or persons and are intended to prevent unlicensed persons from interfering with or influencing the physician's professional judgment. In addition, various state laws also generally prohibit the sharing of professional services income with nonprofessional or business interests. Activities other than those directly related to the delivery of healthcare may be considered an element of the practice of medicine in many states. Under the corporate practice of medicine restrictions of certain states, decisions and activities such as scheduling, contracting, setting rates, and the hiring and management of non-clinical personnel may implicate the restrictions on the corporate practice of medicine.

State corporate practice of medicine and fee splitting laws vary from state to state and are not always consistent among states. In addition, these requirements are subject to broad powers of interpretation and enforcement by state regulators. Some of these requirements may apply to us even if we do not have a physical presence in the state, based solely on our engagement of a provider licensed in the state or the provision of telehealth to a resident of the state. However, regulatory authorities or other parties, including our providers, may assert that, despite these arrangements, we are engaged in the corporate practice of medicine or that our contractual arrangements with affiliated physician groups constitute unlawful fee splitting. In this event, failure to comply could lead to adverse judicial or administrative action against us and/or our providers, civil or criminal penalties, receipt of cease-and-desist orders from state regulators, loss of provider licenses, the need to make changes to the terms of engagement of our providers that interfere with our business and other materially adverse consequences.

U.S. Federal and State Fraud, Waste, and Abuse Laws

Federal Stark Law

We are subject to the federal self-referral prohibitions, commonly known as the Stark Law. Where applicable, this law prohibits a physician from referring Medicare patients to an entity providing "designated health services" if the physician or a member of such physician's immediate family has a "financial relationship" with the entity, unless an exception applies. The penalties for violating the Stark Law include the denial of payment for services ordered in violation of the statute, mandatory refunds of any sums paid for such services, civil penalties of up to $29,899 for each violation, and twice the dollar value of each such service and possible exclusion from future participation in the federally funded healthcare programs. A person who engages in a scheme to circumvent the Stark Law's prohibitions may be fined up to $199,338 for each applicable arrangement or scheme. The Stark Law is a strict liability statute, which means proof of specific intent to violate the law is not required. In addition, the government and some courts have taken the position that claims presented in violation of the various statutes, including the Stark Law can be considered a violation of the federal False Claims Act (described below) based on the contention that a provider impliedly certifies compliance with all

applicable laws, regulations and other rules when submitting claims for reimbursement. A determination of liability under the Stark Law could have a material adverse effect on our business, financial condition, and results of operations.

Federal Anti-Kickback Statute

We are also subject to the federal Anti-Kickback Statute. The Anti-Kickback Statute is broadly worded and prohibits the knowing and willful offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, (i) the referral of a person covered by Medicare, Medicaid or other governmental programs, (ii) the furnishing or arranging for the furnishing of items or services reimbursable under Medicare, Medicaid or other governmental programs, or (iii) the purchasing, leasing, or ordering or arranging or recommending purchasing, leasing or ordering of any item or service reimbursable under Medicare, Medicaid or other governmental programs. Certain federal courts have held that the Anti-Kickback Statute can be violated if "one purpose" of a payment is to induce referrals. In addition, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it to have committed a violation, making it easier for the government to prove that a defendant had the requisite state of mind or "scienter" required for a violation. Moreover, the government may assert that a claim including items or services resulting from a violation of the Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act, as discussed below. Violations of the Anti-Kickback Statute can result in exclusion from Medicare, Medicaid or other governmental programs as well as civil and criminal penalties, including civil monetary penalties of up to $120,816, and criminal fines of $100,000 per violation, and three times the amount of the unlawful remuneration, and imprisonment of up to ten years. Imposition of any of these remedies could have a material adverse effect on our business, financial condition, and results of operations. In addition to a few statutory exceptions, the HHS Office of Inspector General ("OIG") has published safe-harbor regulations that outline categories of activities that are deemed protected from prosecution under the Anti-Kickback Statute provided all applicable criteria are met. The failure of a financial relationship to meet all of the applicable safe harbor criteria does not necessarily mean that the particular arrangement violates the Anti-Kickback Statute. However, conduct and business arrangements that do not fully satisfy each applicable safe harbor may result in increased scrutiny by government enforcement authorities, such as the OIG.

False Claims Act

Both federal and state government agencies have continued civil and criminal enforcement efforts as part of numerous ongoing investigations of healthcare companies and their executives and managers. Although there are a number of civil and criminal statutes that can be applied to healthcare providers, a significant number of these investigations involve the federal False Claims Act. These investigations can be initiated not only by the government but also by a private party asserting direct knowledge of fraud. These "qui tam" whistleblower lawsuits may be initiated against any person or entity alleging such person or entity has knowingly or recklessly presented, or caused to be presented, a false or fraudulent request for payment from the federal government or has made a false statement or used a false record to get a claim approved. In addition, the improper retention of an overpayment for 60 days or more is also a basis for a False Claim Act action, even if the claim was originally submitted appropriately. Penalties for False Claims Act violations include fines ranging from $13,058 to $27,018 for each false claim, plus up to three times the amount of damages sustained by the federal government. A False Claims Act violation may provide the basis for exclusion from the federally funded healthcare programs. In addition, some states have adopted similar fraud, whistleblower, and false claims provisions.

State and Foreign Fraud, Waste, and Abuse Laws

Several states and foreign jurisdictions in which we operate have also adopted or may adopt similar fraud, waste, and abuse laws as described above. The scope of these laws and the interpretations of them vary by jurisdiction and are enforced by local courts and regulatory authorities, each with broad discretion. Some state fraud, waste, and abuse laws apply to items or services reimbursed by any payor, including patients and commercial insurers, not just those reimbursed by a federally funded healthcare program. A determination of liability under such state fraud, waste, and abuse laws could result in fines and penalties and restrictions on our ability to operate in these jurisdictions.

Other Healthcare Laws

The federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH") and their implementing regulations, (collectively, "HIPAA"), established several separate criminal penalties for making false or fraudulent claims to insurance companies and other non-governmental payors of healthcare services. Under HIPAA, these two additional federal crimes are: "Healthcare Fraud" and "False Statements Relating to Healthcare Matters." The Healthcare Fraud statute prohibits

knowingly and recklessly executing a scheme or artifice to defraud any healthcare benefit program, including private payors. A violation of this statute is a felony and may result in fines, imprisonment or exclusion from government sponsored programs. The False Statements Relating to Healthcare Matters statute prohibits knowingly and willfully falsifying, concealing, or covering up a material fact by any trick, scheme or device, or making any materially false, fictitious, or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items, or services. A violation of this statute is a felony and may result in fines or imprisonment. This statute could be used by the government to assert criminal liability if a healthcare provider knowingly fails to refund an overpayment. These provisions are intended to punish some of the same conduct in the submission of claims to private payors as the federal False Claims Act covers in connection with governmental health programs.

In addition, the Civil Monetary Penalties Law imposes civil administrative sanctions for, among other violations, inappropriate billing of services to federally funded healthcare programs and employing or contracting with individuals or entities who are excluded from participation in federally funded healthcare programs. Moreover, a person who offers or transfers to a Medicare or Medicaid beneficiary any remuneration, including waivers of copayments and deductible amounts (or any part thereof), that the person knows or should know is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier of Medicare or Medicaid payable items or services may be liable for civil monetary penalties for each wrongful act. Moreover, in certain cases, providers who routinely waive copayments and deductibles for Medicare and Medicaid beneficiaries can also be held liable under the Anti-Kickback Statute and civil False Claims Act, which can impose additional penalties associated with the wrongful act. One of the statutory exceptions to the prohibition is non-routine, unadvertised waivers of copayments or deductible amounts based on individualized determinations of financial need or exhaustion of reasonable collection efforts. The OIG emphasizes, however, that this exception should only be used occasionally to address special financial needs of a particular patient. Although this prohibition applies only to federal healthcare program beneficiaries, the routine waivers of copayments and deductibles offered to patients covered by commercial payers may implicate applicable state laws related to, among other things, unlawful schemes to defraud, excessive fees for services, tortious interference with patient contracts, and statutory or common law fraud.

Health Information Privacy and Security Laws

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personally identifiable information ("PII"), including health information. In particular, HIPAA establishes privacy and security standards that limit the use and disclosure of protected health information ("PHI") and require the implementation of administrative, physical, and technical safeguards to ensure the confidentiality, integrity and availability of individually identifiable health information in electronic form. Teladoc Health, the THMG Association, our providers, our health plan Clients and our employee welfare benefit plan Clients are all regulated as covered entities under HIPAA. Since the effective date of the HIPAA Omnibus Final Rule on September 23, 2013, HIPAA's requirements are also directly applicable to the independent contractors, agents, and other "business associates" of covered entities that create, receive, maintain, or transmit PHI in connection with providing services to covered entities. We are also at times a business associate of other covered entities when we are working on behalf of our affiliated medical groups.

Violations of HIPAA may result in significant civil and criminal penalties, and a single breach incident can result in violations of multiple standards. Teladoc Health, on our own and as part of our management responsibilities to the THMG Association, is required to comply with HIPAA's breach notification rule. Under the breach notification rule, covered entities must notify affected individuals without unreasonable delay in the case of a breach of unsecured PHI, which has more than a low probability of compromising the privacy, security, or integrity of the PHI. In addition, notification must be provided to the HHS and the local media in cases where a breach affects more than 500 individuals. Breaches affecting fewer than 500 individuals must be reported to HHS on an annual basis. The regulations also require business associates of covered entities to notify the covered entity of breaches by the business associate. Notification must also be made in certain circumstances to affected individuals, federal authorities, and others.

State attorneys general also have the right to prosecute HIPAA violations committed against residents of their states. While HIPAA does not create a private right of action that would allow individuals to sue in civil court for a HIPAA violation, its standards have been used as the basis for the duty of care in state civil suits, such as those for negligence or recklessness in misusing personal information. In addition, HIPAA mandates that HHS conduct periodic compliance audits of HIPAA covered entities and their business associates for compliance. HIPAA also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the Civil Monetary Penalty fine paid by the violator. In light of the HIPAA Omnibus Final Rule, recent enforcement activity, and statements from HHS, we expect increased federal and state HIPAA privacy and security enforcement efforts.

The privacy and security of personal information stored, maintained, received or transmitted electronically is an enforcement priority in the U.S. and internationally. While we strive to comply with all applicable privacy and security laws and regulations, as well as our own posted privacy policies, legal standards for privacy, including but not limited to "unfairness" and "deception," as enforced by the Federal Trade Commission ("FTC") and state attorneys general, any failure or perceived failure to comply with such requirements may result in proceedings or actions against us by government entities or private parties, or could cause us to lose Clients or members, any of which could have a material adverse effect on our business. For example, we have been subject to litigation alleging improper disclosure and/or use of PII and PHI. Recently, there has been an increase in public awareness of privacy issues in the wake of revelations about the activities of various government agencies and in the number of private privacy-related lawsuits filed against companies. Any allegations about our practices with regard to the collection, use, disclosure, or security of personal information or other privacy-related matters, even if unfounded and even if we are in compliance with applicable laws, could damage our reputation and harm our business.

Many states in which we operate and in which our patients reside also have laws that protect the privacy and security of personal information, including health information. These laws may be similar to, or even more protective, and may apply more broadly than HIPAA and other federal privacy laws, or they apply to personal information that HIPAA does not regulate. For example, the California Consumer Privacy Act of 2018 ("CCPA") protects the personal information of California consumers regardless of the location of the business holding the information. The California Privacy Rights Act ("CPRA") provides additional rights for California consumers and went into effect on January 1, 2023. Numerous states have enacted, or are currently reviewing, legislation that is similar to the CCPA and/or CPRA. For example, the Virginia Consumer Data Protect Act became effective on January 1, 2023; the Colorado Privacy Act and the Connecticut Data Privacy Act both became effective on July 1, 2023; and the Utah Consumer Privacy Act became effective on December 31, 2023. There are also bills that have been approved or are going through the legislative process in many more states. Where state laws are more protective than HIPAA or apply more broadly than HIPAA, or apply to different personal information than HIPAA, we must comply with the state laws we are subject to in addition to HIPAA. In certain cases, it may be necessary to modify our planned operations and procedures to comply with these more stringent state laws. Not only may some of these state laws impose fines and penalties upon violators, but also some, unlike HIPAA, may afford private rights of action to individuals who believe their personal information has been misused. In addition, state laws are changing rapidly, and there is discussion of a new federal privacy law or federal breach notification law, to which we may be subject.

In addition to HIPAA and state information privacy laws, we may be subject to other state and federal laws, including laws that prohibit unfair and deceptive practices which may include deceptive statements about privacy and security policies and practices.

In recent years, there have been a number of well publicized data breaches involving the improper use and disclosure of PII and PHI. Many states have responded to these incidents by enacting laws requiring holders of personal information to maintain safeguards and to take certain actions in response to a data breach, such as providing prompt notification of the breach to affected individuals and state officials.

We are also subject to laws and regulations in non-U.S. countries covering data privacy and the protection of health-related and other personal information. European Union ("EU") member states and other jurisdictions have adopted data protection laws and regulations, which impose significant compliance obligations. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, processing, and security of personal information that identifies or may be used to identify an individual, such as names, contact information, and sensitive personal data such as health data. These laws and regulations are subject to frequent revisions and differing interpretations and have generally become more stringent over time.

The GDPR imposes many requirements for controllers and processors of personal data, including, for example, higher standards for obtaining consent from individuals to process their personal data, more robust disclosures to individuals, a strengthened individual data rights regime, shortened timelines for data breach notifications, limitations on retention and secondary use of information, increased requirements pertaining to health data and pseudonymized (i.e., key-coded) data, and additional obligations when we contract third-party processors in connection with the processing of personal data. The GDPR allows EU member states to make additional laws and regulations further limiting the processing of genetic, biometric, or health data. Failure to comply with the requirements of GDPR and the applicable national data protection laws of the EU member states may result in fines of up to €20,000,000 or up to 4% of the total worldwide annual revenue from the preceding financial year, whichever is higher, and other administrative penalties.

We are also subject to EU laws on data export, as we may transfer personal data from the EU to other jurisdictions, in particular the U.S. These obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices. In addition, these rules are constantly under scrutiny. For example, following a decision of the Court of Justice of the EU in October 2015 (commonly referred to as the *Schrems I*), transferring personal data to U.S. companies that had certified as members of the U.S. Safe Harbor Scheme was declared invalid. In July 2016, the European Commission adopted the U.S.-EU Privacy Shield Framework which replaced the Safe Harbor Scheme. However, the U.S.-EU Privacy Shield Framework was also declared invalid by the Court of Justice of the EU in July 2020 (commonly referred to as *Schrems II*). While *Schrems II* affirmed the validity of corporate binding rules and standard contractual clauses as legal bases to transfer EU data to the U.S., it also put into place stricter requirements for transfers based on standard contractual clauses. In July 2023, to replace the U.S.-EU Privacy Shield, the EU and U.S. developed and entered into force the EU-U.S. Data Privacy Framework, the UK Extension for the EU-U.S. Data Privacy Framework, and the Swiss-U.S. Data Privacy Framework (collectively "Data Privacy Frameworks"). The Data Privacy Frameworks allow U.S. entities to self-certify compliance after which data transfers to the U.S. entity are permitted.

Some countries outside the EU have adopted laws that are similar to the EU GDPR. For example, Brazil adopted the Brazilian General Data Protection Law, which is closely aligned with the EU GDPR and began to be enforced in August 2021. Additionally, China adopted the Personal Information Protection Law ("PIPL"), which also closely aligns with GDPR, although there are differences. PIPL went into effect on November 1, 2021.

International Regulation

We expect to continue to expand our operations in foreign countries through both organic growth and acquisitions. Our international operations are subject to different, and sometimes more stringent, legal and regulatory requirements, which vary widely by jurisdiction, including anti-corruption laws; economic sanctions laws; various privacy, insurance, tax, tariff and trade laws and regulations; corporate governance, privacy, data protection (including GDPR), data mining, data transfer, labor and employment, intellectual property, consumer protection, and investment laws and regulations; discriminatory licensing procedures; required localization of records and funds; and limitations on dividends and repatriation of capital. In addition, the expansion of our operations into foreign countries increases our exposure to the anti-bribery, anti-corruption, and anti-money laundering provisions of U.S. law, including the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA"), and corresponding foreign laws, including the U.K. Bribery Act 2010 (the "U.K. Bribery Act").

The FCPA prohibits offering, promising, or authorizing others to give anything of value to a foreign government official to obtain or retain business or otherwise secure a business advantage. We also are subject to applicable anti-corruption laws of the jurisdictions in which we operate. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions as well as other penalties, and the SEC and the DOJ have increased their enforcement activities with respect to the FCPA. The U.K. Bribery Act is an anti-corruption law that is broader in scope than the FCPA and applies to all companies with a nexus to the United Kingdom. Disclosures of FCPA violations may be shared with the UK authorities, thus potentially exposing companies to liability and potential penalties in multiple jurisdictions. We have internal control policies and procedures and conduct training and compliance programs for our employees to deter prohibited practices. However, if our employees or agents fail to comply with applicable laws governing our international operations, we may face investigations, prosecutions, and other legal proceedings and actions which could result in civil penalties, administrative remedies, and criminal sanctions.

We also are subject to regulation by the U.S. Treasury's Office of Foreign Assets Control ("OFAC"). OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the U.S. In addition, we may be subject to similar regulations in the non-U.S. jurisdictions in which we operate.

Human Capital Management

At Teladoc Health, we live our values as a company through policies, governance, and deliberate investment in operating responsibly and sustainably. We are committed to making a positive impact in society and, perhaps even more importantly, to encourage others of like mind and spirit to join us in this critical work.

To fulfill our mission, we are focused on building a great company that becomes a global destination for amazing talent who want to build their careers, develop their capabilities, and grow both professionally and personally. We design a range of programs and initiatives to nurture talent, encourage curiosity and innovation, make room for diverse voices and

perspectives, increase engagement and connectiveness, and mentor leaders for future roles. We build a range of total reward programs that support employees through fair, equitable, and competitive pay and benefits, and we invest in technology, tools, and resources to transform and increase the quality of work.

As of December 31, 2023, we employed approximately 5,600 people, comprised of approximately 86% full-time employees and 14% part-time employees. In addition, we augment our employee base with contractors to meet resource needs and to increase flexibility in managing our expense base. Of the total employee population as of December 31, 2023, approximately 63% of our employees worked in the U.S. and 37% worked in our international locations. Through the THMG Association and our BetterHelp platform, we also contract with a network of providers. In order to ensure predictable availability of providers and a consistent member experience, we expect that THMG will hire more providers and rely less on contractors.

We continue to look for ways to expand a range of programs and initiatives that are focused to attract, develop and retain our workforce – including a focused engagement through diversity, equity, and inclusion ("DEI"). We have enhanced our talent efforts in recent years to include:

Supporting Employees through Our Products and Services. We offer our employees full access to our diverse portfolio of whole-person health solutions, including free mental health resources, digital health devices, and on-demand access to the employee assistance program for employees and their dependents.

Talent Development. We prioritize and invest in creating opportunities to help employees grow and build their careers, through training and development programs. These include online and self-paced courses, live in-class education, professional speaker series, peer-to-peer learning, certification programs, and on-the-job training, as well as executive talent and succession planning paired with an individualized development approach.

Expanding the Voice of the Employee. We strive to build a culture of inclusion which includes regularly soliciting employee feedback through our pulse engagement surveys, listening circles, and seeking opportunities to advance employee feedback.

Open Dialogue to Encourage Diverse Thinking and Voices. We have invested in our employees and broadened our external speaker series, interactive expert discussions, and self-paced learning programs
to expand knowledge and awareness of diversity and health topics.

Business Resource Groups. We believe our business resource groups ("BRGs") are a foundational element of the DEI ecosystem. Our seven BRGs include a focus on LGBTQ+, women, multicultural, military veterans, neurodiversity and differing physical and mental abilities, working parents and caregivers, and generational interests of employees who are engaged in four key pillars:

- Building internal community/network
- Advancing external community
- Supporting business impact
- Enhancing professional development

Focusing on diversity recruiting and talent acquisition. We continue to broaden our diversity hiring manager training resources for performance-based interviewing, which included a screening tool to promote gender-neutral job descriptions and expanded our corporate and college/university partnerships to advance our pipeline of diverse talent.

Community Impact. We embrace the opportunity and the responsibility to have a meaningful impact in our global community, using our voice and our resources to help expand equitable access to care, and create a better future for families and our neighbors. We continue to work toward further mobilizing our workforce to give back to the communities where we live and work through new volunteer programs and corporate matching opportunities for giving.

We set out to advance positive social change in our communities with a 2023 achievement of volunteering more than 13,000 hours around the globe. This was a monumental achievement that was consistent with our values, including those of respecting and taking care of people, doing what's right, and succeeding together. For 2024, we have continued to challenge ourselves and set goals for volunteer hours to do good and give back to our communities.

Intellectual Property

We own and use trademarks and service marks on or in connection with our services, including both unregistered common law marks and issued trademark registrations in the U.S. and around the world. We also have trademark applications pending to register marks in the U.S. and internationally. In addition, we rely on certain intellectual property rights that we license from third parties and on other forms of intellectual property rights and measures, including trade secrets, know-how, and other unpatented proprietary processes and nondisclosure agreements, to maintain and protect proprietary aspects of our products and technologies. We require our employees, consultants, and certain of our contractors to execute confidentiality and proprietary rights agreements in connection with their employment or consulting relationships with us. We also require our employees and consultants to disclose and assign to us all inventions conceived during the term of their employment or engagement while using our property or which relate to our business.

Additional Information

Our website address is teladochealth.com. We make available free of charge at the Investors section of this website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), as soon as reasonably practicable after we file or furnish such materials with the SEC. The information on our website is not, and will not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any of our other filings with the SEC, except where we expressly incorporated such information.

Item 1A. Risk Factors

Our business, financial and operating results are subject to many significant risks and uncertainties, as described below. The following is a summary of the material risks known to us. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business, financial condition, results of operations or prospects, and could cause the trading price of our common stock to decline.

Risk Factors Summary

Our business is subject to a number of risks and uncertainties, including those risks discussed at-length below. These risks include, among others, the following:

- our history of losses and accumulated deficit and the risk that we may not achieve profitability;
- risk of the loss of any of our significant Clients or partners, or the loss of a significant number of members or BetterHelp users;
- failures of our cyber-security measures that expose the confidential information of us, our Clients or members;
- compliance with regulations concerning data privacy, including personally identifiable information and personal health information;
- our ability to recruit, retain and develop our workforce, and in particular software engineers;
- our ability to obtain additional capital through debt or equity financings on commercially reasonable terms or at all;
- evolving government regulations and our ability to stay abreast of new or modified laws and regulations that currently apply or become applicable to our business;
- our ability to operate in the heavily regulated healthcare industry;
- ongoing legal challenges to, or new actions against, our business model, or the failure of the virtual care market to continue to develop;

- risks associated with a decrease in the number of individuals offered benefits by our Clients or the number of products and services to which they subscribe;
- rapid technological change in the virtual care market or the failure to innovate and develop new applications and services that are adopted;
- our expectations and management of future growth, including our ability to introduce new products and any change in product mix that impacts our profitability;
- our ability to establish and maintain strategic relationships with third parties;
- our ability to recruit and retain a network of qualified providers;
- our dependence on a limited number of third-party suppliers for timely access to materials, and the risk of supply chain disruptions or further cost inflation;
- our ability to compete successfully in competitive markets;
- our level of indebtedness and our ability to fund debt obligations and comply with covenants in our debt instruments;
- our dependence on our relationships with affiliated professional entities;
- risks specifically related to our ability to operate in competitive international markets and comply with complex non-U.S. legal requirements;
- the potential for future non-cash charges for the impairment of goodwill and other intangible assets;
- risk that we may be subject to legal proceedings and the insurance we maintain may not fully cover all potential exposures; and
- our ability to integrate acquired businesses and achieve fully the strategic and financial objectives related thereto, and their impact on our financial condition and results of operations.

Risks Related to Our Financial Position

We have a history of cumulative losses, which we expect to continue, and we may never achieve or sustain profitability.

We have incurred significant losses in each period since our inception. We incurred net losses of $220.4 million and $13,659.5 million for the years ended December 31, 2023 and 2022, respectively. The net loss for the year December 31, 2022 included non-cash impairment charges of $13,402.8 million as discussed further below. As of December 31, 2023, we had an accumulated deficit of $15,228.7 million. These losses and accumulated deficit reflect the large non-cash impairment charges for our goodwill and the substantial investments we have made to expand our business and scope of services, acquire new Clients and members, build our proprietary network of healthcare providers, and develop our technology platform. We intend to continue scaling our business to increase our Client, member, and provider bases, broaden the scope of services we offer, and expand our applications of technology through which members can access our services. Accordingly, we anticipate that cost of revenue (exclusive of depreciation and amortization, which are shown separately) and operating expenses may continue to increase depending on our performance and our ability to fund these investments in line with our strategic goals. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these higher expenses. We cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will be able to sustain or increase profitability. Our prior losses, combined with our expected future losses, have had and will continue to have an adverse effect on our stockholders' equity and working capital. As a result of these factors and cash flow needs, we may need to raise additional capital through debt or equity financings to fund our operations, and such capital may not be available on reasonable terms, if at all.

A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations.

Historically, we have relied on a limited number of Clients for a substantial portion of our total revenue. For the years ended December 31, 2023 and 2022, our top five Clients by revenue accounted for 19% and 20% of our total revenue, respectively, and 34% of our Integrated Care segment revenue for both periods. The loss of any of our key Clients, or a failure of some of them to renew or expand their relationships with us, could have a significant impact on the growth rate of our revenue, profitability, and our reputation. In addition, mergers and acquisitions involving our Clients could lead to cancellation or non-renewal of our contracts with those Clients or by the acquiring or combining companies, thereby reducing the number of our existing and potential Clients and members.

We may incur additional non-cash impairment charges for our goodwill or non-cash impairment charges for our other intangible assets which would negatively impact our operating results.

Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at the reporting unit level annually on October 1 or more frequently if events or changes in circumstances indicate that it is more likely than not to be impaired. These events include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in our market capitalization, as indicated by our publicly quoted share price.

As of December 31, 2023, our balance of definitive-lived intangible assets, net was $1.7 billion and goodwill, all of which was carried by the BetterHelp segment, was $1.1 billion. Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. In the year ended December 31, 2022, the Company recognized a series of non-deductible goodwill impairments totaling $13.4 billion.

In the event there are further adverse changes in our projected cash flows and/or further changes in key assumptions, including but not limited to an increase in the discount rate, lower market multiples, lower revenue growth, lower margin, and/or a lower terminal growth rate, we may be required to record additional non-cash impairment charges to our goodwill or other intangibles and/or long-lived assets. Such non-cash charges could have a material adverse effect on our consolidated statements of operations and balance sheets in the reporting period of the charge.

For additional information, see Note 6. "Goodwill" to the consolidated financial statements.

Risks Related to Our Business and Industry

The virtual care market is developing and volatile, and if it does not continue to develop, if it develops more slowly than we expect, if it encounters negative publicity, or if our solutions do not drive member engagement, the growth of our business will be harmed.

The virtual care market is relatively new and unproven, and it is uncertain whether it will continue to achieve and sustain high levels of demand, consumer acceptance, and market adoption. The COVID-19 pandemic increased utilization of virtual care services, but it is uncertain whether such increase in demand will continue in the long-term. Our success will depend to a substantial extent on the willingness of our members to use, and to increase the frequency and extent of their utilization of, our solutions, as well as on our ability to continue to demonstrate the value of virtual care to employers, health plans, government agencies, and other purchasers of healthcare for beneficiaries. Negative publicity concerning our solutions, or the virtual care market as a whole, could limit market acceptance of our solutions. If our Clients or members do not perceive the benefits of our solutions, or if our solutions do not drive member engagement, then our market may not continue to develop, or it may develop more slowly than we expect. Similarly, individual and healthcare industry concerns or negative publicity regarding patient confidentiality and privacy in the context of virtual care could limit market acceptance of our healthcare services. If any of these events occurs, it could have a material adverse effect on our business, financial condition, and results of operations.

The impact of potential changes in the healthcare industry and in healthcare spending is currently unknown, but may adversely affect our business, financial condition, and results of operations.

Our revenue is dependent on the healthcare industry and could be affected by changes in healthcare spending and policy. The healthcare industry is subject to changing political, regulatory, and other influences. The Patient Protection and Affordable Care Act ("PPACA") made major changes in how healthcare is delivered and reimbursed, and increased access to health insurance benefits to the uninsured and underinsured population of the U.S. PPACA, among other things, increased the number of individuals with Medicaid and private insurance coverage, implemented reimbursement policies that tie payment to quality, facilitated the creation of accountable care organizations that may use capitation and other alternative payment methodologies, strengthened enforcement of fraud, waste, and abuse laws, and encouraged the use of information technology.

Other legislative changes have been proposed and adopted since the PPACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year pursuant to the Budget Control Act of 2011 and subsequent laws, which began in 2013 and due to subsequent legislative amendments, will stay in effect through 2030. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers, and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. New laws may result in additional reductions in Medicare and other healthcare funding, which may materially adversely affect Client and member demand and affordability for our solutions and, accordingly, our business, financial condition, and results of operations. Additional changes that may affect our business include the expansion of new programs such as Medicare payment for performance initiatives for physicians under the Medicare Access and CHIP Reauthorization Act of 2015, which first affected physician payment in 2019. At this time, it is unclear how the introduction of the Medicare quality payment program will impact overall physician reimbursement.

Such changes in the regulatory environment may also result in changes to our payor mix that may affect our operations and revenue. Further, the PPACA may adversely affect payors by increasing medical costs generally, which could have an effect on the industry and potentially impact our business and revenue as payors seek to offset these increases by reducing costs in other areas. Certain of these provisions are still being implemented and the full impact of these changes on us cannot be determined at this time.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments and other third-party payors will pay for healthcare products and services, which could adversely affect our business, financial condition, and results of operations.

We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed.

The virtual care market is competitive, and we expect it to continue to attract increased competition, which could make it difficult for us to succeed. We currently face competition in the virtual care industry for our solutions from a range of companies, including specialized software and solution providers that offer competitive solutions, often at substantially lower prices, and that are continuing to develop additional products and becoming more sophisticated and effective. Aside from other competing virtual care companies and smaller industry participants, we also face competition from companies that offer solutions for mental health and management of chronic conditions, and enterprise companies who are focused on or may enter the healthcare industry, including initiatives and partnerships launched by these large companies. In addition, large, well-financed health plans, technology companies and retailers have in some cases developed or acquired their own tools and may provide these solutions to their customers at discounted prices. Competition from these parties will result in continued pricing pressures, which is likely to lead to price declines in certain product segments, which could negatively impact our sales, profitability, and market share. Increased competition has also resulted in elongated sales cycles for certain products, including chronic condition management solutions, which may continue to reduce our growth and could negatively impact our sales, profitability, and market share.

Some of our competitors may have, or new competitors or alliances may emerge that have, greater name recognition, a larger customer base, longer operating histories, more widely adopted proprietary technologies, greater marketing expertise, larger sales forces, and significantly greater resources than we do. Further, our current or potential competitors may be acquired by third parties with greater available resources. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards, or customer requirements and may have the ability to initiate or withstand substantial price competition. In addition, current and

potential competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies, or services to increase the availability of their solutions in the marketplace. Our competitors could also be better positioned to serve certain segments of our markets, which could create additional price pressure. In light of these factors, even if our solutions are more effective than those of our competitors, current or potential Clients or members may accept competitive solutions in lieu of purchasing our solutions. If we are unable to successfully compete, our business, financial condition, and results of operations would be materially adversely affected.

If our existing Clients do not continue or renew their contracts with us, renew at lower fee levels, or decline to purchase additional applications and services from us, or if our individual members do not renew their purchase of our solutions, it could have a material adverse effect on our business, financial condition, and results of operations.

We expect to derive a significant portion of our revenue from the renewal of existing Client contracts and sales of additional applications and services to existing Clients. As part of our growth strategy, for instance, we have focused on expanding our services amongst current Clients. As a result, selling additional applications and services are critical to our future business, revenue growth, and results of operations.

Factors that may affect our ability to sell additional applications and services include, but are not limited to, the following:

- the price, performance, and functionality of our solutions;
- the availability, price, performance, and functionality of competing solutions;
- our ability to develop and sell complementary applications and services;
- the stability, performance, and security of our products and solutions;
- our ability to effectively fulfill our obligations to our Clients and members, including certain supply-chain functions that are performed in-house;
- changes in healthcare laws, regulations, or trends; and
- the business environment of our Clients and, in particular, any headcount reductions by our Clients.

We generally enter into subscription access contracts with our Clients. Most of our Clients have no obligation to renew their subscriptions for our solutions after the initial term expires. In addition, our Clients may negotiate terms less advantageous to us upon renewal, which may reduce our revenue from these Clients. Our future results of operations also depend, in part, on our ability to expand into new clinical specialties and across care settings and use cases. If our Clients fail to renew their contracts, renew their contracts upon less favorable terms or at lower fee levels, or fail to purchase new products and services from us, our revenue may decline, or our future revenue growth and profitability may be constrained.

In addition, after the initial term, a significant number of our Client contracts allow Clients to terminate such agreements for convenience at certain times, typically with one to three months advance notice. We typically incur the expenses associated with integrating a Client's data into our healthcare database and related training and support prior to recognizing meaningful revenue from such Client. Access revenue is not recognized until our products are implemented for launch. If a Client terminates its contract early and revenue and cash flows expected from a Client are not realized in the time period expected or not realized at all, our business, financial condition, and results of operations could be adversely affected.

Similarly, individual members who utilize our BetterHelp services have no obligation to renew their subscriptions. Failure of such members to renew their subscriptions could cause the revenue of our BetterHelp segment to decline or constrain future growth.

Failure to successfully execute on the terms of our contracts could result in significant harm to our business.

Our ability to grow and expand our business is contingent upon our ability to achieve desired performance metrics, cost savings, and/or clinical outcomes improvements under our existing contracts and to favorably resolve contract billing and interpretation issues with our Clients. The healthcare industry has recently shifted toward value-based care, and

increasingly our contracts place a portion of our fees at risk or provide for gain share opportunity based on achieving such metrics, savings, and/or improvements. We cannot guarantee that we will achieve and reach mutual agreement with Clients with respect to contractually required performance metrics, cost savings and/or clinical outcomes improvements under our contracts within the expected time frames. Unusual and unforeseen patterns of healthcare utilization by individuals with diseases or conditions for which we provide services could adversely affect our ability to achieve desired performance metrics, cost savings, and clinical outcomes. Our inability to meet or exceed the targets under our Client contracts could have a material adverse effect on our business, financial condition and results of operations. Also, our ability to provide financial guidance with respect to performance-based contracts is contingent upon our ability to accurately forecast variables that affect performance and the timing of revenue recognition under the terms of our contracts ahead of data collection and reconciliation.

In addition, certain of our contracts are increasing in complexity, requiring integration of data, systems, people, programs and services, the execution of sophisticated business activities, and the delivery of a broad array of services to large numbers of people who may be geographically dispersed. The failure to successfully manage and execute the terms of these agreements could result in the loss of fees and/or contracts and could adversely affect our business and results of operations.

If the number of individuals covered by our employer, health plan, and other Clients decreases, or the number of applications or services to which they subscribe decreases, our revenue will likely decrease.

Under most of our Client contracts, we base our fees on the number of individuals to whom our Clients provide benefits and the number of applications or services subscribed to by our Clients. Many factors may lead to a decrease in the number of individuals covered by our Clients and the number of applications or services subscribed to by our Clients, including, but not limited to, the following:

- failure of our Clients to adopt or maintain effective business practices;
- changes in the nature or operations of our Clients;
- government regulations; and
- increased competition or other changes in the benefits marketplace.

The number of individuals employed by some of our Clients has decreased, and the number of individuals employed by our Clients may in the future decrease, as a result of economic conditions, which could negatively impact our revenue. If the number of individuals covered by our employer, health plan and other Clients decreases, or the number of applications or services to which they subscribe decreases, for any reason, our revenue will likely decrease.

We incur significant upfront costs in our Client relationships, and if we are unable to maintain and grow these Client relationships over time, we are likely to fail to recover these costs, which could have a material adverse effect on our business, financial condition and results of operations.

We derive most of our revenue from access fees. Accordingly, our business model depends heavily on achieving economies of scale because our initial upfront investment is costly, and the associated revenue is recognized on a ratable basis. We devote significant resources to establish relationships with our Clients and implement our solutions and related services, and Clients often request or require specific features or functions unique to their particular business processes. Accordingly, our results of operations will depend in substantial part on our ability to deliver a successful experience for both Clients and members and persuade our Clients to maintain and grow their relationship with us over time. Additionally, as our business is growing significantly, our Client acquisition costs could outpace our build-up of recurring revenue, and we may be unable to reduce our total operating costs through economies of scale such that we are unable to achieve profitability. If we fail to achieve appropriate economies of scale or if we fail to manage or anticipate the evolution and in future periods, demand, of the access fee model, our business, financial condition, and results of operations could be materially adversely affected.

If our applications and services are not adopted by our Clients or members, or if we fail to innovate and develop new applications and services that are adopted by our Clients or members, our revenue and results of operations will be adversely affected.

Our longer-term results of operations and continued growth will depend in part on our ability to successfully develop and market new applications and services that our Clients and members want and are willing to purchase. In addition, we have invested, and will continue to invest, significant resources in research and development and acquisitions to enhance our existing solutions and introduce new high-quality applications and services. If existing Clients are not willing to make additional payments for such new applications, or if new Clients and members do not value such new applications, it could have a material adverse effect on our business, financial condition, and results of operations. If we are unable to predict user preferences or if our industry changes, or if we are unable to modify our solutions and services on a timely basis, we may lose Clients or members. Our results of operations would also suffer if our innovations are not responsive to the needs of our Clients and members, appropriately timed with market opportunity, or effectively brought to market.

Rapid technological change in our industry and the interoperability with third-party technologies presents us with significant risks and challenges.

The virtual care market is characterized by rapid technological change, changing consumer requirements, short product lifecycles, and evolving industry standards. Our success will depend on our ability to enhance our solutions with next-generation technologies and to develop or to acquire and market new services to access new consumer populations. As our operations grow, we must continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure as the cost of technology increases. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features, and reliability of our solutions in response to competitive services and offerings. We expect the use of alternative platforms such as tablets and wearables will continue to grow and the emergence of niche competitors who may be able to optimize offerings, services, or strategies for such platforms will require new investment in technology. New developments in other areas, such as cloud computing, have made it easier for competition to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner.

There is no guarantee that we will possess the resources, either financial or personnel, for the research, design, and development of new applications or services, or that we will be able to utilize these resources successfully and avoid technological or market obsolescence. Further, there can be no assurance that technological advances by one or more of our competitors or future competitors will not result in our present or future applications and services becoming uncompetitive or obsolete. If we are unable to enhance our offerings and network capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive offerings at lower prices, more efficiently, more conveniently, or more securely than our offerings, our business, financial condition, and results of operations could be adversely affected.

Our success will also depend on the availability of our mobile apps in app stores and in “super-app” environments, and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if the accessibility of various apps is limited by government actions, the full functionality of devices may not be available to our members. Moreover, third-party platforms, services, and offerings are constantly evolving, and we may not be able to modify our platform to assure its compatibility with those of third parties. If we lose such interoperability, we experience difficulties or increased costs in integrating our offerings into alternative devices or systems, or manufacturers or operating systems elect not to include our offerings, make changes that degrade the functionality of our offerings, or give preferential treatment to competitive products, the growth of our business, financial condition, and results of operations could be materially adversely affected. This risk may be exacerbated by the frequency with which individuals change or upgrade their devices. In the event individuals choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our member engagement may be harmed.

AI and machine learning serve a key role in many of our services. As with many technological innovations, AI and machine learning present risks and challenges that could affect its adoption, and therefore our business. AI and machine learning present potential bias issues based on our population data and if we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience reputational harm, competitive harm or

legal liability. Potential government regulation in the space of AI and machine learning also may increase the burden and cost of research and development in this area, subjecting us to reputational harm, competitive harm or legal liability. Failure to address AI and machine learning bias and ethics issues by us or others in our industry could undermine public confidence in AI and machine learning and slow adoption of AI and machine learning in our products and services.

A decline in the prevalence of employer-sponsored healthcare or the emergence of new technologies may render our virtual care solutions obsolete or require us to expend significant resources to remain competitive.

The U.S. healthcare industry is massive, with a number of large market participants with conflicting agendas, is subject to significant government regulation, and is currently undergoing significant change. Changes in our industry, for example, away from high deductible health plans, or the emergence of new technologies as more competitors enter our market, could result in our solutions being less desirable or relevant.

For example, we currently derive the majority of our revenue in our Integrated Care segment from sales to Clients that purchase healthcare for their employees (either via insurance or self-funded benefit plans). A large part of the demand for our solutions depends on the need of these employers to manage the costs of healthcare services that they pay on behalf of their employees. Some experts have predicted that future healthcare reform will encourage employer-sponsored health insurance to become significantly less prevalent as employees migrate to obtaining their own insurance over the state-sponsored insurance marketplaces. Were this to occur, there is no guarantee that we would be able to compensate for the loss in revenue from employers by increasing sales of our solution to health insurance companies, individuals, or government agencies. In such a case, our business, financial condition, and results of operations would be adversely affected.

If healthcare benefits trends shift or entirely new technologies are developed that replace existing solutions, our existing or future solutions could be rendered obsolete, and our business could be adversely affected. In addition, we may experience difficulties with software development, industry standards, design, or marketing that could delay or prevent our development, introduction, or implementation of new applications and enhancements.

If we fail to manage our growth effectively, our expenses could increase more than expected, our revenue may not increase and we may be unable to successfully execute on our growth initiatives, business strategies, or operating plans.

We have experienced significant growth in recent years, which puts strain on our business, operations, and employees, and we anticipate that our operations will continue to expand. To manage our current and anticipated future growth effectively, we must continue to maintain and enhance our information technology infrastructure, financial and accounting systems, and controls. For example, we have upgraded our customer relationship management (“CRM”) and enterprise resources planning (“ERP”) systems in connection with our acquisition and integration activities. Additionally, we began implementing a new EMR system. Even though we expect to realize benefits from the adoption of this new system, any expected benefits will be gradual or may not be realized at all, and there could be inefficiencies as operators learn the new system. In addition, the introduction of a new system can lead to errors and loss of data. If our data were found to be inaccurate or unreliable due to error or fraud, or if we, or any of the third-party service providers we engage, were to fail to maintain information systems, including our new EMR system, and data integrity effectively, we may not achieve the intended benefits of the new system and could experience operational disruptions that may impact our members and providers and hinder our ability to provide services, retain and attract members, and manage our member risk profiles. We must also attract, train, and retain a significant number of qualified sales and marketing personnel, customer support personnel, professional services personnel, software engineers, technical personnel, finance and accounting personnel, and management personnel, and the availability of such personnel, in particular software engineers, may be constrained. Additionally, our growth strategy requires the collection and analysis of a high volumes of data from internal and external sources. Failure to effectively utilize our current data or establish new systems of data capture may adversely impact our ability to achieve our strategic goals and business plans.

A key aspect to managing our growth is our ability to scale our capabilities to implement our solutions satisfactorily. Clients often require specific features or functions unique to their membership base, which, at a time of significant growth or during periods of high demand, may strain our implementation capacity and hinder our ability to successfully implement our solutions to our Clients in a timely manner. We may also need to make further investments in our technology and automate portions of our solutions or services to decrease our costs. If we are unable to address the needs of our Clients or members, or our Clients or members are unsatisfied with the quality of our solutions or services, they may not renew their contracts, seek to cancel or terminate their relationship with us, or renew on less favorable terms, any of which could cause our annual net dollar retention rate to decrease.

Failure to effectively manage our growth could also lead us to overinvest or underinvest in development and operations, result in weaknesses in our infrastructure, systems, or controls, give rise to operational mistakes, financial losses, loss of productivity or business opportunities and result in loss of employees and reduced productivity of remaining employees. Our growth is expected to require significant capital expenditures and may divert financial resources from other projects such as the development of new applications and services. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our revenue may not increase or may grow more slowly than expected, and we may be unable to implement our business strategy. The quality of our services may also suffer, which could negatively affect our reputation and harm our ability to attract and retain Clients and members.

We are continually executing a number of growth initiatives, strategies and operating plans designed to enhance our business, including the introduction of new products and solutions such as virtual primary care. The anticipated benefits from these efforts are based on several assumptions that may prove to be inaccurate. Moreover, we may not be able to successfully complete these growth initiatives, strategies, and operating plans and realize all of the benefits, including growth targets and cost savings, that we expect to achieve, or it may be more costly to do so than we anticipate. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include, among others, delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans, increased difficulty and cost in implementing these efforts, including difficulties in complying with new regulatory requirements, and the incurrence of other unexpected costs associated with operating the business. Moreover, our continued implementation of these programs may disrupt our operations and performance. As a result, we cannot assure you that we will realize these benefits. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our business, financial condition, and results of operations may be materially adversely affected.

Recently we have begun to implement operational excellence initiatives which include a number of restructuring, realignment and cost reduction initiatives. We may not realize the benefits of these initiatives to the extent or on the timing we anticipated and the ongoing difficulties in implementing these measures may be greater than anticipated and/or offset by inflationary pressures, which could cause us to incur additional costs. In addition, if these measures are not successful or sustainable, we may undertake additional realignment and cost reduction efforts, which could result in significant additional expenses and adversely impact our ability to achieve our other strategic goals and business plans.

Our growth depends in part on the success of our strategic relationships with third parties.

In order to grow our business, we anticipate that we will continue to depend on our relationships with third parties, including our partner organizations and technology and content providers. For example, we partner with a number of price transparency, health savings account, and other benefits platforms to deliver our solutions to their consumers. Identifying partners and negotiating and documenting relationships with them requires significant time and resources. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to, or utilization of, our products and services. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential Clients, as our partners may no longer facilitate the adoption of our applications by potential Clients. If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenue could be impaired and our business, financial condition, and results of operations may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased Client or member use of our applications or increased revenue.

Our business and growth strategy depend on our ability to maintain and expand a network of qualified providers. If we are unable to do so, our future growth would be limited and our business, financial condition, and results of operations would be harmed.

Our success is dependent upon our continued ability to maintain a network of qualified providers, and demand for such providers in both our Integrated Care and BetterHelp businesses has become increasingly competitive. In order to ensure predictable availability of providers and a consistent member experience, we expect that the THMG Association will hire more providers and rely less on contractors. If we are unable to recruit and retain board-certified physicians, advanced practice providers, mental health providers, and other healthcare professionals, or unable to augment our or the THMG Association’s employee base with contractors to meet resource needs, it would adversely affect our business, financial condition, results of operations, and ability to grow. In any particular market, providers could demand higher payments or take other actions that could result in higher medical costs, less attractive service for our Clients and members, or difficulty meeting regulatory or accreditation requirements.

Our ability to develop and maintain satisfactory relationships with providers also may be negatively impacted by other factors not associated with us, such as changes in Medicare and/or Medicaid reimbursement levels and other pressures on healthcare providers and consolidation activity among hospitals, physician groups, and healthcare providers. The failure to maintain or to secure new cost-effective provider contracts may result in a loss of or inability to grow our membership base, higher costs, healthcare provider network disruptions, less attractive service for our Clients and members, and/or difficulty in meeting regulatory or accreditation requirements, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Failure to adequately expand our direct sales force will impede our growth.

We believe that our future growth will depend on the continued development of our direct sales force and our ability to obtain new Clients and to manage our existing Client base. Identifying and recruiting qualified personnel and training them requires significant time, expense, and attention. It can take six months or longer before a new sales representative is fully trained and productive. Our business may be adversely affected if our efforts to expand and train our direct sales force do not generate a corresponding increase in revenue. In particular, if we are unable to hire and develop sufficient numbers of productive direct sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, sales of our services will suffer, and our growth will be impeded.

Our sales and implementation cycle can be long and unpredictable and requires considerable time and expense, which may cause our results of operations to fluctuate.

The sales cycle for our solutions from initial contact with a potential lead to contract execution and implementation varies widely by Client and solution, ranging from a number of days to approximately 24 months. Business interruptions caused by economic conditions have and may continue to delay or lengthen some of our Clients' sales cycles. Some of our Clients undertake a significant and prolonged evaluation process, including to determine whether our services meet their unique healthcare needs, which frequently involves evaluation of not only our solutions but also an evaluation of those of our competitors, which has in the past resulted in extended sales cycles. For example, this has occurred and may continue to occur with respect to our chronic condition management solutions. Our sales efforts involve educating our Clients about the use, technical capabilities, and potential benefits of our solutions. During the sales cycle, we expend significant time and money on sales and marketing activities, which lowers our operating margins, particularly if no sale occurs. Moreover, our large enterprise Clients often begin to deploy our solutions on a limited basis, but nevertheless demand extensive configuration, integration services, and pricing concessions, which increase our upfront investment in the sales effort with no guarantee that these Clients will deploy our solutions widely enough across their organization to justify our substantial upfront investment. It is possible that in the future we may experience even longer sales cycles, more complex Client needs, higher upfront sales costs, and less predictability in completing some of our sales as we continue to expand our direct sales force, expand into new territories, and market additional applications and services. If our sales cycle lengthens or our substantial upfront sales and implementation investments do not result in sufficient sales to justify our investments, it could have a material adverse effect on our business, financial condition, and results of operations.

Economic uncertainties or downturns in the general economy or the industries in which we or our Clients operate could disproportionately affect the demand for our solutions and negatively impact our business, financial condition and results of operations.

Economic downturns, market volatility, inflation and uncertainty make it potentially very difficult for our Clients and us to accurately forecast and plan future business activities. During challenging economic times, our Clients may have difficulty gaining timely access to sufficient credit or obtaining credit on reasonable terms, which could impair their ability to make timely payments to us and adversely affect our revenue. If that were to occur, our financial results could be harmed. Furthermore, we have Clients in a variety of different industries. A significant downturn in the economic activity attributable to any particular industry may cause organizations to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on healthcare matters, including chronic care and mental health solutions. In addition, our Clients may delay or cancel healthcare projects or seek to lower their costs by renegotiating vendor contracts. To the extent purchases of our solutions are perceived by Clients and potential Clients to be discretionary, our revenue may be disproportionately affected by delays or reductions in general healthcare spending. Also, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our Clients or members.

Similarly, economic conditions may impact the ability of our members to pay for our BetterHelp services, particularly if such services are perceived by members to be discretionary. Any decrease in, or reduction in growth of, the

number of paying users who utilize our BetterHelp services would negatively impact our business, financial condition and results of operations.

Further, challenging economic conditions may impair the ability of our Clients to pay for the applications and services they already have purchased from us and, as a result, our write-offs of accounts receivable could increase. We cannot predict the timing, strength, or duration of any economic slowdown or recovery. If the condition of the general economy or markets in which we operate worsens, our business, financial condition, and results of operations could be harmed.

Our quarterly results may fluctuate significantly, which could adversely impact the value of our common stock.

Our quarterly results of operations, including our revenue, gross profit, net loss, and cash flows, have varied and may vary significantly in the future, and period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our quarterly results should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, including, without limitation, the following:

- the addition or loss of large Clients, including through acquisitions or consolidations of such Clients;
- seasonal and other variations in the timing of the sales of our services or the cost of BetterHelp customer acquisitions, as discussed above;
- the timing of recognition of revenue, including possible delays in the recognition of revenue due to sometimes unpredictable Client implementation timelines and performance guarantees;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations, and infrastructure;
- our ability to effectively manage the size and composition of our proprietary network of healthcare professionals relative to the level of demand for services from our members;
- the timing and success of introductions of new applications and services by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, Clients, or strategic partners;
- Client renewal rates and the timing and terms of Client renewals;
- the mix of applications and services sold during a period;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill and/or other assets; and
- changes in the value or useful lives of our assets.

We are particularly subject to fluctuations in our quarterly results of operations because the costs associated with entering into Client contracts are generally incurred up front, while we generally recognize revenue over the term of the contract. Further, most of our Integrated Care revenue in any given quarter is derived from contracts entered into with our Clients during previous quarters. Consequently, a decline in new or renewed contracts in any one quarter may not be fully reflected in our revenue for that quarter. Such declines, however, would negatively affect our revenue in future periods and the effect of significant downturns in sales of and market demand for our solutions, and potential changes in our rate of renewals or renewal terms, may not be fully reflected in our results of operations until future periods. Our access fee model also makes it difficult for us to rapidly increase our total revenue through additional sales in any period, with the exception of the first quarter during peak benefits enrollment, as revenue from new Clients must be recognized over the applicable term of the contract. Accordingly, the effect of changes in the industry impacting our business or changes we experience in our new sales may not be reflected in our short-term results of operations. Any fluctuation in our quarterly results may not accurately reflect the underlying performance of our business and could cause a decline in the trading price of our common stock.

We depend on a limited number of third-party suppliers for certain components of our medical devices, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials, could harm our business.

We utilize sole source contract manufacturing vendors to build and assemble our medical device products. The hardware components included in such devices are sourced from various suppliers by the manufacturers thereof and are principally industry standard parts and components that are available from multiple vendors. Quality or performance failures of the devices or changes in the contractors' or vendors' financial or business condition could disrupt our ability to supply quality products to our Clients and members and thereby have a material adverse impact on our business, financial condition, and results of operations.

For our business strategy to be successful, our suppliers must be able to provide us with components in sufficient quantities, in compliance with regulatory requirements and quality control standards, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. Increases in our product sales, whether forecasted or unanticipated, could strain the ability of our suppliers to deliver an increasingly large supply of components in a manner that meets these various requirements.

Despite the terms in our supply agreements, our suppliers may encounter problems that limit their ability to supply products to us, including financial difficulties, labor shortages, shutdowns related to a pandemic or other emergency, shipping delays, or damage to their manufacturing equipment or facilities. As a result, our ability to purchase adequate quantities of our products may be limited. If we fail to obtain sufficient quantities of high-quality components to meet demand on a timely basis, we could lose Clients or members, our reputation may be harmed, and our business could suffer. For certain of our contracts, we have obligations to provide a blood glucose meter and other supplies to new members within a certain specified period of time, and/or to provide replacements for defective blood glucose meters within a certain specified period of time. If we are regularly unable to meet those obligations, our channel partners, resellers, or Clients may decide to terminate their contracts.

Depending on a limited number of suppliers, or on a sole supplier, exposes us to risks, including limited control over pricing, availability, quality, and delivery schedules. Moreover, we may not be able to convince suppliers to continue to make components available to us unless there is demand for such components from their other clients. As a result, there is a risk that certain components could be discontinued and no longer available to us, including as a result of economic conditions or other supply chain disruptions. If any one or more of our suppliers cease to provide us with sufficient quantities of components in a timely manner or on terms acceptable to us, we would have to seek alternative sources of supply. Because of factors such as the proprietary nature of our solutions, our quality control standards, and regulatory requirements, we cannot quickly engage additional or replacement suppliers for some of our critical components. Failure of any of our suppliers to deliver products at the level our business requires would limit our ability to meet our sales commitments, which could harm our reputation and could have a material adverse effect on our business. We may also have difficulty qualifying new suppliers and obtaining similar components from other suppliers that are acceptable to the U.S. Food and Drug Administration (the "FDA") or other regulatory agencies, and the failure of our suppliers to comply with strictly enforced regulatory and quality requirements could expose us to regulatory action including warning letters, product recalls, termination of distribution, product seizures, or civil penalties. It could also require us to cease using the components, seek alternative components or technologies, and modify our solutions to incorporate alternative components or technologies, which could result in a requirement to seek additional regulatory approvals or clearances for alternative components used in our medical devices. Any disruption of this nature or increased expenses could harm our commercialization efforts and adversely affect our business, financial condition, and results of operations.

Additionally, cost inflation has led to higher material costs in recent years, which we may not be able to successfully offset, and any future cost inflation may adversely affect our business, financial condition, and results of operations .

Our international operations pose certain political, legal and compliance, operational, regulatory, economic, and other risks to our business that may be different from or more significant than risks associated with our domestic operations, and our exposure to these risks is expected to increase.

Our international business is subject to political, legal and compliance, operational, regulatory, economic, and other risks resulting from differing legal and regulatory requirements, political, social, and economic conditions and unforeseeable developments in a variety of jurisdictions. These risks vary widely by country and include varying regional and geopolitical business conditions and demands, government intervention and censorship, discriminatory regulation, nationalization or expropriation of assets, and pricing constraints. Our international solutions need to meet country-specific

Client and member preferences as well as country-specific legal requirements, including those related to licensing, virtual care, privacy, data storage, location, protection, and security. Our ability to conduct virtual care services internationally is subject to the applicable laws governing remote healthcare, including online counseling and therapy services, and the practice of medicine in such location, and the interpretation of these laws is evolving and vary significantly from country to country and are enforced by governmental, judicial, and regulatory authorities with broad discretion. We cannot, however, be certain that our interpretation of such laws and regulations is correct in how we structure our operations, our arrangements with physicians, clinicians, services agreements, and customer arrangements. We earned approximately 14% of revenue internationally in 2023.

Our international operations require us to overcome logistical and other challenges based on differing languages, cultures, legal and regulatory schemes, and time zones. Our international operations encounter labor laws, customs, and employee relationships that can be difficult, less flexible than in our domestic operations and expensive to modify or terminate. In some countries we are required to, or choose to, operate with local business partners, which requires us to manage our partner relationships and may reduce our operational flexibility and ability to quickly respond to business challenges.

Our international operations are also subject to particular risks in addition to those faced by our domestic operations, including:

- the need to localize and adapt our solutions for specific countries, including translation into foreign languages and associated expenses;
- obtaining regulatory approvals or clearances where required for the sale of our solutions, devices, and services in various countries;
- potential loss of proprietary information due to misappropriation or laws that may be less protective of our intellectual property rights than U.S. laws or that may not be adequately enforced;
- requirements of foreign laws and other governmental controls, including compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including employment, healthcare, tax, privacy, and data protection laws and regulations;
- data privacy laws that require that Client and member data be stored and processed in a designated territory;
- new and different sources of competition and laws and business practices favoring local competitors;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the FCPA and other anti-corruption laws and regulations;
- changes to economic sanctions laws and regulations;
- central bank and other restrictions on our ability to repatriate cash from international subsidiaries;
- adverse tax consequences;
- fluctuations in currency exchange rates, economic instability, and inflationary conditions, which could make our solutions more expensive or increase our costs of doing business in certain countries;
- limitations on future growth or inability to maintain current levels of revenues from international sales if we do not invest sufficiently in our international operations;
- different pricing environments, longer sales cycles, and longer accounts receivable payment cycles and collections issues;
- difficulties in staffing, managing and operating our international operations, including difficulties related to administering our stock plans in some foreign countries and increased financial accounting and reporting burdens and complexities;

- difficulties in coordinating the activities of our geographically dispersed and culturally diverse operations;
- political unrest, war, terrorism, economic instability, curtailment of trade, epidemics (including the COVID-19 pandemic), or regional natural disasters, particularly in areas in which we have facilities.

For example, the conflict in Ukraine and the surrounding region has led to disruption, instability, and volatility in global markets, increased inflation and further disrupted supply chains. Prior to the outbreak of this conflict, we had employees and contractors in Ukraine and surrounding countries, including Belarus, that were primarily focused on technology development, and they and our development efforts were disrupted, and any further disruptions could impact our operations.

Our overall success in international markets depends, in part, on our ability to anticipate and effectively manage these risks and there can be no assurance that we will be able to do so without incurring unexpected costs. If we are not able to manage the risks related to our international operations, our business, financial condition, and results of operations may be materially adversely affected.

We depend on our senior management team, and the loss of one or more of our executive officers or key employees or an inability to attract and retain highly skilled employees could adversely affect our business.

Our success depends largely upon the continued services of our key executive officers and other senior leaders. These individuals are at-will employees and therefore they may terminate employment with us at any time with no advance notice. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives or other key employees, which could disrupt our business. The replacement of one or more of our executive officers or other key employees would likely involve significant time and costs and may significantly delay or prevent the achievement of our business objectives.

To continue to execute our growth strategy, we also must attract and retain highly skilled personnel. However, competition in the job market is intense for a limited pool of qualified professionals. Inability to meet the ever-increasing expenses (salaries, benefits and technology costs, and talent inflation) of attracting and retaining talent may threaten our ability to provide the staffing resources needed to execute our growth strategy. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled personnel with appropriate qualifications, in particular software engineers and product managers. The pool of qualified personnel with experience working in the healthcare market is limited overall. In addition, many of the companies with which we compete for experienced personnel have greater resources than we have.

In addition, in making employment decisions, particularly in high technology industries, job candidates often consider the value of the stock options or other equity-based awards they are to receive in connection with their employment. Volatility in the price of our stock may, therefore, adversely affect our ability to attract or retain highly skilled personnel. Further, the requirement to expense stock options and other equity-based compensation or our efforts to limit stockholder dilution from our equity compensation programs may discourage us from granting the size or type of stock option or equity awards that job candidates require to join our company. Failure to attract new personnel or failure to retain and motivate our current personnel, could have a material adverse effect on our business, financial condition, and results of operations.

We are dependent on our ability to recruit, retain and develop a very large and diverse workforce. We must evolve our culture in order to successfully grow our business.

Our products and services and our operations require a large number of employees. A significant number of employees have joined us in recent years as a result of our rapid growth, our acquisitions and our entry into new businesses. Our success is dependent on our ability to evolve our culture, align our talent with our business needs, engage our employees, and inspire our employees to be open to change, to innovate, and to maintain member- and Client-focus when delivering our services. Our business would be adversely affected if we fail to adequately plan for succession of our executives and senior management; or if we fail to effectively recruit, integrate, retain, and develop key talent and/or align our talent with our business needs, in light of the current rapidly changing environment. While we have succession plans in place and we have employment arrangements with a limited number of key executives, these do not guarantee that the services of these or suitable successor executives will continue to be available to us.

If we fail to develop widespread brand awareness cost-effectively, or are subject to widespread negative media coverage, our business may suffer.

We believe that developing and maintaining widespread awareness of our brands in a cost-effective manner is critical to achieving widespread adoption of our solutions and attracting new Clients and members. Our brand promotion activities may not generate Client or member awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in building our brands. If we fail to successfully promote and maintain our brands, or incur substantial expenses in doing so, we may fail to attract or retain Clients or members necessary to realize a sufficient return on our brand-building efforts or to achieve the widespread brand awareness that is critical for broad Client and member adoption of our solutions.

In addition, unfavorable publicity regarding, among others, us, our business, our solutions, the healthcare industry, litigation or regulatory activity, our data privacy, or data security practices, or those of other participants in our industry, could materially adversely affect our reputation. From time to time, news media outlets have provided negative coverage regarding virtual care and privacy practices, in particular related to BetterHelp. Any negative media coverage or public perceptions about our brand, regardless of the accuracy of such reporting or perceptions, may have an adverse impact on our business and reputation, as well as have an adverse effect on our ability to attract and retain Clients, members or employees, and result in decreased revenue, which could materially adversely affect our business, financial condition and results of operations.

Our BetterHelp marketing efforts may not be successful or may become more expensive, either of which could increase our costs and adversely affect our business, financial condition, results of operations, and cash flows.

BetterHelp represented 44% of our total consolidated revenue in 2023 and has been growing in recent years. We spend significant resources marketing this service. Any decrease in the amount or effectiveness of our BetterHelp marketing efforts could lead to lower revenue or growth and profitability of this business.

In addition, we rely on relationships for our BetterHelp business with a wide variety of third parties, including internet search providers such as Google, social networking platforms such as Facebook, internet advertising networks, co-registration partners, retailers, distributors, television advertising agencies, and direct marketers, to source new members and to promote or distribute our services and products. Also, in connection with the launch of new services or products for our BetterHelp business, we may spend a significant amount of resources on marketing. If our marketing activities are inefficient or unsuccessful, if important third-party relationships or marketing strategies, such as internet search engine marketing and search engine optimization, become more expensive or unavailable, or are suspended, modified, or terminated, for any reason, if there is an increase in the proportion of individuals visiting our websites or purchasing our services by way of marketing channels with higher marketing costs as compared to channels that have lower or no associated marketing costs or if our marketing efforts do not result in our services being prominently ranked in internet search listings, our business, financial condition, results of operations, and cash flows could be materially and adversely impacted.

In order to support the growth of our business, we have and may need to incur additional indebtedness or seek capital through new equity or debt financings, which sources of additional indebtedness or capital may not be available to us on acceptable terms or at all.

Our operations have consumed substantial amounts of cash since inception and we intend to continue to make significant investments to support our growth, respond to business challenges or opportunities, develop new applications and services, enhance our existing solutions and services, enhance our operating infrastructure, and potentially acquire complementary businesses and technologies. For the years ended December 31, 2023 and 2022, our net cash provided by operating activities was $350.0 million and $189.3 million, respectively. As of December 31, 2023, we had $1,123.7 million of cash and cash equivalents which are held for working capital purposes, capital expenditures, and other corporate purposes. As of December 31, 2023, we had outstanding $1,000.0 million of 1.25% convertible senior notes due 2027 (the “2027 Notes”), $0.7 million of 1.375% convertible senior notes due 2025 (the “2025 Notes”), and $550.0 million of 0.875% convertible senior notes due 2025 that were issued by Livongo Health, Inc. ("Livongo") for which we agreed to assume all of Livongo's rights and obligations (the "Livongo Notes," and together with the 2027 Notes and 2025 Notes, the "Notes").

We may be required to use a substantial portion of our cash flows from operations to pay interest and principal on our indebtedness. Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our

indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Such payments will reduce the funds available to us for working capital, capital expenditures, and other corporate purposes and limit our ability to obtain additional financing for working capital, capital expenditures, expansion plans, and other investments, which may in turn limit our ability to implement our business strategy, heighten our vulnerability to downturns in our business, the industry, or in the general economy, limit our flexibility in planning for, or reacting to, changes in our business and the industry, and prevent us from taking advantage of business opportunities as they arise. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt, make necessary capital expenditures and fund our operations. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. If we are unable to engage in any of these activities or engage in these activities on desirable terms, it could result in a default on our debt obligations, which would adversely affect our business, financial condition, and results of operations. We may settle conversions of the Notes through payment or delivery, as the case may be, of cash, shares of our common stock, or a combination of cash and shares of our common stock. The amount of cash paid, or number of shares delivered, in connection with any conversion may be material and could result in a significant depletion in the cash available to fund our operations or significant dilution to our stockholders.

Our future capital requirements may be significantly different from our current estimates and will depend on many factors, including our growth rate, subscription renewal activity, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new or enhanced services, and the continuing market acceptance of virtual care. Accordingly, we may need to engage in equity or debt financings or collaborative arrangements to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could become more expensive due to rising interest rates or involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, during times of economic instability, it has been difficult for many companies to obtain financing in the public markets or to obtain debt financing, and we may not be able to obtain additional financing on commercially reasonable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, it could have a material adverse effect on our business, financial condition, and results of operations.

The investment of our cash, cash equivalents and fixed income securities is subject to risks which may cause losses and affect the liquidity of these investments.

At December 31, 2023, we had $1,123.7 million in cash, cash equivalents and restricted cash and fixed income securities. Our investments may also include commercial paper, securities issued by the U.S. government obligations, and money market funds meeting the criteria of our investment policy, which is focused on the preservation of our capital. These investments are subject to general credit, liquidity, and market and interest rate risks, particularly in the current economic environment. We may realize losses in the fair value of these investments or a complete loss of these investments, which would have a negative effect on our consolidated financial statements. In addition, should our investments cease paying or reduce the amount of interest paid to us, our interest income would suffer. The market risks associated with our investment portfolio may have an adverse effect on our results of operations, liquidity and financial condition.

Foreign currency exchange rate fluctuations could adversely affect our business, financial condition and results of operations.

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is the U.S. dollar, we operate in different geographical areas and transact in a range of currencies in addition to the U.S. dollar. As a result, movements in exchange rates may cause our revenue and expenses to fluctuate, impacting our profitability and cash flows. Future business operations and opportunities, including any continued expansion of our business outside the U.S., may further increase the risk that cash flows resulting from these activities may be adversely affected by changes in currency exchange rates. In the event we are unable to offset these risks, there may be a material adverse impact on our business, financial condition, and results of operations. In appropriate circumstances where we are unable to naturally offset our exposure to these currency risks, we may enter into derivative transactions to reduce such exposures. Even where we implement hedging strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign currency exchange rate fluctuations and involve costs and risks of their own, such as ongoing management time and

expertise, costs to implement the strategies, and potential accounting implications. Nevertheless, exchange rate fluctuations may either increase or decrease our revenues and expenses as reported in U.S. dollars. Moreover, foreign governments may restrict transfers of cash out of the country and control exchange rates. There can be no assurance that we will be able to repatriate our earnings, and at exchange rates that are beneficial to us, which could have a material adverse effect on our business, financial condition, and results of operations.

Natural or man-made disasters and other similar events may significantly disrupt our business and negatively impact our business, financial condition, and results of operations.

Our offices may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, power outages, fires, floods, nuclear disasters, health epidemics (including the COVID-19 pandemic), war (including the conflict in Ukraine), and acts of terrorism or other criminal activities, which may render it difficult or impossible for us to operate our business for some period of time. For example, the COVID-19 pandemic, including its variants, disrupted the normal operations of our business, and any other similar pandemic or epidemic may result in the same among other impacts. As another example, our headquarters are located in the greater New York City area, a region with a history of terrorist attacks and hurricanes. Acts of terrorism, including malicious internet-based activity, could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, access to our platform could be interrupted. If our systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver our platform and solution to our Clients and members would be impaired or we could lose critical data. Although we maintain an insurance policy covering damage to property we rent, such insurance may not be sufficient to compensate for losses that may occur. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, any such losses or damages could have a material adverse effect on our business, financial condition and results of operations and harm our reputation. In addition, our Clients' facilities may be harmed or rendered inoperable by such natural or man-made disasters, which may cause disruptions, difficulties, or material adverse effects on our business.

Risks Related to Information Technology

We rely on data center providers, internet infrastructure, bandwidth providers, third-party computer hardware and software, network and cloud service providers, other third parties and our own systems for providing services to our Clients and members, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation and negatively impact our relationships with Clients and members, adversely affecting our brand and our business, financial condition and results of operations.

We serve all of our Clients and members leveraging a multi-cloud architecture using leading multinational vendors. The actual instances are geographically diverse to insulate our applications from local failures and have an additional layer of redundancy provided by company-managed data centers. While we control and have access to our servers, we do not control the operation of these facilities. The cloud vendors and the owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our cloud vendors or data center operators is acquired, we may be required to transfer our servers and other infrastructure to a new vendor or a new data center facility, and we may incur significant costs and possible service interruption in connection with doing so. Problems faced by our cloud vendors or third-party data center locations with the telecommunications network providers with whom we or they contract or with the systems by which our telecommunications providers allocate capacity among their clients, including us, could adversely affect the experience of our Clients and members. Our cloud vendors or third-party data center operators could decide to close their facilities without adequate notice. In addition, any financial or business actions by our cloud vendors, third-party data centers operators, or any of the service providers with whom we or they contract may have negative effects on our business, financial condition, and results of operations, the nature and extent of which are difficult to predict. These financial or business actions may include bankruptcy declarations or decisions to acquire or develop products that compete directly with our solutions. Should they compete against us, we may be at a disadvantage because they may gain additional insights into our system by analyzing our cloud traffic on their servers.

In addition, our ability to deliver our services that rely on internet or mobile technology depends on the development and maintenance of the infrastructure of the internet or mobile technology by third parties. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, bandwidth capacity, and security. Our services are designed to operate without interruption in accordance with our service level commitments. However, we have experienced and expect that we may experience future interruptions and delays in services and availability from time to time. In the event of a catastrophic event with respect to one or more of our systems, we may experience an extended

period of system unavailability, which could negatively impact our relationship with Clients and members. To operate without interruption, both we and our service providers must guard against:

- damage from fire, power loss, natural disasters, health epidemics (including the COVID-19 pandemic), and other force majeure events outside our control;
- communications failures;
- software and hardware errors, failures, and crashes;
- security breaches, computer viruses, hacking, denial-of-service attacks, and similar disruptive problems; and
- other potential interruptions.

We exercise limited control over third-party vendors, which increases our vulnerability to problems with technology and information services they provide. Interruptions in our network access and services in connection with third-party technology and information services may reduce our revenue, cause us to issue refunds to Clients or members for prepaid and unused subscription services, subject us to potential liability, or adversely affect Client or member renewal rates. Although we maintain a security and privacy damages insurance policy, the coverage under our policies may not be adequate to compensate us for all losses that may occur related to the services provided by our third-party vendors. In addition, we may not be able to continue to obtain adequate insurance coverage at an acceptable cost, if at all.

Our ability to rely on these services of third-party vendors could be impaired as a result of the failure of such providers to comply with applicable laws, regulations, and contractual covenants, or as a result of events affecting such providers, such as power loss, telecommunication failures, software or hardware errors, computer viruses, cyber incidents, and similar disruptive problems, fire, flood, and natural disasters. Any such failure or event could adversely affect our relationships with our Clients and members and damage our reputation. This could materially and adversely impact our business, financial condition, and results of operations.

If our or our vendors' security measures fail or are breached and unauthorized access to a Client's or member's data is obtained, then our services may be perceived as insecure, we may incur significant liabilities, our reputation may be harmed, and we could lose sales, Clients, and members.

Our services involve the storage and transmission of Clients' and our members' proprietary information, sensitive or confidential data, including valuable intellectual property and personal information of employees, Clients, members and others, as well as the PHI of our members. Because of the sensitivity of the information we store and transmit, the security features of our and our third-party vendors' computer, network, and communications systems infrastructure are critical to the success of our business. A breach or failure of our or our third-party vendors' security measures could result from a variety of circumstances and events, including third-party action, employee negligence or error, malfeasance, computer viruses, cyber-attacks by computer hackers, failures during the process of upgrading or replacing software and databases, power outages, hardware failures, telecommunication failures, user errors, or catastrophic events. Information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. As cyber threats continue to evolve, we may be required to expend additional resources to further enhance our information security measures and/or to investigate and remediate any information security vulnerabilities. While we have security measures in place, we have experienced cybersecurity incidents in the past. If our or our third-party vendors' security measures fail or are breached, it could result in unauthorized persons accessing sensitive Client or member data (including PHI), a loss of or damage to our data, an inability to access data sources, or process data or provide our services to our Clients or members. Such failures or breaches of our or our third-party vendors' security measures, or our or our vendors' inability to effectively resolve such failures or breaches in a timely manner, could severely damage our reputation, adversely affect Client, member, or investor confidence in us, and reduce the demand for our services from existing and potential Clients or members. In addition, we could face litigation, damages for contract breach, monetary penalties, or regulatory actions for violation of applicable laws or regulations, and incur significant costs for remedial measures to prevent future occurrences and mitigate past violations. Applicable data protection laws, privacy policies, or data protection obligations may require us to notify affected individuals, regulators, customers, credit reporting agencies, and others in the event of a security breach. Members about whom we obtain health information, as well as the providers who share this information with us, may have statutory or contractual rights that limit our ability to use and disclose the information. We may be required to expend significant capital and other resources to ensure ongoing compliance with applicable data protection laws, privacy policies, and data protection obligations. Claims that we have

violated individuals' privacy rights or breached our data protection obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business. Although we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident.

We may experience cybersecurity and other breach incidents that remain undetected for an extended period. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched, we may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of our security occurs, or if we are unable to effectively resolve such breaches in a timely manner, the market perception of the effectiveness of our security measures could be harmed and we could lose sales, Clients, and members, which could have a material adverse effect on our business, financial condition, and results of operations.

Also, the threat of ransomware has quickly escalated from a small, isolated incident to that of large-scale business disruption and data breach. A successful attack could shut down our ability to provide our services for an extended period of time, the result of which would be the loss of revenue, potential fines and costs associated with data loss, as well as a blemished reputation that could hinder our ability to retain and attract Clients and members.

Our proprietary software may not operate properly, which could damage our reputation, give rise to claims against us, or divert application of our resources from other purposes, any of which could harm our business, financial condition, and results of operations.

Our application platform provides our members and providers with the ability to, among other things: register for our services; complete, view and edit medical history; request a visit (either scheduled or on demand); conduct a visit (via video or phone); use our devices to collect health information; and initiate an expert medical service. Proprietary software development is time consuming, expensive, and complex, and may involve unforeseen difficulties. We may encounter technical obstacles, and it is possible that we may discover additional problems that prevent our proprietary applications from operating properly. We are currently implementing software with respect to a number of new applications and services. If our solutions do not function reliably or fail to achieve Client or member expectations in terms of performance, Clients or members could assert liability claims against us or attempt to cancel their contracts with us. This could damage our reputation and impair our ability to attract or maintain Clients and members.

Moreover, data services are complex and those we offer have in the past contained, and may in the future develop or contain, undetected defects or errors. Material performance problems, defects, or errors in our existing or new software and applications and services may arise in the future and may result from interface of our solutions with systems and data that we did not develop and the function of which is outside of our control or undetected in our testing. These defects and errors, and any failure by us to identify and address them, could result in loss of revenue or market share, diversion of development resources, harm to our reputation, and increased service and maintenance costs. Defects or errors may discourage existing or potential Clients or members from purchasing our solutions from us. Correction of defects or errors could prove to be impossible or impracticable. The costs incurred in correcting any defects or errors may be substantial and could have a material adverse effect on our business, financial condition, and results of operations.

If we cannot implement our solutions for Clients, enroll members or resolve any technical issues in a timely manner, we may lose Clients or members and our reputation may be harmed, which could have a material adverse effect on our business, financial condition and results of operations.

Our Clients utilize a variety of data formats, applications, and infrastructure and our solutions must support our Clients' data formats and integrate with complex enterprise applications and infrastructures. If our virtual care platform does not currently support a Client's required data format or appropriately integrate with a Client's applications and infrastructure, then we must configure our platform to do so, which increases our expenses. Additionally, we do not control our Clients' implementation schedules. As a result, if our Clients do not allocate the internal resources necessary to meet their implementation responsibilities or if we face unanticipated implementation difficulties, the implementation may be delayed. If the Client implementation process is not executed successfully or if execution is delayed, we could incur significant costs, Clients could become dissatisfied and decide not to increase utilization of our solutions or not to implement our solutions beyond an initial period prior to their term commitment or, in some cases, revenue recognition could be delayed. In addition, competitors with more efficient operating models with lower implementation costs could jeopardize our Client relationships.

Our Clients and members depend on our support services to resolve any technical issues relating to our solutions and services, and we may be unable to respond quickly enough to accommodate short-term increases in member demand for support services, particularly as we increase the size of our Client and membership bases. We also may be unable to modify the format of our support services to compete with changes in support services provided by competitors. It is difficult to predict member demand for technical support services, and if member demand increases significantly, we may be unable to provide satisfactory support services to our members. Further, if we are unable to address members' needs in a timely fashion or further develop and enhance our solution, or if a Client or member is not satisfied with the quality of work performed by us or with the technical support services rendered, then we could incur additional costs to address the situation or be required to issue credits or refunds for amounts related to unused services, and our profitability may be impaired and Clients' and members' dissatisfaction with our solution could damage our ability to expand the number of applications and services purchased by such Clients. These Clients may not renew their contracts, seek to terminate their relationship with us, or renew on less favorable terms, or members may not renew their subscriptions to our BetterHelp services. Moreover, negative publicity related to our Client or member relationships, regardless of its accuracy, may further damage our business by affecting our reputation or ability to compete for new business with current and prospective Clients or members. If any of these were to occur, our revenue may decline and our business, financial condition, and results of operations could be materially adversely affected.

Risks Related to Government Regulation

Our business could be adversely affected by legal challenges to our business model or by actions restricting our ability to provide the full range of our services in certain jurisdictions.

Our ability to conduct our business in a particular U.S. state or non-U.S. jurisdiction is directly dependent upon the applicable laws governing virtual healthcare, the practice of medicine, and healthcare delivery in general in such location which are subject to changing political, regulatory, and other influences. With respect to virtual care services, in the past, state medical boards have established new rules or interpreted existing rules in a manner that has limited or restricted our ability to conduct our business as it was conducted in other states. Some of these actions have resulted in litigation and the suspension or modification of our virtual care operations in certain states. With respect to expert medical services, we believe that they do not constitute the practice of medicine in any jurisdiction in which we provide them. However, the extent to which a U.S. state or non-U.S. jurisdiction considers particular actions or relationships to constitute practicing medicine is subject to change and to evolving interpretations by (in the case of U.S. states) medical boards and state attorneys general, among others, and (in the case of non-U.S. jurisdictions) the relevant regulatory and legal authorities, each with broad discretion.

In addition, our BetterHelp business and the industry as a whole has come under increasing scrutiny from government regulators in recent years, including as a result of the industry's growing profile due to the COVID-19 pandemic. For example, see Note 17. "Commitments and Contingencies," to the consolidated financial statements for additional information regarding the settlement and consent order entered into with the FTC and the related putative class-action litigations. Accordingly, we must monitor our compliance with laws in every jurisdiction in which we operate, on an ongoing basis, and we cannot provide assurance that our activities and arrangements, if challenged, will be found to be in compliance with the laws. Additionally, it is possible that the laws and rules governing the practice of medicine, including virtual healthcare, in one or more jurisdictions may change in a manner deleterious to our business. If a successful legal challenge or an adverse change in the relevant laws were to occur, and we were unable to adapt our business model accordingly, our operations in the affected jurisdictions would be disrupted, which could have a material adverse effect on our business, financial condition, and results of operations.

In our U.S. telehealth business, we are dependent on our relationships with affiliated professional entities, which we do not own, to provide physician services, and our business would be adversely affected if those relationships were disrupted or if our arrangements with our providers or our Clients are found to violate state laws prohibiting the corporate practice of medicine or fee splitting.

The laws of all states prohibit us from exercising control over the medical judgments or decisions of physicians and the laws of many states, including states in which many of our Clients are located, prohibit us from engaging in certain financial arrangements, such as splitting professional fees with physicians. These laws and their interpretations vary from state to state and are enforced by state courts and regulatory authorities, each with broad discretion, and are subject to change and to evolving interpretations by state boards of medicine and state attorneys general, among others. We enter into agreements with our affiliated professional association, THMG, which enters into contracts with its providers pursuant to which they render professional medical services. In addition, we enter into contracts with our Clients to arrange for the THMG Association to deliver professional services in exchange for fees. These contracts include management services

agreements with our affiliated physician organizations pursuant to which the physician organizations reserve exclusive control and responsibility for all aspects of the practice of medicine and the delivery of medical services. Although we seek to comply with applicable state prohibitions on the corporate practice of medicine and fee splitting, changes in, or subsequent interpretations of, the corporate practice of medicine laws could circumscribe our business operations, and state officials who administer these laws or other third parties may successfully challenge our existing organization and contractual arrangements. If such a claim were successful, we could be subject to civil and criminal penalties and could be required to restructure or terminate the applicable contractual arrangements. A determination that these arrangements violate state statutes, or our inability to successfully restructure our relationships with our providers to comply with these statutes, could hinder our ability to provide services to Clients located in certain states, which would have a materially adverse effect on our business, financial condition, and results of operations. State corporate practice of medicine doctrines also often impose penalties on physicians themselves for aiding the corporate practice of medicine, which could discourage physicians from participating in our network of providers.

We do not own THMG, which is a 100% physician owned independent entity, or the professional corporations with which it contracts. THMG and the other professional corporations are owned by physicians licensed in their respective states. While we expect that these relationships will continue, we cannot guarantee that they will. A material change in our relationship with THMG, or among THMG and the contracted professional corporations, whether resulting from a dispute among the entities, a change in government regulation, or the loss of these affiliations, could impair our ability to provide services to our members and could have a material adverse effect on our business, financial condition, and results of operations. In addition, the arrangements in which we have entered to comply with state corporate practice of medicine doctrines could subject us to additional scrutiny by federal and state regulatory bodies, including with respect to federal and state fraud and abuse laws. We believe that our operations comply with applicable state statutes and regulations regarding corporate practice of medicine, fee-splitting, and anti-kickback prohibitions. However, any scrutiny, investigation, or litigation with regard to our arrangement with the THMG Association or BetterHelp could have a material adverse effect on our business, financial condition and results of operations, particularly if we are unable to restructure our operations and arrangements to comply with applicable laws or we are required to restructure at a significant cost, or if we were subject to penalties or other adverse action.

Evolving government regulations may require increased costs or adversely affect our business, financial condition, and results of operations.

In a regulatory climate that is uncertain, our operations have been, and may in the future be, subject to direct and indirect adoption, expansion, or reinterpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our practices at an undeterminable and possibly significant initial monetary and recurring expense. These additional monetary expenditures may increase future overhead, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, any regulatory changes that make it more difficult to license providers in multiple jurisdictions could adversely impact our ability to efficiently scale our business, which could have a material adverse effect on our business, financial condition, and results of operations.

We have identified what we believe are the areas of government regulation that, if changed, would be costly to us. These areas include: rules governing the provision of telehealth, including, for example, rules that would require in person visits or consultations prior to the provision of telehealth, including, for example, rules that would require in person visits or consultations prior to provision of telehealth; practice of medicine by physicians; licensure standards for doctors, physician assistants, advanced practice registered nurses, nurses, and mental health professionals; laws limiting the corporate practice of medicine; cybersecurity and privacy laws; laws and rules relating to the distinction between independent contractors and employees; and tax and other laws encouraging employer-sponsored health insurance and group benefits. There could be laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us.

In the jurisdictions in which we operate, we believe we are in compliance with all applicable laws, but, due to the uncertain regulatory environment, certain jurisdictions may allege or determine that we are in violation of their laws. In the event that we must remedy such violations, we may be required to modify our services and products in a manner that undermines our solutions' attractiveness to our Clients, members or providers, we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such jurisdictions are overly burdensome, we may elect to terminate our operations in such places. For example, see Note 17. “Commitments and Contingencies,” to the consolidated financial statements for additional information regarding the settlement and consent order entered into with the FTC and the related putative class-action litigations, which have resulted in certain changes to the operation of the BetterHelp business. In each case, our revenue may decline, and our business, financial condition, and results of operations could be materially adversely affected.

Additionally, the introduction of new services may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate licenses or certificates, increasing our security measures, and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and regulations may delay or possibly prevent some of our products or services from being offered to Clients and members, which could have a material adverse effect on our business, financial condition, and results of operations.

In the U.S., we conduct business in a heavily regulated industry and if we fail to comply with these laws and government regulations, we could incur penalties or be required to make significant changes to our operations, or experience adverse publicity, which could have a material adverse effect on our business, financial condition, and results of operations.

The U.S. healthcare industry is heavily regulated and closely scrutinized by federal, state, and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services and collect reimbursement from governmental programs and private payors, our contractual relationships with our providers, vendors, and Clients, our marketing activities and other aspects of our operations. Of particular importance are:

- the federal physician self-referral law, commonly referred to as the Stark Law, that, subject to limited exceptions, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain “designated health services” if the physician or a member of such physician’s immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibit the entity from billing Medicare or Medicaid for such designated health services;
- the federal Anti-Kickback Statute that prohibits the knowing and willful offer, payment, solicitation, or receipt of any bribe, kickback, rebate, or other remuneration for referring an individual, in return for ordering, leasing, purchasing, or recommending or arranging for or to induce the referral of an individual or the ordering, purchasing, or leasing of items or services covered, in whole or in part, by any federal healthcare program, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the criminal healthcare fraud provisions of HIPAA and related rules that prohibit knowingly and willfully executing a scheme or artifice to defraud any healthcare benefit program or falsifying, concealing, or covering up a material fact or making any material false, fictitious, or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal False Claims Act that imposes civil and criminal liability on individuals or entities that knowingly submit false or fraudulent claims for payment to the government or knowingly making, or causing to be made, a false statement in order to have a false claim paid, including *qui tam* or whistleblower suits;
- reassignment of payment rules that prohibit certain types of billing and collection practices in connection with claims payable by the Medicare or Medicaid programs;
- similar state law provisions pertaining to anti-kickback, self-referral, and false claims issues, some of which may apply to items or services reimbursed by any payor, including patients and commercial insurers;
- state laws that prohibit general business corporations, such as us, from practicing medicine, controlling physicians’ medical decisions, or engaging in some practices such as splitting fees with physicians;
- laws that regulate debt collection practices as applied to our debt collection practices;
- a provision of the Social Security Act that imposes criminal penalties on healthcare providers who fail to disclose or refund known overpayments;

- federal and state laws that prohibit providers from billing and receiving payment from Medicare and Medicaid for services unless the services are medically necessary, adequately and accurately documented, and billed using codes that accurately reflect the type and level of services rendered; and

- federal and state laws and policies that require healthcare providers to maintain licensure, certification, or accreditation to enroll and participate in the Medicare and Medicaid programs, to report certain changes in their operations to the agencies that administer these programs.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. Achieving and sustaining compliance with these laws may prove costly. Failure to comply with these laws and other laws can result in civil and criminal penalties such as fines, damages, overpayment, recoupment, imprisonment, loss of enrollment status and exclusion from the Medicare and Medicaid programs. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Our failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business, and result in adverse publicity.

To enforce compliance with the federal laws, the U.S. Department of Justice, the OIG and other governmental agencies have increased their scrutiny of healthcare providers, which has led to a number of investigations, prosecutions, convictions, and settlements in the healthcare industry. Dealing with investigations can be time- and resource-consuming and can divert management's attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. In addition, because of the potential for large monetary exposure under the federal False Claims Act, which provides for treble damages and minimum penalties per false claim or statement, healthcare providers often resolve allegations without admissions of liability for significant and material amounts to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree, settlement agreement or corporate integrity agreement. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' compliance with the healthcare reimbursement rules and fraud, waste, and abuse laws.

The laws, regulations and standards governing the provision of healthcare services may change significantly in the future. Any new or changed healthcare laws, regulations, or standards or any review of our business by judicial, law enforcement, regulatory or accreditation authorities could adversely affect our business, financial condition, and results of operations.

Our use and disclosure of personally identifiable information, including health information, and other personal data is subject to federal, state, and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, a material adverse effect on our Client base, membership base, and revenue.

Numerous federal, state and foreign laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, and integrity of PII, including PHI. In particular, in the U.S., HIPAA establishes a set of basic national privacy and security standards for the protection of PHI by health plans, healthcare clearinghouses, and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services, which includes us. HIPAA requires healthcare providers like us to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical, and technical safeguards to protect such information. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims.

HIPAA imposes mandatory penalties for certain violations. However, a single breach incident can result in violations of multiple standards, which could result in significant fines. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts will be able to award damages, costs, and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for

negligence or recklessness in the misuse or breach of PHI. Any such penalties or lawsuits could harm our business, financial condition, results of operations, and reputation.

In addition, HIPAA mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA-covered entities or business associates for compliance with the HIPAA Privacy and Security Standards. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the Civil Monetary Penalty fine paid by the violator.

HIPAA further requires that patients be notified of any unauthorized acquisition, access, use or disclosure of their unsecured PHI that has more than a low probability of compromising the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals. HIPAA specifies that such notifications must be made "without unreasonable delay and in no case later than 60 calendar days after discovery of the breach." If a breach affects 500 patients or more, it must be reported to HHS without unreasonable delay, and HHS will post the name of the breaching entity on its public website. Breaches affecting 500 patients or more in the same state or jurisdiction must also be reported to the local media. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually.

Numerous other federal and state laws protect the confidentiality, privacy, availability, integrity, and security of PII, including PHI and other personal data. These laws in many cases are more restrictive than, and may not be preempted by, the HIPAA rules and may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and our Clients and potentially exposing us to additional expense, adverse publicity, and liability. In addition to fines and penalties imposed upon violators, some of these state laws also afford private rights of action to individuals who believe their personal information has been misused. There are many other state-based data privacy and security laws and regulations that may impact our business. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time, may require us to modify our data processing practices and policies, divert resources from other initiatives and projects, and could restrict the way services involving data are offered, all of which may adversely affect our business, financial condition, and results of operations. For example, U.S. states have begun to introduce more comprehensive data protection laws. The CCPA went into effect in January 2020 and established a new privacy framework for covered businesses such as ours that expands the scope of personal information and provides new privacy rights for California residents. These changes required us to modify our data processing practices and policies and incur compliance-related costs and expenses. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches, which may increase the likelihood and cost of data breach litigation. Additionally, the CPRA went into effect on January 1, 2023 and significantly modifies the CCPA by, among other things, creating a dedicated privacy regulatory agency, requiring businesses to implement data minimization and data integrity principles, and imposing additional requirements for contracts addressing the processing of personal information. Numerous states have enacted, or are currently reviewing, legislation that is similar to the CCPA and/or CPRA. For example, the Virginia Consumer Data Protect Act, the Colorado Privacy Act, the Connecticut Data Privacy Act, and the Utah Consumer Privacy Act became effective in 2023. There are also bills that have been approved or are going through the legislative process in many more states. In 2022, a draft of the American Data Privacy and Protection Act was released and would be a comprehensive federal data privacy law that would seek to ease the burden of a patchwork of overlapping but different state laws. These changes may result in further uncertainty with respect to privacy, data protection, and information security issues and will require us to incur additional costs and expenses in an effort to comply.

New health information standards, whether implemented pursuant to HIPAA, congressional action, or otherwise, could have a significant effect on the manner in which we must handle healthcare-related data, and the cost of complying with standards could be significant. If we do not comply with existing or new laws and regulations related to PHI, we could be subject to criminal or civil sanctions and our reputation could be harmed.

Because of the extreme sensitivity of the PII we store and transmit, the security features of our technology platform are very important. If our security measures, some of which are managed by third parties, are breached or fail, unauthorized persons may be able to obtain access to sensitive Client and member data, including HIPAA-regulated PHI. As a result, our reputation could be severely damaged, adversely affecting Client and member confidence. Members may curtail their use of, or stop using, our services or our Client base could decrease, which would cause our business to suffer. In addition, we could face litigation, damages for contract breach, penalties, and regulatory actions for violation of HIPAA and other applicable laws or regulations and significant costs for remediation, notification to individuals, and for measures to prevent future occurrences. Any potential security breach could also result in increased costs associated with liability for stolen assets or information, repairing system damage that may have been caused by such breaches, incentives offered to Clients or other business partners in an effort to maintain our business relationships after a breach, and implementing

measures to prevent future occurrences, including organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third-party experts and consultants. While we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident.

We outsource important aspects of the storage and transmission of Client and member information, and thus rely on third parties to manage functions that have material cybersecurity risks. We attempt to address these risks by requiring outsourcing subcontractors who handle Client and member information to sign business associate agreements and/or data processing agreements contractually requiring those subcontractors to adequately safeguard personal health data to the same extent that applies to us and in some cases by requiring such outsourcing subcontractors to undergo third-party security examinations. In addition, we periodically hire third-party security experts to assess and test our security posture. However, we cannot assure you that these contractual measures and other safeguards will adequately protect us from the risks associated with the storage and transmission of Client and members' proprietary and protected health information.

We publish statements to our members and potential members that describe how we handle and protect personal information. If federal or state regulatory authorities or private litigants consider any portion of these statements to be untrue, we may be subject to claims of deceptive practices, which could lead to significant liabilities and consequences, including, without limitation, costs of responding to investigations, defending against litigation, settling claims, and complying with regulatory or court orders. For example, we have been subject to litigation alleging improper disclosure and/or use of PII and PHI. We also engage in digital marketing which has come under additional scrutiny by the FTC and state regulators. If our practices are deemed to have been unlawful or deceptive or potentially a violation of FTC requirements, it could lead to significant liabilities and consequences including, without limitation, costs of responding to investigations, defending against litigation, including class action suits, settling claims, complying with regulatory or court orders, and managing public relations and Client and member concerns associated with such violations. For example, see Note 19. "Legal Matters," to the consolidated financial statements for additional information regarding the settlement and consent order entered into with the FTC and the related putative class-action litigations, which have resulted in certain changes to the operation of the BetterHelp business.

We also send short message service ("SMS") text messages to potential end users who are eligible to use our service through certain customers and partners. While we obtain consent from or on behalf of these individuals to send text messages, federal or state regulatory authorities or private litigants may claim that the notices and disclosures we provide, form of consents we obtain, or our SMS texting practices, are not adequate. These SMS texting campaigns are potential sources of risk for our company since they are governed by the Telephone Consumer Protection Act, which allows for private right of action and class action lawsuits and is enforced by the Federal Communications Commission. Numerous class action suits under federal and state laws have been filed against companies that conduct SMS texting programs, with many resulting in multi-million-dollar settlements for the plaintiffs. Any such future litigation against us could be costly and time-consuming to defend.

Further, there are numerous foreign laws, regulations and directives regarding privacy and the collection, storage, transmission, use, processing, disclosure, and protection of PII and other personal or customer data, the scope of which is continually evolving and subject to differing interpretations. We must comply with such laws, regulations, and directives and we may be subject to significant consequences, including penalties and fines, for our failure to comply. Failure to comply with the requirements of the GDPR and the applicable national data protection laws of the EU member states may result in fines of up to €10,000,000 or up to 2% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties. To comply with the data protection rules imposed by the GDPR we may be required to put in place additional mechanisms to ensure compliance. In addition, privacy laws are developing quickly in other jurisdictions where we operate, which impose similar accountability, transparency, and security obligations. These additional privacy law obligations may be onerous and adversely affect our business, financial condition, results of operations, and prospects.

In addition, recent legal developments in Europe have created complexity and compliance uncertainty regarding certain transfers of information from the EU to the U.S. If one or more of the legal bases for transferring PII from Europe to the U.S. is invalidated, or if we are unable to transfer PII between and among countries and regions in which we operate, it could affect the manner in which we provide our services or could adversely affect our financial results. Furthermore, any failure, or perceived failure, by us to comply with or make effective modifications to our policies, or to comply with any federal, state, or international privacy, data-retention or data-protection-related laws, regulations, orders, or industry self-regulatory principles could result in proceedings or actions against us by governmental entities or others, a loss of

customer confidence, damage to our brand and reputation, and a loss of customers, any of which could have an adverse effect on our business.

Finally, federal, state, and foreign legislative or regulatory bodies may enact new or additional laws and regulations concerning privacy, data-retention, and data-protection issues, including laws or regulations mandating disclosure to domestic or international law enforcement bodies, which could adversely impact our business, our brand, or our reputation with customers. For example, some countries have adopted laws mandating that PII regarding customers in their country be maintained solely in their country. Having to maintain local data centers and redesign product, service, and business operations to limit PII processing to within individual countries could increase our operating costs significantly.

Changes to consumer privacy laws could adversely affect our ability to market our offerings effectively and may require us to change our business practices or expend significant amounts on compliance with such laws.

We rely on a variety of direct marketing techniques, including email marketing, online advertising and direct mailings. Any further restrictions in laws such as the CAN-SPAM Act, the Telephone Consumer Protection Act, the Do-Not-Call-Implementation Act, applicable Federal Communications Commission telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the FTC Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Canada's Anti-Spam Law and various U.S. state laws, or new federal or state laws and regulations on marketing and solicitation or international privacy, e-privacy, and anti-spam laws that govern these activities could adversely affect the continuing effectiveness of email, online advertising and direct mailing techniques and could force further changes in our marketing strategy. In particular, these laws may require us to make disclosures regarding our privacy and information sharing practices, safeguard and protect the privacy of such information, and in some cases, provide customers the opportunity to "opt out" of the use of their information for certain purposes, any of which could limit our ability to leverage existing and future databases of information or require us to develop alternative marketing strategies, any of which could have a material adverse effect on our financial condition, results of operations, and cash flows.

We must comply with U.S. federal, state, and foreign requirements regarding notice and consent to obtain, use, share, transmit and store certain personal information. Furthermore, we may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that we are not able to reconcile such obligations, we may be required to change business practices or face liability or sanction.

Our medical device operations are subject to FDA and other similar foreign regulatory requirements.

We are regulated by the FDA and other foreign regulatory agencies as a medical device manufacturer, and the medical devices that we distribute are subject to extensive regulation. As we continue to expand the sales of our medical devices internationally, we will also become subject to similar regulations by other foreign governments. Government regulations specific to medical devices are wide ranging and govern, among other things:

- product design, development, and manufacture;
- laboratory, preclinical and clinical testing, labeling, packaging, storage, and distribution;
- premarketing clearance or approval;
- record keeping;
- product marketing, promotion and advertising, sales and distribution; and
- post-marketing surveillance, including reporting of deaths, serious injuries, and product malfunctions, recalls, corrections, and removals.

Before a new medical device or a new intended use for a device in commercial distribution can be marketed in the U.S., a company must first submit and receive either 510(k) clearance pursuant to section 510(k) of the Food, Drug, and Cosmetic Act or approval of a premarket approval ("PMA") application from the FDA, unless an exemption applies. In the 510(k) clearance process, the FDA must determine that a proposed device is "substantially equivalent" to a device legally on the market, known as a "predicate" device, in order to clear the proposed device for marketing. To be substantially equivalent, the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data is sometimes required to support substantial

equivalence. Failure to demonstrate substantial equivalence to a predicate device to the FDA's satisfaction may require the submission and approval by the FDA of a PMA application. The FDA's 510(k) clearance process usually takes approximately six months on average but may last longer. The process for obtaining a PMA approval takes from one to three years, or even longer, from the time the PMA is submitted to the FDA until an approval is obtained. Any delay or failure to obtain necessary regulatory approvals or clearances could have a material adverse effect on our business, financial condition, and results of operations. Material modifications to the intended use or technological characteristics of our devices may also require new 510(k) clearances or premarket approvals prior to implementing the modifications, or require us to recall or cease marketing the modified devices until these clearances or approvals are obtained.

Although some jurisdictions outside of the U.S. may accept FDA approval as a basis for regulatory approval, many have their own requirements in order for a device to be marketed. In order to market our products in those countries, we would need to submit the appropriate applications and meet the requirements set by those regulatory agencies. As is the case in the U.S., the failure to comply with regulatory requirements in foreign jurisdictions could subject us to possible legal or regulatory action, and any such failure or delay in obtaining necessary licenses or approvals could restrict or delay our ability to sell our devices and solutions in those jurisdictions. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, or refusal to allow a us to enter into supply contracts, including government contracts.

In addition, we are required to timely submit various reports with the FDA, including reports if medical devices that we distribute as part of our solutions may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur. If these reports are not filed in a timely manner, regulators may impose sanctions and we may be subject to product liability or regulatory enforcement actions, all of which could harm our business, financial condition, and results of operations. Any corrective actions can be costly, time-consuming, and divert resources from other portions of our business. Furthermore, the submission of these reports could be used by competitors against us, which could harm our reputation.

The FDA and the FTC also regulate the advertising and promotion of our solutions and services to ensure that the claims we make are consistent with our regulatory clearances and approvals, that there is adequate and reasonable data to substantiate the claims and that our promotional labeling and advertising is neither false nor misleading. If the FDA or FTC determines that any of our advertising or promotional claims are misleading, not substantiated or not permissible, we may be subject to enforcement actions, including warning letters, and we may be required to revise our promotional claims and make other corrections or restitutions.

If we or our third-party suppliers fail to comply with the FDA's Quality Systems Regulation or similar foreign regulations, our ability to distribute medical devices that are provided to members as part of our solutions could be impaired.

We and certain of our third-party suppliers are required to comply with the FDA's Quality System Regulation ("QSR") and similar foreign regulations, which cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage, and shipping of medical devices that we distribute. The FDA and foreign regulators audit compliance with the QSR and similar foreign regulations through periodic announced and unannounced inspections of manufacturing and other facilities. The FDA or foreign regulators may impose inspections or audits at any time. If we or our suppliers have significant non-compliance issues or if any corrective action plan that we or our suppliers propose in response to observed deficiencies is not sufficient, the FDA could take enforcement action against us and our third-party suppliers. Similarly, foreign regulators could take action to suspend or withdraw any certifications or licenses required to do business in such jurisdiction. Any of the foregoing actions could have a material adverse effect on our business, financial condition, and results of operations.

Our failure to comply with the anti-corruption, trade compliance, and economic sanctions laws and regulations of the U.S. and applicable international jurisdictions could materially adversely affect our reputation, business, financial condition, and results of operations.

Our international operations increase our exposure to, and require us to devote significant management resources to implement controls and systems to comply with, the privacy and data protection laws of non-U.S. jurisdictions and the anti-bribery, anti-corruption and anti-money laundering laws of the U.S. (including the FCPA) and the United Kingdom (including the U.K. Bribery Act) and similar laws in other jurisdictions. These laws and regulations apply to companies, individual directors, officers, employees, and agents, and may restrict our operations, trade practices, investment decisions,

and partnering activities. Where they apply, the FCPA and the U.K. Bribery Act prohibit us and our officers, directors, employees, and business partners acting on our behalf, including joint venture partners and agents, from corruptly offering, promising, authorizing, or providing anything of value to public officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The U.K. Bribery Act also prohibits non-governmental "commercial" bribery and accepting bribes. As part of our business, we may deal with governments and state-owned business enterprises, the employees and representatives of which may be considered public officials for purposes of the FCPA and the U.K. Bribery Act. Implementing our compliance policies, internal controls, and other systems upon our expansion into new countries and geographies may require the investment of considerable management time and management, financial, and other resources over a number of years before any significant revenues or profits are generated. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or employees, restrictions or outright prohibitions on the conduct of our business, and significant brand and reputational harm. We must regularly reassess the size, capability, and location of our global infrastructure and make appropriate changes and must have effective change management processes and internal controls in place to address changes in our business and operations. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties, and the failure to do so could have a material adverse effect on our business, operating results, financial position, brand, reputation, and/or long-term growth.

We also are subject to the jurisdiction of various governments and regulatory agencies around the world, which may bring our personnel and agents into contact with public officials responsible for issuing or renewing permits, licenses, or approvals or for enforcing other governmental regulations. In addition, some of the international locations in which we operate lack a developed legal system and have elevated levels of corruption. Our business also must be conducted in compliance with applicable export controls and trade and economic sanctions laws and regulations, including those of the U.S. government, the governments of other countries in which we operate or conduct business and various multilateral organizations. Such laws and regulations include, without limitation, those administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. Our provision of services to persons located outside the U.S. may be subject to certain regulatory prohibitions, restrictions, or other requirements, including certain licensing or reporting requirements. Our provision of services outside of the U.S. exposes us to the risk of violating, or being accused of violating, anti-corruption, exports controls, and trade compliance and economic sanctions laws and regulations. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, and suspension or debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Though we have implemented formal training and monitoring programs, we cannot assure compliance by our employees or representatives for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition, and results of operations.

Our reputation and/or business could be negatively impacted by ESG matters and/or other reporting of such matters.

There is an increasing focus from regulators, certain investors, and other stakeholders concerning matters relating to environmental, social, and governance factors ("ESG"), both in the U.S. and internationally. We communicate certain ESG-related initiatives and/or commitments regarding environmental matters, diversity, and other matters on our website and elsewhere. These initiatives or commitments could be difficult or costly to achieve. We could fail to achieve, or be perceived to fail to achieve, our ESG-related initiatives or commitments. In addition, we could be criticized for the timing, scope or nature of these activities, or for any revisions to them. To the extent that our disclosures about ESG matters increase, we could be criticized for the accuracy, adequacy, or completeness of such disclosures. Our actual or perceived failure to achieve our ESG-related initiatives or commitments could negatively impact our reputation, result in ESG-focused investors not purchasing and holding our stock, or otherwise materially harm our business.

Risks Related to Litigation and Liability

Any current or future litigation or other legal or regulatory proceedings could be costly and time consuming, and any losses or liability may not be covered by insurance.

We have been and may become subject, from time to time, to legal and regulatory proceedings, including claims that arise in the ordinary course of business, such as claims brought by our Clients in connection with commercial disputes or employment claims made by our current or former associates. Regardless of outcome, such proceedings may result in substantial costs and may divert management's attention and resources or decrease market acceptance of our solutions, which may substantially harm our business, financial condition, and results of operations. We attempt to limit our liability to Clients by contract; however, the limitations of liability set forth in the contracts may not be enforceable or may not

otherwise protect us from liability for damages. Additionally, we may be subject to claims that are not explicitly covered by contract. Insurance may not cover claims against us, may not provide sufficient payments to cover all of the costs to resolve one or more such claims, and may not continue to be available on terms acceptable to us. In addition, the insurer might disclaim coverage as to any future claim. A successful claim not fully covered by our insurance could have a material adverse impact on our liquidity, financial condition, and results of operations. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our earnings and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the market price of our stock. In addition, any insurance coverage would not address the reputational damage that could result from any legal or regulatory proceedings or claims.

We may become subject to medical liability claims, which could cause us to incur significant expenses and may require us to pay significant damages if not covered by insurance.

Our business entails the risk of medical liability claims against both our providers and us. Although we and THMG carry insurance covering medical malpractice claims in amounts that we believe are appropriate in light of the risks attendant to our business, successful medical liability claims could result in substantial damage awards that exceed the limits of our and THMG's insurance coverage. THMG carries professional liability insurance for itself and each of its healthcare professionals (our providers), and we separately carry a general insurance policy, which covers medical malpractice claims. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our providers or to us in the future at acceptable costs or at all.

Any claims made against us that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us, and divert the attention of our management and our providers from our operations, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, any claims may adversely affect our reputation.

Risks Related to Intellectual Property

Any failure to protect our intellectual property rights could impair our ability to protect our technology and our brands.

Our success depends in part on our ability to enforce our intellectual property and other proprietary rights. We rely upon a combination of patent, trademark, copyright, and trade secret laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring our employees, consultants, and certain of our contractors to execute confidentiality and assignment of inventions agreements. These laws, procedures, and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, or misappropriated. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties may gain access to our proprietary information, develop and market solutions similar to ours, or use trademarks similar to ours, each of which could materially harm our business. Unauthorized parties may also attempt to copy or obtain and use our technology to develop applications with the same functionality as our solutions. Policing unauthorized use of our technology and intellectual property rights is difficult and may not be effective. In addition, the laws of certain foreign countries in which we operate may not protect our intellectual property rights to the same extent as do the laws of the U.S.

In order to protect our intellectual property rights, we may be required to spend significant resources to establish, monitor, and protect these rights. We may not always detect infringement of our intellectual property rights, and defending or enforcing our intellectual property rights, even if successfully detected, prosecuted, enjoined, or remedied, could result in the expenditure of significant financial and managerial resources. Litigation may be necessary to enforce our intellectual property rights, protect our proprietary rights, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business, financial condition, and results of operations. We may also incur significant costs in enforcing our trademarks against those who attempt to imitate our brand and other valuable trademarks and service marks. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, countersuits, and adversarial proceedings such as oppositions, inter partes review, post-grant review, re-examination, or other post-issuance proceedings, that attack the validity and enforceability of our intellectual property rights. An adverse determination of any litigation proceedings could put our patents at risk of being invalidated or interpreted narrowly and could put our related pending patent applications at risk of not issuing. The failure to secure and

adequately protect our intellectual property and other proprietary rights could have a material adverse effect on our business, financial condition, and results of operations.

We could incur substantial costs as a result of any claim of infringement of another party's intellectual property rights.

In recent years, there has been significant litigation in the U.S. involving patents and other intellectual property rights. Companies in the internet and technology industries are increasingly bringing and becoming subject to suits alleging infringement of proprietary rights, particularly patent rights, and our competitors and other third parties may hold patents or have pending patent applications, which could be related to our business. These risks have been amplified by the increase in third parties whose sole primary business is to assert such claims. Regardless of the merits of any other intellectual property litigation, we may be required to expend significant management time and financial resources on the defense of such claims, and any adverse outcome of any such claim could have a material adverse effect on our business, financial condition, and results of operations. We expect that we may in the future receive notices that claim we or our Clients using our solutions have misappropriated or misused other parties' intellectual property rights, particularly as the number of competitors in our market grows and the functionality of applications amongst competitors overlaps. Our existing or any future litigation, whether or not successful, could be extremely costly to defend, divert our management's time, attention, and resources, damage our reputation and brands, and substantially harm our business.

In addition, in most instances, we have agreed to indemnify our Clients against certain third-party claims, which may include claims that our solutions infringe the intellectual property rights of such third parties. Our business could be adversely affected by any significant disputes between us and our Clients as to the applicability or scope of our indemnification obligations to them. The results of any intellectual property litigation to which we may become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease offering or using technologies that incorporate the challenged intellectual property;
- make substantial payments for legal fees, settlement payments, or other costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign technology to avoid infringement.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us or any obligation to indemnify our Clients for such claims, such payments or costs could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Taxation

Unanticipated changes in our effective tax rate and additional tax liabilities may impact our financial conditions or results of operations.

We are subject to income tax in the U.S. and various jurisdictions outside of the U.S. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, fluctuations in our stock price related to our stock-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes and effects from acquisitions.

We are open to tax examinations in multiple jurisdictions. While we regularly evaluate new information that may change our judgment resulting in recognition, derecognition, or change in measurement of a tax position taken, there can be no assurance that the final determination of any examinations will not have an adverse effect on our financial condition or results of operations.

Our tax provision could also be impacted by changes in accounting principles or changes in U.S. federal and state or international tax laws applicable to corporate multinationals. Furthermore, changes in taxing jurisdictions' administrative interpretations, decisions, policies and positions could also impact our tax provision.

We may also be subject to additional liabilities for non-income based taxes due to changes in U.S. federal, state, or international tax laws, changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions,

results of tax examinations, settlements or judicial decisions, changes in accounting principles, changes to our business operations, including acquisitions, as well as the evaluation of new information that results in a change to a tax position taken in a prior period.

If our providers or experts are characterized as employees, we would be subject to employment and withholding liabilities.

We structure our relationships with many of our providers and experts in a manner that we believe results in an independent contractor relationship, not an employee relationship. An independent contractor is generally distinguished from an employee by his or her degree of autonomy and independence in providing services. A high degree of autonomy and independence is generally indicative of a contractor relationship, while a high degree of control is generally indicative of an employment relationship. Although we believe that these providers and experts are properly characterized as independent contractors, tax or other regulatory authorities may in the future challenge our characterization of these relationships. If such regulatory authorities or state, federal, or foreign courts were to determine that these providers or experts are employees, and not independent contractors, we would be required to withhold income taxes, to withhold and pay social security, Medicare, and similar taxes and to pay unemployment and other related payroll taxes. We would also be liable for unpaid past taxes and subject to penalties. As a result, any determination that these providers or experts are our employees could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Strategic Initiatives

We may acquire other companies or technologies, which could divert our management's attention, result in dilution to our stockholders, and otherwise disrupt our operations and we may have difficulty integrating any such acquisitions successfully or realizing the anticipated synergies or other benefits therefrom, any of which could have a material adverse effect on our business, financial condition and results of operations.

We have in the past and may in the future seek to acquire or invest in businesses, applications, and services or technologies that we believe could complement or expand our solutions, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated.

In addition, if we acquire additional businesses, we may not be able to integrate the acquired personnel, operations, and technologies successfully, or the integration process may take longer than expected or become more costly than expected. Similarly, we may not be able to effectively manage the combined business following the acquisition. We also may not achieve the anticipated cost savings, synergies or other benefits from the acquired business due to a number of factors, including, but not limited to:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- unanticipated costs or liabilities associated with the acquisition;
- difficulty integrating the accounting and operational systems, operations, and personnel of the acquired business;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the Clients of the acquired business onto our platform and contract terms, including disparities in the revenue, licensing, support, or professional services model of the acquired company;
- diversion of management's attention from other business concerns;
- adverse effects to our existing business relationships with business partners and Clients as a result of the acquisition;
- the potential loss of key employees;

- use of resources that are needed in other parts of our business; and
- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which can result in the risk of impairment over time. For example, see Part II, Item 7: Management's Discussion & Analysis of Financial Condition and Results of Operations under the sub-heading "Critical Accounting Estimates and Policies- Goodwill" Note 6. "Goodwill," to the consolidated financial statements for information regarding recent goodwill impairment charges.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations. For example, shares of our common stock were issued in connection with the acquisitions of Livongo and InTouch Technologies, Inc. In addition, if an acquired business fails to meet our expectations, our business, financial condition, and results of operations may suffer.

Risks Related to Ownership of Our Common Stock

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition, or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors (the "Board") is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board. Among other things, these provisions include those establishing:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death, or removal of a director, which prevents stockholders from filling vacancies on our Board;
- the ability of our Board to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our Board to alter our amended and restated bylaws without obtaining stockholder approval;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware (the "DGCL"), which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees, or agents to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, (4) any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws, or (5) any action asserting a claim governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect our business, financial condition, or results of operations.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation will be your sole source of gain, if any.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. Any future debt agreements may also preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. In addition, the trading price of our common stock has been, and could continue to be, subject to wide fluctuations. The price at which our stock trades depends on a number of factors, many of which are beyond our control. We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including whether you will achieve any capital appreciation.

We have been, and in the future could be, subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. We have been, and may in the future become, subject to such securities class action litigation, and any such litigation could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition, and results of operations.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares, or if our results of operations do not meet their expectations, the share price and trading volume of our common stock could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the share price or trading volume of our common stock to decline. Moreover, if one or more of the analysts who cover us express views regarding us that may be perceived as negative or less favorable than previous views, downgrade our stock, or if our results of operations do not meet their expectations, the share price of our common stock could decline.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We recognize the increasing significance that cybersecurity has to our operations and the success of our business, as well as the need to continually assess cybersecurity risk and evolve our response in the face of a rapidly and ever-changing environment. We process and maintain sensitive data on our Clients and members, including in the form of PHI

and PII. In addition, we maintain intellectual property for our solutions and personal information of our employees. Because of the data we manage, we are subject to various cybersecurity threats that, if they materialized, could adversely affect our business, employees, Clients, and members through impacts to the confidentiality, integrity, and/or availability of our systems. We maintain a cybersecurity program and controls as part of our enterprise risk management program in an effort to reduce the risk of exposure of our information and systems.

To assess, identify, and manage the risks of cybersecurity threats to our information system, we maintain a cybersecurity program, including policies and controls, which are regularly reviewed through internal and external assessments. We leverage several industry frameworks for adopting and assessing controls, such as HIPAA, the National Institute of Standards and Technology Cybersecurity Framework, and HITRUST. We have an active HITRUST certification and Service Organization Control ("SOC") 2 Type II security compliance that are issued by external entities.

We have controls in place intended to assess our cybersecurity posture and prevent successful access to our critical systems, including, but not limited to: vulnerability scanning on systems and applications; endpoint detection capabilities to identify malware and other indicators of threat activity; multifactor authentication; and blocking of malicious e-mail. In addition, we also provide annual cybersecurity awareness training for our employees. Further, we engage with an external security firm to perform regular penetration testing. We subject our critical third-party service providers to risk assessment prior to engagement, and periodically thereafter, to identify material risks. Additionally, we have a process to engage with these third parties to understand potential impacts of, and remediation efforts associated with, critical vulnerabilities.

To stay abreast of the evolving threat landscape, we actively engage with key vendors, industry information sharing, and intelligence and law enforcement communities. These engagements serve as inputs into understanding techniques and tactics being used by threat actors and in expanding the countermeasures we use to protect Teladoc Health.

In the event of a potential cybersecurity incident, or a series of related cybersecurity incidents, we have a documented security incident response plan that provides a consistent approach to identifying and classifying the incident as well as a defined escalation process to management to assess the materiality.

Despite the efforts outlined above, we cannot ensure that we will not be subject to any cybersecurity incidents or threats. See “Risk Factors Risks Related to Information Technology” for additional information. To date, management has not determined that any cybersecurity incidents the Company has experienced would have resulted in, or are reasonably likely to result in, a material impact to its financial condition, results of operations, or business strategy.

Governance

Cybersecurity risk oversight continues to remain a top priority for our Board. The audit committee of our Board maintains primary responsibility related to overseeing our cybersecurity risk as part of its program of regular risk management oversight. This includes, but is not limited to, the overall maturity and strategy of our cybersecurity program.

We have a rigorous and comprehensive cybersecurity program managed by a dedicated team of subject matter experts and is led by our Chief Information Security Officer (“CISO”), who has extensive cybersecurity experience. We have implemented telehealth industry standard processes, policies, and tools, including regularly scheduled vulnerability scanning and third-party penetration testing to reduce the risk of vulnerabilities in our system.

Our CISO regularly engages with other members of our executive management team to discuss cyber risk, including the Chief Technology Officer, the Chief Information Officer, Deputy Chief Legal Officer, and Chief Compliance Officer, among others, as well as the audit committee of our Board. Our executive management team has the appropriate expertise, background, and depth of experience to manage risk arising from cybersecurity threats. Executive management has also participated in cybersecurity tabletop exercises to test our cyber response playbooks.

Item 2. Properties

We believe that our company’s offices and other facilities are, in general, in good operating condition and adequate for our current operations.

We lease office space in Purchase, New York for our corporate headquarters and certain of our operations under a lease for which the term expires in August 2028. We lease additional office space in the U.S. and other foreign locations.

We have reduced our footprint over the past year reflecting post-pandemic remote work changes. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

Item 3. Legal Proceedings

We are subject to legal proceedings, claims and litigation arising in the ordinary course of our business. Descriptions of certain legal proceedings to which we are a party are contained in the Legal Matters section of Note 17. “Commitments and Contingencies,” to the consolidated financial statements included in Part II, of this Annual Report on Form 10-K and are incorporated by reference herein.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

Market Information

Our Common Stock trades on the New York Stock Exchange (“NYSE”) under the symbol “TDOC”.

Holders

On February 16, 2024, there were 91 shareholders of record of our Common Stock. Because many of our shares of Common Stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders.

Dividends

We have never declared or paid any cash dividends on our Common Stock, and we do not anticipate paying cash dividends in the foreseeable future.

Unregistered Sales of Equity Securities and Use of Proceeds

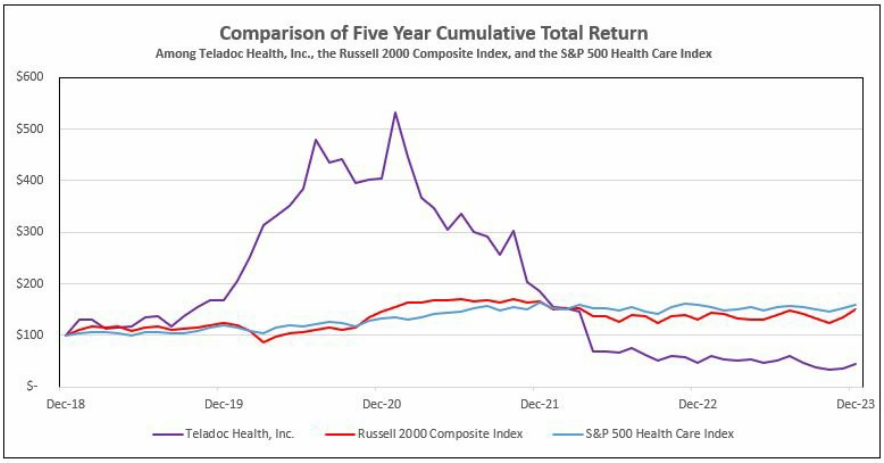
There were no unregistered sales of equity securities which have not been previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K during the period covered by this report.

Purchase of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this report.

Five-Year Stock Performance Graph

The following graph compares the cumulative total stockholder return on our common stock with the comparable cumulative total return of the Russell 2000 Composite Index and the S&P 500 Health Care Index for each of the five fiscal years ended December 31, 2023, assuming an investment of $100 at the beginning of such period and the reinvestment of any dividends in Teladoc Health Common Stock and in each index. The indexes are included for comparative purposes only. The stock price performance on the following graph is not necessarily indicative of future stock price performance. This graph is not "soliciting material," is not to be deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Item 6. [Reserved]

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Discussion and analysis of our fiscal year 2021, as well as the year-over-year comparison of our 2022 financial performance to 2021, have been omitted from this section and may be found under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 that was filed with the SEC on March 1, 2023.

Overview

Teladoc, Inc. was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. Unless the context otherwise requires, Teladoc Health, Inc., together with its subsidiaries, is referred to herein as "Teladoc Health," the "Company," or "we." The Company's principal executive office is located in Purchase, New York. Teladoc Health is the global leader in whole person virtual care focused on forging a new healthcare experience with better convenience, outcomes, and value around the world.

We were founded on a simple, yet revolutionary idea: that everyone should have access to the best healthcare, anywhere in the world on their terms. Today, we have a vision of making virtual care the first step on any healthcare journey, and we are delivering on this mission by providing whole person virtual care that includes primary care, mental health, chronic condition management, and more.

We believe that favorable existing secular trends in the healthcare industry were accelerated by the impacts of the COVID-19 pandemic, driving greater consumer awareness and use of virtual care and increased adoption by employers, health plans, hospitals and health systems, healthcare providers, and individuals. In combination with the expansion of our capabilities, we believe that these trends present significant opportunities for virtual healthcare to address the most pressing, universal healthcare challenges through trusted solutions, such as ours, that deliver convenient, affordable, and high-quality care; empower individuals to manage and improve their health; and enable providers to offer their best care for their patients.

Efficiency Program and Restructuring

We have a demonstrated record of driving growth both organically and through acquisitions. We have built a strong and durable foundation for efficient growth, increasing profitability, and generating cash flow. We are taking additional concrete steps to further accelerate our progress on bottom line performance in order to achieve a more balanced approach to growth and margin. This focus on balanced growth includes a comprehensive operational review of our business to drive efficiencies to continue to support our growth. These steps are expected to result in restructuring costs in the year ending December 31, 2024. See Note 19. 'Subsequent Events" to the consolidated financial statements for additional information.

Key Factors Affecting Our Performance

We believe that our future performance will depend on many factors, including the following:

As it relates to the Integrated Care segment:

Number of U.S. Integrated Care Members. U.S. Integrated Care members represent the number of unique individuals who have paid access and visit fee only access to our suite of integrated care services in the U.S. at the end of the applicable period. Our revenue growth rate and long-term profitability are affected by our ability to increase cross selling capability among our existing members over time because we derive a substantial portion of our revenue from access and other fees via Client contracts that provide members access to our professional provider network in exchange for a contractual based periodic fee. Therefore, we believe that our ability to add new members and retain existing members and to increase utilization and penetration further into existing and new health plan and employer Clients is a key indicator of our increasing market adoption, the growth of our business, and our future revenue potential. We further believe that increasing our membership is an integral objective that will provide us with the ability to continually innovate our services and support initiatives that will enhance members' experiences. U.S. Integrated Care members increased by 6.3 million, or 8%, to 89.6 million at December 31, 2023, compared to the same period in 2022.

Chronic Care Program Enrollment. Chronic care program enrollment represents the total number of enrollees across our suite of chronic care programs at the end of a given period. Our chronic care program enrollments are one of the key components of our whole person virtual care platform that we believe positions us to drive greater engagement with our platforms and increased revenue. Chronic care program enrollment increased by 14% to 1.16 million at December 31, 2023, compared to 1.02 million at December 31, 2022.

Average Monthly Revenue Per U.S. Integrated Care Member. Average monthly revenue per U.S. Integrated Care member measures the average monthly amount of global revenue that we generate from a U.S. Integrated Care member for a particular period. It is calculated by dividing the total revenue generated from the Integrated Care segment by the average number of U.S. Integrated Care members during the applicable period. Approximately 20% of total Integrated Care revenues relates to international and hospital and health systems for which membership is not considered as a management metric. We believe that our ability to increase the revenue generated from each member over time is also a key indicator of our increasing market adoption, the growth of our business, and future revenue potential. Average monthly revenue per U.S. Integrated Care member decreased to $1.41 in the year ended December 31, 2023, from $1.42 in the same period in 2022, primarily due to the impact of new members onboarded over the course of the year. The change in average monthly revenue versus the indicated prior period is reflective of the growth and timing of onboarding new members and the mix of their fees.

As it relates to the BetterHelp segment:

BetterHelp Paying Users. BetterHelp paying users represent the average number of global monthly paying users of our BetterHelp therapy services during the applicable period. We believe that our ability to add new paying users and retain existing users is a key indicator of the increasing market adoption of BetterHelp, the growth of that business, and future revenue potential. Our ability to reach new potential paying users through various advertising channels helped us to increase BetterHelp paying users by 9% to 0.46 million as of December 31, 2023, compared to 0.42 million as of December 31, 2022.

As it relates to the Company:

Seasonality. Our business has historically been subject to seasonality. In our Integrated Care segment, a concentration of our new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, we historically have experienced our highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end-of-year holiday season, our BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic, we have typically experienced fewer new member additions and the strongest operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year, we typically experience the weakest operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

See "Risk Factors—Risks Related to Our Business and Industry—Our quarterly results may fluctuate significantly, which could adversely impact the value of our common stock." included elsewhere in this Annual Report on Form 10-K.

Critical Accounting Estimates and Policies

Revenue

We follow the revenue accounting requirements of Accounting Standards Codification ("ASC") Topic 606, which establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The core principle of ASC Topic 606 is to recognize revenue to depict the transfer of promised goods or services to Clients as well as individual members, in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services. This principle is achieved through applying the following five-step approach:

- Identification of the contract, or contracts, with a Client.

- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, we satisfy a performance obligation.

Integrated Care Segment

As it relates to the Integrated Care segment, we primarily generate virtual healthcare service revenue from contracts with Clients who purchase access to our professional provider network or medical experts for their employees, dependents and other beneficiaries. Our Client contracts include a per-member-per-month ("PMPM") access fee as well as certain contracts that also include additional revenue on a per-virtual healthcare visit basis for general medical, or other specialty visits or expert medical service on a per case basis. We also have certain contracts that generate revenue based solely on a per healthcare visit basis for general medical and other specialty visits.

We record access fees from Clients accessing our professional provider network or hosted virtual healthcare platform or chronic care management platforms, visit fee revenue for general medical, expert medical service and other specialty visits as well as other revenue primarily associated with virtual healthcare device equipment included with our hosted virtual healthcare platform. Visit and other revenues are reported as "Other" revenue in our consolidated financial statements.

Revenue is also generated from contracts with Clients in hospital and health systems for the sale and rental of equipment consisting of virtual healthcare devices which allow physicians to access our hosted virtual healthcare platform. These contracts also include multiple performance obligations, and we determine the standalone selling prices based on overall pricing objectives. In some arrangements, our devices are rented to certain qualified Clients that qualify as either sales-type lease or operating lease arrangements and are subject to lease accounting guidance.

Revenue is also generated from contracts with Clients for our chronic care management solutions. Substantially all of this revenue is derived from monthly access fees that are recognized as services are rendered and earned under subscription agreements with Clients that are based on a per-participant-per-month model, using the number of active enrolled members each month for the minimum enrollment period. These solutions integrate devices, supplies, access to our web-based platform, and clinical and data services to provide an overall health management solution. The promises to transfer these goods and services are not separately identifiable and are considered a single continuous service comprised of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service). These services are consumed as they are received, and we recognize revenue each month using the variable consideration allocation exception since the nature of the obligations and the variability of the payment being based on the number of active members are aligned.

Our Client agreements generally have a term of one to three years for the Integrated Care segment. The majority of Clients have a term of one year and renew their contracts following their first year of services. Revenues are recognized when we satisfy our performance obligation to stand ready to provide virtual healthcare services which occurs when our Clients and members have access to and obtain control of the virtual healthcare service or platform.

For contracts where revenue is generated on a per healthcare visit basis, revenues are recognized when the visits are completed as we have delivered on our stand ready obligation to provide access. For other revenue, which primarily includes virtual healthcare devices, our performance obligation is satisfied when the equipment is provided to the Client and revenue is recognized at a point in time upon shipment.

We generally bill for virtual healthcare services on a monthly basis, in advance or in arrears depending on the service, with payment terms generally being 30 days. There are not significant differences between the timing of revenue recognition and billing. Consequently, we have determined that Client contracts do not include a financing component. Revenue is recognized in an amount that reflects the consideration that is expected in exchange for the service and for certain contracts include a variable transaction price as the number of members may vary from period to period. We estimate this amount based on historical experience.

Our contracts do not generally contain refund provisions for fees earned related to services performed.

Additionally, certain of our contracts include Client performance guarantees and pricing adjustments that are based upon minimum member utilization and guarantees by us for specific service level performance, member satisfaction scores, cost savings or other value achievements or guarantees, and health outcome guarantees. Performance guarantees are estimated at each reporting period based on our historical performance or other available information of the underlying criteria or the customer's specific performance as of that reporting date. Any estimated adjustments to the contract price for achieving or not achieving the performance guarantee are recognized as an adjustment to revenue in the period. For the years ended December 31, 2023 and 2022, revenue recognized from performance obligations related to prior periods for changes in estimated transaction price or Client performance guarantees was $14.7 million and $4.4 million, respectively.

We have elected the optional exemption to not disclose the remaining performance obligations of our contracts since the majority of our contracts have a duration of one year or less and the variable consideration expected to be received over the duration of the contract is allocated entirely to the wholly unsatisfied performance obligations.

For additional revenue, deferred revenue, deferred costs, and disclosures, refer to Note 3. "Revenue, Deferred Revenue, and Deferred Costs and Other."

BetterHelp Segment

As it relates to the BetterHelp segment, users can purchase virtual therapy services for an access fee, generally on a monthly basis. For other wellness services, users can purchase access to their consumer application for a subscription fee, generally for a period of one year. BetterHelp also provides virtual therapy services to employers as part of employee assistance programs, with revenues recorded based on completion of visit.

The BetterHelp service provides for member refunds. We estimate the expected amount of refunds to be issued based on historical experience, which are recorded as a reduction of revenue. We issued refunds of approximately $93.0 million and $79.2 million for the years ended December 31, 2023 and 2022, respectively.

Goodwill

Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at the reporting unit level annually on October 1 or more frequently if events or changes in circumstances indicate that it is more likely than not to be impaired. These events include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in our market capitalization, as indicated by our publicly quoted share price.

As of December 31, 2023, our balance of goodwill was $1.1 billion, which all related to the BetterHelp segment.

We performed a qualitative assessment of goodwill for the BetterHelp reporting unit as of October 1, 2023. As part of the qualitative analysis, we considered the performance of the reporting unit compared to expectations, forecasts for revenue and margin, macroeconomic conditions, industry and market trends, as well as other relevant entity-specific items. Based on this qualitative assessment, no indicators of impairment were identified for the year ended December 31, 2023. While it is believed that the assumptions used were reasonable, changes in these assumptions for the BetterHelp reporting unit, including lowering forecasts for revenue and margin, lowering the long-term growth rate, or changes in the future discount rate assumptions, could result in a future impairment.

For the year ended December 31, 2022, a $13.4 billion non-deductible goodwill impairment charge, or $83.01 per basic and diluted share, was recognized following goodwill impairment testings performed as a result of sustained decreases in our publicly quoted share price and our annual testing requirement. Refer to Note 6. "Goodwill," to our consolidated financial statements for further information.

Other Intangible Assets

Other intangible assets include customer relationships, non-compete agreements, acquired technology, and trademarks resulting from business acquisitions, as well as capitalized software development costs. As of December 31, 2023, the aggregate balance of these assets was $1,677.8 million. We amortize these definite-lived intangible assets over their estimated useful lives as disclosed in Note 8. "Intangible Assets, Net and Certain Cloud Computing Costs" to the

consolidated financial statements. We also review the useful lives on a quarterly basis to determine if the period of economic benefit has changed. Potential changes in useful lives, whether due to strategic decisions involving our brands, competitive forces, or other factors could result in additional amortization expense taking effect prospectively in the period of the change and could have a material impact on our consolidated financial statements.

Customer relationships are amortized over a period of two to 20 years in relation to expected future cash flows. The useful lives of the customer relationships are subject to risks and uncertainties including future attrition rates. These considerations include, but are not limited to, the emergence of new competitor offerings, relative competitor pricing and scale, our ability to successfully integrate and manage the acquired customers, our level of success in delivering future innovation, and overall changes in economic and regulatory conditions. Significant changes in any one or a combination of considerations could lead us to update our weighted average attrition rate, which, in turn would impact the assigned useful life and the level of amortization expense recorded for our customer relationship intangibles. For example, a sustained increase in the customer attrition rate related to customers acquired in the Livongo transaction could prompt us to reduce our estimate of the remaining useful life of the customer relationships. Should this occur, a one-year reduction to the estimated life would result in an annual increase in amortization expense of approximately $6 million. Acquired technology is amortized over four to seven years using the straight-line method. Capitalized software development costs are amortized over three to five years using the straight-line method.

During the second half of 2023, we initiated a strategy to transition the majority of our chronic condition management Clients and members to the Teladoc Health brand on a phased basis, with a smaller subset continuing to be served under the Livongo trade name beyond 2024. In connection with the brand strategy, we have accelerated the amortization associated with the Livongo trademark, increasing amortization expense in the year ended December 31, 2023, and in the year ending December 31, 2024, with corresponding reductions thereafter. The change in accounting estimate resulted in additional amortization expense of $37.5 million, or $0.23 per basic and diluted share, for the year ended December 31, 2023.

Definite-lived intangible assets are re-evaluated whenever events or changes in circumstances indicate that their estimated useful lives may require revision and/or the carrying value of the related asset group may not be recoverable by its projected undiscounted cash flows. If the carrying value of the asset group is determined to be unrecoverable, an impairment charge would be recognized in an amount equal to the amount by which the carrying value of the asset group exceeds its fair value. As a result of the introduction of segments in the fourth quarter of 2022, a recoverability test for the definite-lived intangible assets was performed and no impairment was identified.

Provision for Income Taxes

Our provision for income taxes, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The objectives for accounting for income taxes, as prescribed by the relevant accounting guidance, are to recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the financial statements. Deferred income taxes reflect the tax effect of temporary differences between asset and liability amounts that are recognized for financial reporting purposes and the amounts that are recognized for income tax purposes. These deferred taxes are measured by applying currently enacted tax laws. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The assumptions about future tax consequences require significant judgment and variations in the actual outcome of these consequences could materially impact our results of operations. We recognize tax liabilities based on estimates of whether additional taxes and interest will be due. We adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Determination of valuation allowances recorded against deferred tax assets requires significant

judgment and use of assumptions, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. To the extent that new information becomes available which causes us to change our judgment regarding the adequacy of existing valuation allowances, such changes to tax liabilities will impact income tax expense in the period in which such determination is made.

Components of Results of Operations

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately)

Cost of revenue (exclusive of depreciation and amortization, which are shown separately) primarily consists of fees paid to the physicians and other health professionals in our provider network; product cost; costs incurred in connection with our provider network operations and data center activities, which include employee-related expenses (including salaries and benefits, incentive compensation, and stock-based compensation); costs related to Client support; and provider network, medical records, magnetic resonance imaging, medical lab tests, translation, postage, medical malpractice insurance, and deferred device costs. Cost of revenue includes costs of technology enabling multiple modes of real-time communication, including via web browser, mobile application, voice / telephony, and text. These expenses increase or decrease as the level of revenue changes. Cost of revenue (exclusive of depreciation and amortization, which are shown separately) is driven primarily by the number of general medical visits, expert medical services, and other specialty visits completed in each period and are closely correlated or directly related to delivery of our solutions and monthly access fees. Many of the elements of the cost of revenue (exclusive of depreciation and amortization, which are shown separately) are relatively variable, and can be reduced in the near-term to offset any decline in our revenue. Our business and operational models are designed to be highly scalable and leverage variable costs to support revenue-generating activities. Cost of revenue (exclusive of depreciation and amortization, which are shown separately) does not include an allocation of depreciation and amortization.

Advertising and Marketing Expenses

Advertising and marketing expenses consist primarily of costs of digital and media advertisements, personnel, and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) for our marketing staff and communications materials that are produced for member acquisition and to generate greater awareness and utilization among our Clients and members. Marketing costs also include third-party independent research, trade shows and brand messages, public relations costs, and stock-based compensation for our advertising and marketing employees. Our advertising and marketing expenses exclude certain allocations of occupancy expense as well as depreciation and amortization.

Our advertising and marketing expenses will fluctuate as a percentage of our total revenue from period to period due to the seasonality of our total revenue and the timing and extent of our advertising campaigns and marketing expenses. We will continue to invest in advertising and marketing by promoting our brands through a variety of marketing and public relations activities.

Sales Expenses

Sales expenses consist primarily of employee-related expenses, including salaries, benefits, commissions, and incentive-based awards, employment taxes, travel and stock-based compensation costs for our employees engaged in sales, account management, and sales support in addition to commissions paid to external brokers. Our sales expenses exclude certain allocations of occupancy expense as well as depreciation and amortization.

Technology and Development Expenses

Technology and development expenses include the costs of operating our on-demand technology infrastructure that are not directly related to changes in revenue or volume of visits, including certain licensed applications, information technology infrastructure, security, and compliance. The technology and development line item also contains amounts charged to expense for research and development, which include costs of new product development, costs to add new features or improve reliability or scalability of existing applications, and other software development and engineering costs to the extent that they are not capitalized. The research and development expenses may enable future revenue growth but are not directly related to current revenues.

Technology and development expenses include personnel and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) for software engineering, information technology infrastructure, security and compliance, product development, and support for our efforts to add new features and ensure the reliability or scalability of our existing solutions. Technology and development expenses also include outsourced software engineering services, the costs of operating our on-demand technology infrastructure (whereas costs directly associated with revenue are presented separately in cost of revenues), and certain licensed applications. Our technology and development expenses exclude capitalized software development costs and depreciation and amortization.

Our technology and development expenses may fluctuate as a percentage of our total revenue from period to period due to the seasonality of our total revenue and the timing and extent of our technology and development expenses, including the ability to capitalize software development costs.

General and Administrative Expenses

General and administrative expenses include personnel and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) of, and professional fees incurred by our finance, legal and compliance, operations, human resources, clinical, corporate strategy, business development, strategies, quality and executive departments. They also include bank charges, most of the facilities costs including rent, utilities, and facilities maintenance, except for amounts allocated to cost of revenues, as well as therapists recruiting costs, related to BetterHelp, indirect taxes and certain licensed corporate applications. Our general and administrative expenses exclude any allocation of depreciation and amortization.

Our general and administrative expenses may fluctuate as a percentage of our total revenue from period to period due to the seasonality of our total revenue and the timing and extent of our general and administrative expenses.

Acquisition, Integration, and Transformation Costs

Acquisition, integration, and transformation costs include investment banking, financing, legal, accounting, consultancy, integration, fair value changes related to contingent consideration, and certain other transaction costs related to mergers and acquisitions. It also includes costs related to certain business transformation initiatives focused on integrating and optimizing various operations and systems, including upgrading our CRM and ERP systems, incurred in connection with our acquisition and integration activities.

Restructuring Costs

Restructuring costs consist primarily of lease impairment costs, losses related to the reduction of office space, and costs for employee transition, severance payments, employee benefits, and related costs.

Depreciation

Depreciation consists primarily of depreciation of fixed assets.

Amortization

Amortization consists primarily of amortization of capitalized software development costs, and amortization of acquisition-related intangible assets.

Loss on Extinguishment of Debt

Loss on extinguishment of debt consists of costs associated with debt refinancing including the write-off of origination and termination financing fees and the redemption/conversion of convertible senior notes.

Interest Income

Interest income consists of interest earned on cash and cash equivalents.

Interest Expense

Interest expense consists of interest costs and the amortization of debt discounts primarily associated with convertible senior notes.

Other (Income) Expense, Net

Other (income) expense, net includes the impact of foreign currency remeasurement, realized gains on investment securities, and all other non-operating items not included in other financial statement lines.

Provision for Income Taxes

Provision for income taxes reflects management's best assessment of estimated current and future taxes to be paid. The objectives for accounting for income taxes, as prescribed by the relevant accounting guidance, are to recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the financial statements. See above for Critical Accounting Estimates and Policies.

EBITDA, Adjusted EBITDA, and Free Cash Flow

To supplement our financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), we use non-GAAP financial measures to clarify and enhance an understanding of past performance, which include EBITDA (as defined below), Adjusted EBITDA, and free cash flow. We believe that the presentation of these financial measures enhances an investor's understanding of our financial performance, and are commonly used by investors to evaluate our performance and that of our competitors. We further believe that these financial measures are useful financial metrics to assess our operating performance and financial and business trends from period-to-period by excluding certain items that we believe are not representative of our core business, and that free cash flow reflects an additional way of viewing our liquidity that, when viewed together with GAAP results, provides management, investors, and other users of our financial information with a more complete understanding of factors and trends affecting our cash flows. We use these non-GAAP financial measures for business planning purposes and in measuring our performance relative to that of our competitors. We utilize Adjusted EBITDA as a key measure of our performance.

EBITDA consists of net loss before interest income; interest expense; other (income) expense, net, including foreign currency exchange gains or losses; provision for income taxes; depreciation; amortization; and goodwill impairment. Adjusted EBITDA consists of net loss before interest income; interest expense; other (income) expense, net, including foreign currency exchange gains or losses; provision for income taxes; depreciation; amortization; goodwill impairment; stock-based compensation; restructuring costs; and acquisition, integration, and transformation costs.

Free cash flow is net cash provided by operating activities less capital expenditures and capitalized software development costs.

Our use of these non-GAAP terms may vary from that of others in our industry, and other companies may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Non-GAAP measures have important limitations as analytical tools and you should not consider them in isolation, and they should not be considered as an alternative to net loss before provision for income taxes, net loss, net loss per share, net cash from operating activities or any other measures derived in accordance with GAAP. Some of these limitations are:

- EBITDA and Adjusted EBITDA eliminate the impact of the provision for income taxes on our results of operations, and they do not reflect goodwill impairment, interest income, interest expense or other (income) expense, net;
- Adjusted EBITDA does not reflect restructuring costs. Restructuring costs may include certain lease impairment costs, certain losses related to early lease terminations, and severance;
- Adjusted EBITDA does not reflect significant acquisition, integration, and transformation costs. Acquisition, integration, and transformation costs include investment banking, financing, legal, accounting, consultancy, integration, fair value changes related to contingent consideration and certain other transaction costs related to mergers and acquisitions. It also includes costs related to certain business transformation initiatives focused

on integrating and optimizing various operations and systems, including upgrading our CRM and ERP systems. These transformation cost adjustments made to our results do not represent normal, recurring, operating expenses necessary to operate the business but rather, incremental costs incurred in connection with our acquisition and integration activities; and

- Adjusted EBITDA does not reflect the significant non-cash stock-based compensation expense which should be viewed as a component of recurring operating costs.

In addition, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and both EBITDA and Adjusted EBITDA do not reflect any expenditures for such replacements.

We compensate for these limitations by using these non-GAAP measures along with other comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include net loss, net loss per share, net cash provided by operating activities, and other performance measures.

In evaluating these financial measures, you should be aware that in the future we may incur expenses similar to those eliminated in this presentation. Our presentation of these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

Consolidated Results of Operations

The following table sets forth our consolidated statement of operations data for the years ended December 31, 2023 and 2022 and the dollar and percentage change between the respective periods (dollars in thousands).

	Year Ended December 31,			
	2023	2022	Variance	%
Revenue	$ 2,602,415	$ 2,406,840	$ 195,575	8 %
Expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	760,031	743,987	16,044	2 %
Operating expenses:				
Advertising and marketing	688,854	623,536	65,318	10 %
Sales	213,780	227,172	(13,392)	(6)%
Technology and development	348,521	333,629	14,892	4 %
General and administrative	464,659	449,855	14,804	3 %
Acquisition, integration, and transformation costs	21,110	15,620	5,490	35 %
Restructuring costs	16,942	7,416	9,526	128 %
Depreciation	11,138	11,407	(269)	(2)%
Amortization	325,933	244,620	81,313	33 %
Goodwill impairment	0	13,402,812	(13,402,812)	n/m
Total expenses	2,850,968	16,060,054	(13,209,086)	(82)%
Loss from operations	(248,553)	(13,653,214)	13,404,661	98 %
Interest income	(46,782)	(12,674)	(34,108)	269 %
Interest expense	22,282	21,944	338	2 %
Other (income) expense, net	(4,445)	859	(5,304)	n/m
Loss before provision for income taxes	(219,608)	(13,663,343)	13,443,735	98 %
Provision for income taxes	760	(3,812)	4,572	120 %
Net loss	$ (220,368)	$ (13,659,531)	$ 13,439,163	98 %
Net loss per share, basic and diluted	$ (1.34)	$ (84.60)	$ 83.26	98 %
EBITDA (1)	$ 88,518	$ 5,625	$ 82,893	n/m
Adjusted EBITDA (1)	$ 328,120	$ 246,513	$ 81,607	33 %

n/m – not meaningful

(1) Non-GAAP Financial Measures

The following table reconciles net loss, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,	
	2023	2022
Net loss	$ (220,368)	$ (13,659,531)
Add:		
Goodwill impairment	0	13,402,812
Interest income	(46,782)	(12,674)
Interest expense	22,282	21,944
Other (income) expense, net	(4,445)	859
Provision for income taxes	760	(3,812)
Depreciation	11,138	11,407
Amortization	325,933	244,620
EBITDA	88,518	5,625
Stock-based compensation	201,550	217,852
Acquisition, integration, and transformation costs	21,110	15,620
Restructuring costs	16,942	7,416
Adjusted EBITDA	$ 328,120	$ 246,513
Teladoc Health Integrated Care	$ 191,871	$ 135,153
BetterHelp	136,249	114,116
Other	0	(2,756)
Adjusted EBITDA	$ 328,120	$ 246,513

Revenue. Total revenue was $2,602.4 million for the year ended December 31, 2023, compared to $2,406.8 million for the year ended December 31, 2022, an increase of $195.6 million, or 8%. The increase was driven by an 8% increase in access fees, primarily related to BetterHelp, as well as a 6% increase in other revenues. The increase in other revenues primarily related to higher revenues from sales of our telehealth solutions for hospitals and health systems. By geography, total revenue for the U.S. was $2,237.5 million and for International was $364.9 million for the year ended December 31, 2023, reflecting increases of 6% and 19%, respectively, compared to the year ended December 31, 2022.

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately below). Cost of revenue was $760.0 million for year ended December 31, 2023, compared to $744.0 million for the year ended December 31, 2022, an increase of $16.0 million, or 2%, reflecting higher costs associated with the growth in revenue, offset by lower consultation costs, reflecting various operation optimization efforts to reduce provider costs, and lower expenses associated with devices.

Advertising and Marketing Expenses. Advertising and marketing expenses were $688.9 million for the year ended December 31, 2023, compared to $623.5 million for the year ended December 31, 2022, an increase of $65.3 million, or 10%. This increase was substantially driven by higher digital and media advertising costs related to BetterHelp.

Sales Expenses. Sales expenses were $213.8 million for the year ended December 31, 2023, compared to $227.2 million for the year ended December 31, 2022, a decrease of $13.4 million, or 6%. The decrease was primarily driven by lower employee compensation as well as lower sales and broker commissions.

Technology and Development Expenses. Technology and development expenses were $348.5 million for the year ended December 31, 2023, compared to $333.6 million for the year ended December 31, 2022, an increase of $14.9 million, or 4%. The increase was primarily driven by higher infrastructure, hosting, and software license costs associated with running operations and ongoing projects and services to continuously improve and optimize our products and services, partially offset by lower professional fees and contract labor costs and lower recruiting and employee-related costs. For the

year ended December 31, 2023 and 2022, research and development costs were $124.6 million and $106.9 million, respectively.

General and Administrative Expenses. General and administrative expenses were $464.7 million for the year ended December 31, 2023, compared to $449.9 million for the year ended December 31, 2022, an increase of $14.8 million, or 3%. The increase was primarily driven by higher employee compensation costs, call center costs, corporate and other costs, credit card charges, software and infrastructure costs, and bad debt reserves, partially offset by lower therapist onboarding costs, other professional and consultant fees, occupancy costs, operational costs including indirect taxes, insurance costs, and legal and regulatory costs.

Acquisition, Integration, and Transformation Costs. Acquisition, integration, and transformation costs were $21.1 million for the year ended December 31, 2023, compared to $15.6 million for the year ended December 31, 2022, an increase of $5.5 million. The costs and the related increase were primarily associated with integrating and upgrading our CRM and ERP systems.

Restructuring Costs. Restructuring costs were $16.9 million and $7.4 million for the year ended December 31, 2023 and 2022, respectively. The costs primarily consisted of losses related to the reduction of office space and severance. See Note 12. ‘Restructuring” to the financial statements for additional information.

Depreciation. Depreciation was $11.1 million for the year ended December 31, 2023, compared to $11.4 million for the year ended December 31, 2022, a decrease of $0.3 million, or 2%.

Amortization.

The following table shows amortization broken down by components for the periods indicated (in thousands):

	Year Ended December 31,		
	2023	2022	%
Amortization of acquired intangibles	$ 242,976	$ 198,522	22 %
Amortization of capitalized software	82,957	46,098	80 %
Amortization of intangible assets expense	$ 325,933	$ 244,620	33 %

Amortization was $325.9 million for the year ended December 31, 2023, compared to $244.6 million for the year ended December 31, 2022, an increase of $81.3 million, or 33%. The higher expense was driven by higher amortization due to the acceleration of certain trademark lives as well as an increase in the amortization of capitalized software costs related to our investment in platforms. In the second half of 2023, we initiated a strategy to transition the majority of our chronic condition management Clients and members to the Teladoc Health brand on a phased basis, with a smaller subset continuing to be served under the Livongo trade name beyond 2024. In connection with the brand strategy, we accelerated the amortization associated with the Livongo trademark, increasing amortization expense in the year ended December 31, 2023 and in the year ending December 31, 2024, with corresponding reductions thereafter. The change in accounting estimate resulted in additional amortization expense for acquired intangibles of $37.5 million, or $0.23 per basic and diluted share, for the year ended December 31, 2023.

Goodwill Impairment. No goodwill impairment charge was recognized for the year ended December 31, 2023. We recorded non-cash goodwill impairment charges of $13,402.8 million across several quarters in the year ended December 31, 2022, following goodwill impairment testings performed as a result of sustained decreases in our publicly quoted share price and our annual testing requirement. The non-cash charges had no impact on the provision for income taxes. Refer to Critical Accounting Estimates and Policies: Goodwill and Note 6. “Goodwill,” to our consolidated financial statements.

Interest Income. Interest income consisted of interest earned on cash and cash equivalents. Interest income was $46.8 million for the year ended December 31, 2023, compared to $12.7 million for the year ended December 31, 2022. The increase was primarily driven by higher interest rate yields and, to a lesser extent, an increase in cash and cash equivalent balances.

Interest Expense. Interest expense consisted of interest costs and the amortization of debt discounts primarily associated with the convertible senior notes. Interest expense was $22.3 million for the year ended December 31, 2023, compared to $21.9 million for the year ended December 31, 2022.

Other (Income) Expense, Net. Other (income) expense, net was an income of $4.4 million for the year ended December 31, 2023, compared to an expense of $0.9 million for the year ended December 31, 2022, primarily reflecting a gain on the partial sale of a business.

Provision for Income Taxes. We recorded an income tax expense of $0.8 million for the year ended December 31, 2023, compared to an income tax benefit of $3.8 million for the year ended December 31, 2022. The income tax provision for the year ended December 31, 2023 reflects the current year operational loss and the impact of lower stock-based compensation deductions for tax purposes compared to the stock-based compensation expense recorded in the consolidated statement of operations.

Segment Information

The following tables set forth the results of operations for the relevant segments for the years ended December 31, 2023 and 2022 (dollars in thousands):

	Year Ended December 31,			
Teladoc Health Integrated Care	**2023**	**2022**	**Variance**	**%**
Revenue	$ 1,468,794	$ 1,373,900	$ 94,894	7 %
Adjusted EBITDA	$ 191,871	$ 135,153	$ 56,718	42 %
Adjusted EBITDA Margin %	13.1 %	9.8 %	323bps	3 %

Integrated Care total revenues increased by $94.9 million, or 7%, to $1,468.8 million for the year ended December 31, 2023. The increase in net revenues was primarily driven by higher chronic care program enrollment and adoption, as well as higher telemedicine product revenue, including higher revenues from our Primary360 offering.

Integrated Care Adjusted EBITDA increased by $56.7 million, or 42%, to $191.9 million for the year ended December 31, 2023, primarily reflecting higher gross profit, partially offset by higher general and administrative expenses and technology and development costs.

	Year Ended December 31,			
BetterHelp	**2023**	**2022**	**Variance**	**%**
Therapy Services	$ 1,116,693	$ 1,012,574	$ 104,119	10 %
Other Wellness Services	16,928	7,072	$ 9,856	139 %
Total Revenue	$ 1,133,621	$ 1,019,646	$ 113,975	11 %
Adjusted EBITDA	$ 136,249	$ 114,116	$ 22,133	19 %
Adjusted EBITDA Margin %	12.0 %	11.2 %	83bps	1 %

BetterHelp total revenues increased by $114.0 million, or 11%, to $1,133.6 million for the year ended December 31, 2023, driven by a 9% increase in average monthly paying users.

BetterHelp Adjusted EBITDA increased by $22.1 million, or 19%, to $136.2 million for the year ended December 31, 2023, primarily reflecting higher gross profit, offset by higher operating expenses, most significantly higher advertising and marketing expenses.

Liquidity and Capital Resources

The following table presents a summary of our cash flow activity for the years ended December 31, 2023 and 2022 (in thousands):

	Year Ended December 31,	
Consolidated Statements of Cash Flows - Summary	**2023**	**2022**
Net cash provided by operating activities	$ 350,021	$ 189,292
Net cash used in investing activities	(156,347)	(167,743)
Net cash provided by financing activities	10,854	6,497
Effect of foreign currency exchange rate changes	965	(3,344)
Total increase in cash and cash equivalents	$ 205,493	$ 24,702

Our principal sources of liquidity are cash and cash equivalents, totaling $1,123.7 million as of December 31, 2023. During 2023, we experienced positive operating cash flow and we anticipate increasing positive operating cash flow results for 2024.

We believe that our existing cash and cash equivalents will be sufficient to meet our working capital, capital expenditure, and contractual obligation needs for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, contract renewal activity, number of visits, the timing and extent of spending to support product development efforts, our expansion of sales and marketing activities, the introduction of new and enhanced services offerings, the continuing market acceptance of telehealth, and our debt service obligations. We may in the future enter into arrangements to acquire or invest in complementary businesses, services, technologies, and intellectual property rights. We may be required to seek additional equity or debt financing to fund working capital, capital expenditures and acquisitions, and to settle debt obligations. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all, which would adversely affect our business, financial condition and results of operations.

Historically, we have financed our operations primarily through sales of equity securities, debt issuance, and bank borrowings.

See Note 10. “Convertible Senior Notes” to the consolidated financial statements for additional information on our convertible senior notes.

We were in compliance with all debt covenants at December 31, 2023.

We routinely enter into contractual obligations with third parties to provide professional services, licensing, and other products and services in support of our ongoing business. The current estimated cost of these contracts is not expected to be significant to our liquidity and capital resources based on contracts in place as of December 31, 2023.

Cash from Operating Activities

Cash flows provided by operating activities consist of net loss adjusted for certain non-cash items and the cash effect of changes in assets and liabilities. Cash provided by operating activities was $350.0 million and $189.3 million for the years ended December 31, 2023 and 2022, respectively, an increase of $160.7 million. The increase was driven by higher performance of the business, higher interest income, and higher working capital and other changes, partially offset by higher acquisition, integration, and transformation costs and restructuring costs. Cash provided by operating activities for the years ended December 31, 2023 and 2022 included approximately $15.6 million and $19.1 million, respectively, related to investments in and implementation of cloud computing applications, which are deferred and amortized over multiple years based on the expected contract life.

The primary uses of cash from operating activities are for the payment of cash compensation, provider fees, engagement marketing, direct-to-consumer digital and media advertising, inventory, insurance, technology costs, interest expense and acquisition, integration, and transformation costs. Historically, cash compensation is at its highest level in the first quarter when discretionary employee compensation related to the previous fiscal year is paid.

Cash from Investing Activities

Cash used in investing activities was $156.3 million for the year ended December 31, 2023 and primarily consisted of capitalized software development costs of $144.9 million and capital expenditures of $11.5 million. Cash used in investing activities for the year ended December 31, 2022 of $167.7 million consisted primarily of capitalized software development costs of $156.3 million and capital expenditures of $16.5 million. The decrease of $11.4 million related to lower capitalized software development costs.

Cash from Financing Activities

Cash provided by financing activities for the year ended December 31, 2023 was $10.9 million and primarily consisted of $1.5 million of proceeds from the exercise of employee stock options and $9.7 million of proceeds from participants in our employee stock purchase plan. Cash provided by financing activities for the year ended December 31, 2022 was $6.5 million and primarily consisted of $5.9 million of proceeds from the exercise of employee stock options and $6.5 million of proceeds from participants in our employee stock purchase plan.

The following is a reconciliation of net cash provided by operating activities to free cash flow (in thousands, unaudited):

	Year Ended December 31,		
	2023	2022	2021
Net cash provided by operating activities	$ 350,021	$ 189,292	$ 193,990
Capital expenditures	(11,464)	(16,480)	(8,534)
Capitalized software	(144,884)	(156,284)	(55,400)
Free Cash Flow	$ 193,673	$ 16,528	$ 130,056

Free cash flow was $193.7 million for the year ended December 31, 2023, as compared to $16.5 million for the year ended December 31, 2022. The year-over-year increase was substantially driven by growth in operating cash flow, and to a lesser degree, a decline in capitalized expenditures and capitalized software.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk and Foreign Currency Exchange Risk

Cash equivalents that are subject to interest rate volatility represent our principal market risk. We do not expect cash flows to be affected to any significant degree by a sudden change in market interest rates as our Notes bear fixed interest rates. We do not enter into investments for trading or speculative purposes.

We operate our business primarily within the U.S. which accounts for approximately 86% of our revenues. We have not utilized hedging strategies with respect to our foreign currency exchange exposure as we believe it is not expected to have a material impact on our consolidated financial statements.

Concentrations of Risk and Significant Clients

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although we deposit our cash with multiple financial institutions in the U.S. and in foreign countries, our deposits, at times, may exceed federally insured limits. Our short-term investments are comprised of a portfolio of government and institutional prime money market funds with maturity durations of one year or less.

No Client represented over 10% of consolidated revenues for the years ended December 31, 2023 or 2022. For the Integrated Care Segment, a significant portion of our revenue is derived from large enterprises, mainly health plans. For the year ended December 31, 2023, revenue from the five largest customers was 34% of total Integrated Care segment revenue. For the BetterHelp segment, there is no significant concentration risk as substantially all revenue is generated from individuals in the direct-to-consumer market.

Item 8. Financial Statements and Supplementary Data

Our Consolidated Financial Statements are listed in the Index to Consolidated Financial Statements and Supplemental Data filed as part of this Annual Report on Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Annual Report on Form 10-K, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of December 31, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During 2022, we implemented a new ERP system for selected entities and transaction types included within our consolidated financial statements. During each of the three months ended June 30, 2023, September 30, 2023, and December 31, 2023, we implemented this ERP system for additional entities and functions. As a result of these ERP system implementations, we revised certain existing internal controls, processes, and procedures. There are inherent risks in implementing an ERP system and, accordingly, we will continue to evaluate the design and operating effectiveness of these controls.

Other than these ERP system implementations, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system is designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements.

Our management, including our Chief Executive Officer and our Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 framework). Based on this assessment, management, including our Chief Executive Officer and our Chief Financial Officer, concluded that we maintained effective internal control over financial reporting at the reasonable assurance level as of December 31, 2023.

Ernst & Young LLP, independent registered public accounting firm, is appointed by the Board of Directors and ratified by our Company's stockholders. They were engaged to render an opinion regarding the fair presentation of our consolidated financial statements as well as conducting an audit of internal control over financial reporting. Their

accompanying reports are based upon audits conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States).

February 23, 2024

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Teladoc Health, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Teladoc Health, Inc.'s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Teladoc Health, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, the related consolidated statements of operations and other comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 23, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
February 23, 2024

Item 9B. Other Information

(a) On February 22, 2024, our Board adopted an amendment and restatement of our bylaws (the “Seventh Amended and Restated Bylaws”) to revise the procedures for stockholders submitting director nominations and proposing other business, including removing the “Acting in Concert” definition.

The foregoing summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Seventh Amended and Restated Bylaws, a copy of which is filed as Exhibit 3.2 to this Annual Report on Form 10-K and incorporated herein by reference.

(b) ***Rule 10b5-1 Trading Plans .*** During the three months ended December 31, 2023, the following Rule 10b5-1 trading arrangements (as defined in Item 408 of Regulation S-K of the Securities Act of 1933) were terminated or adopted by our directors and officers (as defined in Rule 16a-1(f) of the Exchange Act), each of which was intended to satisfy the affirmative defense of Rule10b5-1(c):

On October 20, 2023, Andrew Turitz , our Executive Vice President of Corporate Development , terminated a Rule 10b5-1 Trading Plan, which was originally adopted on August 26, 2022 and modified on July 28, 2023, and provided for the sale of 10,000 shares of our common stock through October 2023.

On November 27, 2023, Mr. Turitz adopted a new Rule 10b5-1 trading plan. Mr. Turitz's trading plan provides for the sale of up to 17,547 shares of our common stock through December 2024.

On December 8, 2023, Arnnon Geshuri , our Chief People Officer , adopted a Rule 10b5-1 trading plan. Mr. Geshuri's trading plan provides for the exercise of up to 67,500 stock options and the sales of the underlying shares of our common stock through December 2024.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Information required by Items 10, 11, 12, 13 and 14 of Part III is omitted from this Annual Report and will be filed in a definitive proxy statement or by an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report.

Item 10. Directors, Executive Officers and Corporate Governance

We will provide information that is responsive to this Item 10 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Corporate Governance and Board Matters,” and possibly elsewhere therein. That information is incorporated in this Item 10 by reference.

Our Board has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers and directors. The full text of our Code of Business Conduct and Ethics is posted on the Investors section of our website, www.teladochealth.com. We intend to disclose any amendments to our Code of Business Conduct and Ethics, or waivers of its requirements, on our website.

Item 11. Executive Compensation

We will provide information that is responsive to this Item 11 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the captions “Executive Compensation” and “Director Compensation,” and possibly elsewhere therein. That information is incorporated in this Item 11 by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We will provide information that is responsive to this Item 12 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in

either case under the captions “Securities Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information,” and possibly elsewhere therein. That information is incorporated in this Item 12 by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

We will provide information that is responsive to this Item 13 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Related-Party Transactions,” and possibly elsewhere therein. That information is incorporated in this Item 13 by reference.

Item 14. Principal Accounting Fees and Services

We will provide information that is responsive to this Item 14 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Audit Matters,” and possibly elsewhere therein. That information is incorporated in this Item 14 by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) Our Consolidated Financial Statements are listed in the Index to Consolidated Financial Statements and Supplemental Data filed as part of this Annual Report on Form 10-K.

(2) Schedule II—Valuation and Qualifying Accounts.

Valuation and Qualifying Accounts (in thousands):

Descriptions	Balance at Beginning of Period	Provision	Other	Write-offs	Balance at End of Period
Allowance for Doubtful Accounts					
2023	$ 4,324	$ 4,686	$ 3,001	$ (7,771)	$ 4,240
2022	$ 11,269	$ 2,815	$ 464	$ (10,224)	$ 4,324
2021	$ 6,412	$ 10,603	$ 4,500	$ (10,246)	$ 11,269
Income Tax Valuation Allowance					
2023 (1)	$ 415,751	$ 1,904	$ 579	$ 0	$ 418,234
2022 (2)	$ 335,809	$ 18,966	$ 60,976	$ 0	$ 415,751
2021 (3)	$ 107,984	$ 179,364	$ 48,461	$ 0	$ 335,809

(1) Other reflects currency translation adjustments.
(2) Other primarily reflects adjustments related to the adoption of ASU 2020-06. For additional information, see Note 2. "Summary of Significant Accounting Policies" to the consolidated financial statements.
(3) Other primarily reflects adjustments i) recorded against goodwill related to the acquisition of Livongo and ii) recorded against additional paid-in capital related to the conversion of certain convertible senior notes. For additional information, see Note 10. "Convertible Senior Notes" to the consolidated financial statements.

(3) A list of exhibits is set forth on the Exhibit Index immediately prior to the signature page of this Annual Report on Form 10-K, and is incorporated herein by reference.

Item 16. Form 10-K Summary

Not applicable.

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.1	Agreement and Plan of Merger, dated August 5, 2020, by and among Teladoc Health, Inc., Tempranillo Merger Sub, Inc. and Livongo Health, Inc.	8-K	001-37477	2.1	8/6/20	
3.1	Seventh Amended and Restated Certificate of Incorporation of Teladoc Health, Inc.	8-K	001-37477	3.1	6/2/22	
3.2	Seventh Amended and Restated Bylaws of Teladoc Health, Inc.					*
4.1	Specimen stock certificate evidencing shares of the common stock.	10-Q	001-37477	4.1	11/1/18	
4.2	Indenture, dated as of May 8, 2018, by and between Teladoc, Inc. and Wilmington Trust, National Association.	8-K	001-37477	4.1	5/8/18	
4.3	Global 1.375% Convertible Senior Note due 2025, dated as of May 8, 2018.	8-K	001-37477	4.2	5/8/18	
4.4	Indenture, dated as of May 19, 2020, by and between Teladoc Health, Inc. and Wilmington Trust, National Association.	8-K	001-37477	4.1	5/19/20	
4.5	Global 1.25% Convertible Senior Note due 2027, dated as of May 19, 2020 (included as Exhibit A to Exhibit 4.4).	8-K	001-37477	4.2	5/19/20	
4.6	Indenture, dated as of June 4, 2020, by and between Livongo Health, Inc. and U.S. Bank National Association.	8-K	001-38983	4.1	10/30/20	
4.7	Global 0.875% Convertible Senior Note due 2025 (included as Exhibit A to Exhibit 4.6).	8-K	001-38983	4.1	10/30/20	
4.8	First Supplemental Indenture, dated as of October 30, 2020, among Livongo Health, Inc., Teladoc Health, Inc. and U.S. Bank National Association, as trustee.	8-K	001-37477	4.1	10/30/20	
4.9	Second Supplemental Indenture, dated as of January 1, 2023, among Livongo Health, Inc., Teladoc Health, Inc. and U.S. Bank Trust Company, National Association (as successor in interest to U.S. Bank National Association), as trustee.	10-K	001-37477	4.9	3/1/23	
4.10	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934, as amended.	10-K	001-37477	4.10	3/1/23	
10.1+	Form of Indemnification Agreement between Teladoc Health, Inc. and each of its directors and officers.	S-1/A	333-204577	10.7	6/18/15	

10.2+	Form of Indemnification Agreement between Teladoc Health, Inc. and each of its directors and officers (form used since October 2020).	10-K	001-37477	10.2	3/1/21
10.3+	Teladoc Health, Inc. 2015 Incentive Award Plan (as amended and restated effective May 25, 2017).	8-K	001-37477	10.1	5/31/17
10.4+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	S-1/A	333-204577	10.11	6/18/15
10.5+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	S-1/A	333-204577	10.12	6/18/15
10.6+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	S-1/A	333-204577	10.13	6/18/15
10.7+	Form of Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	10-Q	001-37477	10.1	5/2/22
10.8+	Teladoc Health, Inc. 2015 Employee Stock Purchase Plan.	10-Q	001-37477	10.1	8/2/21
10.9+	Second Amendment to Teladoc Health, Inc. Amended and Restated Employee Stock Purchase Plan.	8-K	001-37477	10.2	5/30/23
10.10+	Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan (as amended on July 11, 2017).	S-8	333-219275	99.3	7/14/17
10.11+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan.	10-K	001-37477	10.17	3/1/17
10.12+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan.	10-K	001-37477	10.18	3/1/17
10.13+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan.	10-K	001-37477	10.19	3/1/17
10.14+	Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	S-8	333-249892	99.1	11/6/20
10.15+	Form of Stock Option Agreement under the Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	10-K	001-37477	10.14	3/1/21
10.16+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	10-K	001-37477	10.15	3/1/21
10.17+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	10-K	001-37477	10.16	3/1/21
10.18+	Teladoc Health, Inc. 2023 Incentive Award Plan.	8-K	001-37477	10.1	5/30/23

10.19+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.2	7/28/23	
10.20+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.3	7/28/23	
10.21+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.4	7/28/23	
10.22+	Form of Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.5	7/28/23	
10.23+	Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	S-8	333-273509	99.1	7/28/23	
10.24+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.2	10/27/23	
10.25+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.3	10/27/23	
10.26+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.4	10/27/23	
10.27+	Form of Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.5	10/27/23	
10.28+	Teladoc Health, Inc. Level 14 Severance Plan.	8-K	001-37477	10.3	5/30/23	
10.29+	Teladoc Health, Inc. Non-Employee Director Compensation Program (as amended).					*
10.30+	Teladoc Health, Inc. Deferred Compensation Plan for Non-Employee Directors.	10-K	001-37477	10.8	2/27/18	
10.31+	Amended and Restated Executive Employment Agreement, dated June 16, 2015, by and between Teladoc Health, Inc. and Jason Gorevic.	S-1/A	333-204577	10.19	6/18/15	
10.32+	Amendment No. 1 to Amended and Restated Executive Employment Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Jason Gorevic.	10-Q	001-37477	10.2	10/30/19	
10.33+	Executive Severance Agreement, dated June 24, 2019, by and between Teladoc Health, Inc. and Mala Murthy.	10-Q	001-37477	10.1	7/31/19	
10.34+	Amendment No. 1 to Executive Severance Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Mala Murthy.	10-Q	001-37477	10.5	10/30/19	
10.35+	Offer Letter, dated March 19, 2021, by and between Teladoc Health, Inc. and Claus Jensen.	10-K	001-37477	10.24	3/1/23	

10.36+	Home Office Operating Agreement, dated January 1, 2023, by and between Teladoc Health, Inc. and Claus Jensen.	10-K	001-37477	10.25	3/1/23	
10.37+	Separation and Release of Claims Agreement, dated December 1, 2023, by and between Teladoc Health, Inc. and Claus Jensen.					*
10.38+	Executive Employment Agreement, dated October 2, 2022, by and between Teladoc Health, Inc. and Laizer Kornwasser.	8-K	001-37477	10.1	10/28/22	
10.39+	Executive Severance Agreement, dated July 15, 2015, by and between Teladoc Health, Inc. and Daniel Trencher.					*
10.40+	Amendment No. 1 to Executive Severance Agreement, dated June 9, 2023, by and between Teladoc Health, Inc. and Daniel Trencher.	10-Q	001-37477	10.8	7/28/23	
10.41+	Executive Severance Agreement, dated July 15, 2015, by and between Teladoc Health, Inc. and Andrew Turitz.					*
10.42+	Amendment No. 1 to Executive Severance Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Andrew Turitz.					*
10.43+	Amendment No. 2 to Executive Severance Agreement, dated June 9, 2023, by and between Teladoc Health, Inc. and Andrew Turitz.	10-Q	001-37477	10.9	7/28/23	
10.44+	Executive Severance Agreement, dated July 15, 2015, by and between Teladoc Health, Inc. and Adam Vandervoort.	10-Q	001-37477	10.17	4/30/19	
10.45+	Amendment No. 1 to Executive Severance Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Adam Vandervoort.	10-Q	001-37477	10.8	10/30/19	
10.46+	Executive Severance Agreement, dated January 4, 2016, by and between Teladoc Health, Inc. and Stephany Verstraete.	10-Q	001-37477	10.18	4/30/19	
10.47+	Amendment No. 1 to Executive Severance Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Stephany Verstraete.	10-Q	001-37477	10.9	10/30/19	
10.48+	Executive Employment Agreement, dated June 15, 2022, by and between Teladoc Health, Inc. and Michael Waters.	10-Q	001-37477	10.1	11/2/22	
21.1	Subsidiaries of the Registrant.					*
23.1	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm					*

31.1	Chief Executive Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
31.2	Chief Financial Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	*
32.1	Chief Executive Officer—Certification pursuant to Rule13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	**
32.2	Chief Financial Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	**
97.1	Teladoc Health, Inc. Incentive-Based Compensation Recovery Policy.	*
101.INS	XBRL Instance Document.	*
101.SCH	XBRL Taxonomy Extension Schema Document.	*
101.CAL	XBRL Taxonomy Calculation Linkbase Document.	*
101.DEF	XBRL Definition Linkbase Document.	*
101.LAB	XBRL Taxonomy Label Linkbase Document.	*
101.PRE	XBRL Taxonomy Presentation Linkbase Document.	*
104	Cover Page Interactive Data File – The Cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	

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* Filed herewith.

** Furnished herewith.

\+ Management contract or compensatory plan.

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Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TELADOC HEALTH, INC.

Date: February 23, 2024	By:	/s/ JASON GOREVIC
	Name:	Jason Gorevic
	Title:	Chief Executive Officer and Director
Date: February 23, 2024	By:	/s/ MALA MURTHY
	Name:	Mala Murthy
	Title:	Chief Financial Officer
Date: February 23, 2024	By:	/s/ RICHARD J. NAPOLITANO
	Name:	Richard J. Napolitano
	Title:	Chief Accounting Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: February 23, 2024	By:	/s/ DAVID B. SNOW, JR.
	Name:	David B. Snow, Jr
	Title:	Chairman of the Board
Date: February 23, 2024	By:	/s/ KAREN L. DANIEL
	Name:	Karen L. Daniel
	Title:	Director
Date: February 23, 2024	By:	/s/ J. ERIC EVANS
	Name:	J. Eric Evans
	Title:	Director
Date: February 23, 2024	By:	/s/ SANDRA L. FENWICK
	Name:	Sandra L. Fenwick
	Title:	Director
Date: February 23, 2024	By:	/s/ CATHERINE A. JACOBSON
	Name:	Catherine A. Jacobson
	Title:	Director
Date: February 23, 2024	By:	/s/ THOMAS G. MCKINLEY
	Name:	Thomas G. McKinley
	Title:	Director
Date: February 23, 2024	By:	/s/ KENNETH H. PAULUS
	Name:	Kenneth H. Paulus
	Title:	Director
Date: February 23, 2024	By:	/s/ DAVID L. SHEDLARZ
	Name:	David L. Shedlarz
	Title:	Director
Date: February 23, 2024	By:	/s/ MARK DOUGLAS SMITH, M.D.
	Name:	Mark Douglas Smith, M.D.
	Title:	Director

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Teladoc Health, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Teladoc Health, Inc. (the Company) as of December 31, 2023, and 2022, the related consolidated statements of operations and other comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2024 expressed an unqualified opinion thereon.

Adoption of ASU No. 2020-06

As discussed in Note 2 to the consolidated financial statements, the Company changed its method of accounting for Convertible Senior Notes in 2022 due to the adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Update 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the account or disclosures to which it relates.

Capitalized software development costs

Description of the Matter

At December 31, 2023, the Company's capitalized software development costs were $295 million. As described in Notes 2 and 8 of the consolidated financial statements, the Company capitalizes certain software development costs related to its software development tools that enable its members and providers to interact. Management determines the amount of capitalized software development costs based on the amount of time spent by developers on projects in the application stage of development. There is judgment involved in estimating costs incurred in the application development stage.

Auditing capitalized software development costs required a higher degree of judgement and effort involved in evaluating management's judgement related to the amount of time incurred by developers on each project, considering factors such as the nature of the cost incurred and the development stage of the software.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's capitalized software development costs process. For example, we tested controls over the Company's process to review the time incurred by developers on each project.

To test the Company's capitalized software development costs, we performed audit procedures that included, among others, inspecting underlying documentation to evaluate whether the costs were capitalizable under the applicable accounting standards for a sample of projects. For these projects, we also inquired of technology and development management, project managers, and developers regarding the objective, nature, and status of the projects and inquired with software developers regarding their time spent on each project and the nature of their tasks performed for the project. We also inspected underlying documentation to evaluate the nature of the work of the software developers. For external vendor costs, we also obtained a sample of vendor contracts and invoices to review the nature, timing, and extent of work that the vendors have been engaged to perform.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2014.
New York, New York
February 23, 2024

TELADOC HEALTH, INC.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 1,123,675	$ 918,182
Accounts receivable, net of allowance for doubtful accounts of $ 4,240 and $ 4,324 at December 31, 2023 and December 31, 2022, respectively	217,423	210,554
Inventories	29,513	56,342
Prepaid expenses and other current assets	118,437	130,310
Total current assets	1,489,048	1,315,388
Property and equipment, net	32,032	29,641
Goodwill	1,073,190	1,073,190
Intangible assets, net	1,677,781	1,836,765
Operating lease - right-of-use assets	40,060	41,831
Other assets	80,258	48,540
Total assets	$ 4,392,369	$ 4,345,355
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 43,637	$ 47,690
Accrued expenses and other current liabilities	178,634	168,693
Accrued compensation	102,686	81,554
Deferred revenue-current	95,659	101,832
Total current liabilities	420,616	399,769
Other liabilities	1,080	1,618
Operating lease liabilities, net of current portion	42,837	38,042
Deferred revenue, net of current portion	13,623	11,954
Deferred taxes, net	49,452	50,939
Convertible senior notes, net	1,538,688	1,535,288
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Common stock, $ 0.001 par value; 300,000,000 shares authorized; 166,658,253 shares and 162,840,360 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	167	163
Additional paid-in capital	17,591,551	17,358,645
Accumulated deficit	(15,228,655)	(15,008,287)
Accumulated other comprehensive loss	(36,990)	(42,776)
Total stockholders' equity	2,326,073	2,307,745
Total liabilities and stockholders' equity	$ 4,392,369	$ 4,345,355

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Consolidated Statements of Operations and Other Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,		
	2023	2022	2021
Revenue	$ 2,602,415	$ 2,406,840	$ 2,032,707
Expenses:			
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	760,031	743,987	650,258
Operating expenses:			
Advertising and marketing	688,854	623,536	416,726
Sales	213,780	227,172	250,581
Technology and development	348,521	333,629	311,884
General and administrative	464,659	449,855	438,007
Acquisition, integration, and transformation costs	21,110	15,620	26,643
Restructuring costs	16,942	7,416	0
Depreciation	11,138	11,407	8,941
Amortization	325,933	244,620	195,298
Goodwill impairment	0	13,402,812	0
Total expenses	2,850,968	16,060,054	2,298,338
Loss from operations	(248,553)	(13,653,214)	(265,631)
Loss on extinguishment of debt	0	0	43,748
Interest income	(46,782)	(12,674)	(776)
Interest expense	22,282	21,944	81,141
Other (income) expense, net	(4,445)	859	(5,088)
Loss before provision for income taxes	(219,608)	(13,663,343)	(384,656)
Provision for income taxes	760	(3,812)	44,137
Net loss	(220,368)	(13,659,531)	(428,793)
Other comprehensive income (loss), net of tax:			
Currency translation adjustment and other	5,786	(36,491)	(24,803)
Comprehensive loss	$ (214,582)	$ (13,696,022)	$ (453,596)
Net loss per share, basic and diluted	$ (1.34)	$ (84.60)	$ (2.73)
Weighted-average shares used to compute basic and diluted net loss per share	164,578,219	161,457,123	156,939,349

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Consolidated Statements of Stockholders' Equity
(in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Gain (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2020	150,281,099	$ 150	$ 16,857,797	$ (992,661)	$ 18,518	$ 15,883,804
Exercise of stock options	2,340,025	2	25,779	0	0	25,781
Issuance of common stock upon vesting of restricted stock units	1,687,557	2	(2)	0	0	0
Issuance of stock under employee stock purchase plan	122,059	0	15,331	0	0	15,331
Issuance of common stock for 2022 Notes	1,058,373	1	270,111	0	0	270,112
Equity portion of extinguishment of 2022 Notes	0	0	(223,929)	0	0	(223,929)
Issuance of common stock for 2025 Notes	5,185,491	5	920,886	0	0	920,891
Equity portion of extinguishment of 2025 Notes	0	0	(668,069)	0	0	(668,069)
Recovery of excess common stock issued for acquisition	(205,279)	0	(40,329)	0	0	(40,329)
Stock-based compensation	0	0	315,761	0	0	315,761
Other comprehensive loss, net of tax	0	0	0	0	(24,803)	(24,803)
Net loss	0	0	0	(428,793)	0	(428,793)
Balance as of December 31, 2021	160,469,325	160	17,473,336	(1,421,454)	(6,285)	16,045,757
Cumulative effect adjustment due to adoption of ASU 2020-06 (see Note 2)	0	0	(363,731)	72,698	0	(291,033)
Exercise of stock options	591,213	1	5,883	0	0	5,884
Issuance of common stock upon vesting of restricted stock units	1,508,570	2	(2)	0	0	0
Issuance of stock under employee stock purchase plan	271,159	0	7,064	0	0	7,064
Issuance of common stock for 2025 Notes	93	0	7	0	0	7
Equity portion of extinguishment of 2025 Notes	0	0	(2)	0	0	(2)
Stock-based compensation	0	0	236,090	0	0	236,090
Other comprehensive loss, net of tax	0	0	0	0	(36,491)	(36,491)
Net loss	0	0	0	(13,659,531)	0	(13,659,531)
Balance as of December 31, 2022	162,840,360	163	17,358,645	(15,008,287)	(42,776)	2,307,745
Exercise of stock options	175,761	0	1,481	0	0	1,481
Issuance of common stock upon vesting of restricted stock units	3,049,824	3	(3)	0	0	0
Issuance of stock under employee stock purchase plan	592,308	1	10,439	0	0	10,440
Stock-based compensation	0	0	220,989	0	0	220,989
Other comprehensive income, net of tax	0	0	0	0	5,786	5,786
Net loss	0	0	0	(220,368)	0	(220,368)
Balance as of December 31, 2023	166,658,253	$ 167	$ 17,591,551	$ (15,228,655)	$ (36,990)	$ 2,326,073

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net loss	$ (220,368)	$ (13,659,531)	$ (428,793)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Goodwill impairment	0	13,402,812	0
Depreciation	11,138	11,407	8,941
Amortization	325,933	244,620	195,298
Depreciation of rental equipment	2,602	2,859	3,333
Amortization of right-of-use assets	11,650	11,757	12,049
Provision for allowances	4,686	2,815	10,603
Stock-based compensation	201,550	217,852	302,586
Deferred income taxes	(1,903)	(7,840)	41,800
Accretion of interest	3,400	3,345	61,253
Loss on extinguishment of debt	0	0	40,652
Gain on sale of investment	0	0	(5,901)
Other, net	(310)	7,584	(3,845)
Changes in operating assets and liabilities:			
Accounts receivable	(10,252)	(49,058)	(11,172)
Prepaid expenses and other current assets	12,461	(41,081)	(31,090)
Inventory	24,095	14,800	(19,494)
Other assets	(23,052)	(27,767)	(3,547)
Accounts payable	(4,185)	1,876	1,188
Accrued expenses and other current liabilities	9,069	61,217	18,175
Accrued compensation	19,180	(12,290)	(4,675)
Deferred revenue	(4,900)	15,240	20,554
Operating lease liabilities	(10,224)	(11,525)	(16,532)
Other liabilities	(549)	200	2,607
Net cash provided by operating activities	350,021	189,292	193,990
Cash flows from investing activities:			
Capital expenditures	(11,464)	(16,480)	(8,534)
Capitalized software	(144,884)	(156,284)	(55,400)
Proceeds from marketable securities	0	2,507	50,000
Proceeds from the sale of investment	0	0	10,901
Acquisitions of businesses, net of cash acquired	0	0	(78,663)
Other, net	1	2,514	8,715
Net cash used in investing activities	(156,347)	(167,743)	(72,981)
Cash flows from financing activities:			
Net proceeds from the exercise of stock options	1,481	5,884	25,781
Proceeds from employee stock purchase plan	9,651	6,501	16,810
Cash received for withholding taxes on stock-based compensation, net	(278)	124	3,422
Other, net	0	(6,012)	(5,066)
Net cash provided by financing activities	10,854	6,497	40,947
Net increase in cash and cash equivalents	204,528	28,046	161,956
Effect of foreign currency exchange rate changes	965	(3,344)	(1,800)
Cash and cash equivalents at beginning of the period	918,182	893,480	733,324
Cash and cash equivalents at end of the period	$ 1,123,675	$ 918,182	$ 893,480
Income taxes paid	$ 7,238	$ 2,512	$ 3,974
Interest paid	$ 17,422	$ 17,361	$ 18,837
Supplemental disclosure of non-cash investing activities			
Accruals related to Property and equipment, net and Intangible assets, net	$ 11,006	$ 8,216	$ 5,264

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Notes to Audited Consolidated Financial Statements

Note 1. Organization and Description of Business

Teladoc, Inc. was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. Unless the context otherwise requires, Teladoc Health, Inc., together with its subsidiaries, is referred to herein as "Teladoc Health" or the "Company". The Company's principal executive office is located in Purchase, New York. Teladoc Health is the global leader in whole person virtual care focused on forging a new healthcare experience with better convenience, outcomes and value around the world.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

These consolidated financial statements have been prepared in accordance with the United States ("U.S.") generally accepted accounting principles ("GAAP"). The consolidated financial statements include the results of Teladoc Health, as well as two professional associations and 10 professional corporations (collectively, the "THMG Association").

Teladoc Health Medical Group, P.A., formerly Teladoc Physicians, P.A. ("THMG"), is party to a Services Agreement by and among it and the professional associations and professional corporations pursuant to which each professional association and professional corporation provides services to THMG. Each professional association and professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

The Company holds a variable interest in the THMG Association, which contracts with physicians and other health professionals in order to provide services to Teladoc Health. The THMG Association is considered a variable interest entity ("VIE") since it does not have sufficient equity to finance its activities without additional subordinated financial support. An enterprise having a controlling financial interest in a VIE must consolidate the VIE if it has both power and benefits—that is, it has (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance (power) and (2) the obligation to absorb losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE (benefits). The Company has the power and rights to control all activities of the THMG Association and funds and absorbs all losses of the VIE and appropriately consolidates the THMG Association.

Total revenue and net loss for the VIE were $ 241.7 million and $ 0.0 million , $ 244.5 million and $ 1.0 million and $ 230.2 million and $ 1.6 million for the years ended December 31, 2023, 2022 and 2021, respectively. The VIE's total assets, all of which were current, were $ 20.6 million and $ 106.7 million at December 31, 2023 and 2022, respectively. The VIE's total liabilities, all of which were current, were $ 69.2 million and $ 143.8 million at December 31, 2023 and 2022, respectively. The VIE's total stockholders' deficit was $ 48.6 million and $ 37.1 million at December 31, 2023 and 2022, respectively.

All intercompany transactions and balances have been eliminated.

Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting. The purchase price is attributed to the fair value of the assets acquired and liabilities assumed. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date. The excess of the purchase price of acquisition over the fair value of the identifiable net assets of the acquiree is recorded as goodwill. The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of acquisition.

When the Company issues stock-based or cash awards to an acquired company's stockholders, the Company evaluates whether the awards are consideration or compensation for post-acquisition services. The evaluation includes, among other things, whether the vesting of the awards is contingent on the continued employment of the acquired

company's stockholders beyond the acquisition date. If continued employment is required for vesting, the awards are treated as compensation for post-acquisition services and recognized as expense over the requisite service period.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates, and selection of comparable companies. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including market conditions, technological developments, economic conditions, and competition. In connection with determination of fair values, the Company may engage a third-party valuation specialist to assist with the valuation of intangible and certain tangible assets acquired and certain obligations assumed. Acquisition-related transaction costs incurred by the Company are not included as a component of consideration transferred but are accounted for as an operating expense in the period in which the costs are incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience, current business and economic factors, and various other assumptions that the Company believes are necessary to form a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company's business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company's consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment evolves. The Company believes that estimates used in the preparation of these consolidated financial statements are reasonable; however, actual results could differ materially from these estimates.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in the Consolidated Statement of Operations; if material, the effects of changes in estimates are disclosed in the Notes to Consolidated Financial Statements.

Significant estimates and assumptions by management affect areas including the value and useful life of long-lived assets (including intangible assets), the capitalization and amortization of software development costs, deferred device and contract costs, allowances for sales and for doubtful accounts, and the accounting for business combinations. Other significant areas include revenue recognition (including performance guarantees), the accounting for income taxes, contingencies, litigation and related legal accruals, the accounting for stock-based compensation awards, and other items as described in the Summary of Significant Accounting policies in this Annual Report on Form 10-K.

Segment Information

The Company operates as an organizational and reporting structure based on two reportable segments, which are the same as its reporting units: Teladoc Health Integrated Care ("Integrated Care") and BetterHelp. This structure reflects how management allocates resources and assesses performance. See Note 18. "Segments" for further information.

Fair Value Measurements

The carrying value of the Company's cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value due to their short-term nature.

A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs that are supported by little or no market activity.

The Company measures its cash equivalents at fair value on a recurring basis. The Company classifies its cash equivalents within Level 1 because they are valued using observable inputs that reflect quoted prices for identical assets in active markets and quoted prices directly in active markets.

Revenue Recognition

The Company follows the revenue accounting requirements of Accounting Standards Codification ("ASC") Topic 606. ASC Topic 606 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The core principle of ASC Topic 606 is to recognize revenue to depict the transfer of promised goods or services to the Company's customers, which primarily consist of employers, health plans, hospitals and health systems, insurance, and financial services companies (collectively "Clients") as well as individual members, in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services. This principle is achieved through applying the following five-step approach:

- Identification of the contract, or contracts, with a Client.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

Integrated Care Segment

As it relates to the Company's Integrated Care segment, the Company primarily generates virtual healthcare service revenue from contracts with Clients who purchase access to the Company's professional provider network or medical experts for their employees, dependents and other beneficiaries. The Company's Client contracts include a per-member-per-month ("PMPM") access fee as well as certain contracts that also include additional revenue on a per-virtual healthcare visit basis for general medical, or other specialty visits or expert medical service on a per case basis. The Company also has certain contracts that generate revenue based solely on a per healthcare visit basis for general medical and other specialty visits.

The Company records access fees from Clients accessing its professional provider network or hosted virtual healthcare platform or chronic care management platforms, visit fee revenue for general medical, expert medical service and other specialty visits as well as other revenue primarily associated with virtual healthcare device equipment included with its hosted virtual healthcare platform. Visit and other revenues are reported as "Other" revenue in the Company's consolidated financial statements.

Revenue is also generated from contracts with Clients in hospital and health systems for the sale and rental of equipment consisting of virtual healthcare devices which allow physicians to access the Company's hosted virtual healthcare platform. These contracts also include multiple performance obligations, and the Company determines the standalone selling prices based on overall pricing objectives. In some arrangements, the Company's devices are rented to certain qualified Clients that qualify as either sales-type lease or operating lease arrangements and are subject to lease accounting guidance.

Revenue is also generated from contracts with Clients for the Company's chronic care management solutions. Substantially all of this revenue is derived from monthly access fees that are recognized as services are rendered and earned under subscription agreements with Clients that are based on a per-participant-per-month model, using the number of active enrolled members each month for the minimum enrollment period. These solutions integrate devices, supplies, access to the Company's web-based platform, and clinical and data services to provide an overall health management solution. The promises to transfer these goods and services are not separately identifiable and are considered a single continuous service comprised of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service). These services are consumed as they are received, and the Company recognizes revenue each month using the variable consideration allocation exception since the nature of the obligations and the variability of the payment being based on the number of active members are aligned.

The Company's Client agreements generally have a term of one to three years for the Integrated Care segment. The majority of Clients have a term of one year and renew their contracts following their first year of services. Revenues are recognized when the Company satisfies its performance obligation to stand ready to provide virtual healthcare services which occurs when the Company's Clients and members have access to and obtain control of the virtual healthcare service or platform.

For contracts where revenue is generated on a per healthcare visit basis, revenues are recognized when the visits are completed as the Company has delivered on its stand ready obligation to provide access. For other revenue, which primarily includes virtual healthcare devices, the Company's performance obligation is satisfied when the equipment is provided to the Client and revenue is recognized at a point in time upon shipment.

The Company generally bills for virtual healthcare services on a monthly basis, in advance or in arrears depending on the service, with payment terms generally being 30 days. There are not significant differences between the timing of revenue recognition and billing. Consequently, the Company has determined that Client contracts do not include a financing component. Revenue is recognized in an amount that reflects the consideration that is expected in exchange for the service and for certain contracts include a variable transaction price as the number of members may vary from period to period. The Company estimates this amount based on historical experience.

The Company's contracts do not generally contain refund provisions for fees earned related to services performed.

Additionally, certain of the Company's contracts include Client performance guarantees and pricing adjustments that are based upon minimum member utilization and guarantees by the Company for specific service level performance, member satisfaction scores, cost savings or other value achievements or guarantees, and health outcome guarantees. Performance guarantees are estimated at each reporting period based on the Company's historical performance or other available information of the underlying criteria or the customer's specific performance as of that reporting date. Any estimated adjustments to the contract price for achieving or not achieving the performance guarantee are recognized as an adjustment to revenue in the period. For the years ended December 31, 2023, 2022, and 2021, revenue recognized from performance obligations for changes in estimated transaction price or Client performance guarantees was $ 14.7 million, $ 4.4 million, and $ 5.6 million, respectively.

The Company has elected the optional exemption to not disclose the remaining performance obligations of its contracts since the majority of its contracts have a duration of one year or less and the variable consideration expected to be received over the duration of the contract is allocated entirely to the wholly unsatisfied performance obligations.

For additional revenue, deferred revenue, deferred costs, and disclosures, refer to Note 3. "Revenue, Deferred Revenue, and Deferred Costs and Other."

BetterHelp Segment

As it relates to the BetterHelp segment, users can purchase virtual therapy services for an access fee, generally on a monthly basis. For other wellness services, users can purchase access to their consumer application for a subscription fee, generally for a period of one year . BetterHelp also provides virtual therapy services to employers as part of employee assistance programs, with revenues recorded based on completion of visit.

The BetterHelp service provides for member refunds. The Company estimates the expected amount of refunds to be issued based on historical experience, which are recorded as a reduction of revenue. The Company issued refunds of approximately $ 93.0 million, $ 79.2 million, and $ 67.0 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Deferred Revenue

Deferred revenue represents billed, but unrecognized revenue, and is comprised of fees received in advance of the delivery or completion of the services and amounts received in instances when revenue recognition criteria have not been met. The Company records deferred revenue when cash payments are received in advance of the Company's performance obligation to provide services. Deferred revenue is derived from: 1) upfront payments for a device, which is amortized ratably over the expected member enrollment period; 2) upfront payments for certain services where payment is required for future periods before the service is delivered to the member, which is recognized when the services are provided; and 3) upfront payments from third-party financing companies with whom the Company works to provide certain Clients with a rental option, which is recognized over the rental period. Deferred revenue that will be recognized during the next twelve-

month period is recorded as current deferred revenue and the remaining portion is recorded as non-current deferred revenue.

Deferred Device and Contract Costs

Deferred device costs consist of cost of inventory incurred in connection with delivery of services that are deferred and amortized over the shorter of the expected member enrollment period or the expected device life and recorded as cost of revenue.

Deferred contract costs represent the incremental costs of obtaining a contract with a Client if the Company expects to recover such costs. The primary example of the Company's costs to obtain a contract include incremental sales commissions to obtain contracts paid to its sales organization. A portion of these incremental costs to obtain Client contracts are deferred and then amortized on a straight-line basis over the period of benefit, which has been determined to be four years . The amounts subject to the services period are amortized in sales expense in the consolidated statement of operations.

Deferred device and contract costs that are to be amortized within twelve months are recorded to deferred device and contract costs, current and the remainder is recorded to deferred device and contract costs, noncurrent on the Company's consolidated balance sheets.

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately)

Cost of revenue (exclusive of depreciation and amortization, which are shown separately) primarily consists of fees paid to the physicians and other health professionals; product costs; costs incurred in connection with the Company's provider network operations and data center activities, which include employee-related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) costs related to Client support; provider network operations center activities; medical records; magnetic resonance imaging; medical lab tests; translation; postage and medical malpractice insurance, and deferred device costs.

Technology and Development

Technology and development expenses include the costs of operating the Company's on-demand technology infrastructure that are not directly related to changes in revenue or volume of visits, including certain licensed applications, information technology infrastructure, security, and compliance. The technology and development line item also contains amounts charged to expense for research and development, which include costs of new product development, costs to add new features or improve reliability or scalability of existing applications, and other software development and engineering costs to the extent that they are not capitalized. The research and development expenses may enable future revenue growth but are not directly related to current revenues.

Technology and development expenses include personnel and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) for software engineering, information technology infrastructure, security and compliance, product development, and support for the Company's efforts to add new features and ensure the reliability and scalability of its existing solutions. Technology and development expenses also include outsourced software engineering services, the costs of operating the Company's on-demand technology infrastructure (whereas costs directly associated with changes in revenue are presented separately in cost of revenues), certain licensed applications, and stock-based compensation for its technology and development employees. The Company's technology and development expenses exclude certain allocations of occupancy expense, capitalized software development costs, and depreciation and amortization.

Research and Development Costs

Research and development costs include costs of new product development, costs to add new features or improve reliability or scalability of existing applications, and other software development and engineering costs to the extent that they are not capitalized. The research and development expenses may enable future revenue growth but are not directly related to changes in current revenues. Research and development costs are recorded as a component of technology and development in the Company's consolidated statements of operations.

For the years ended December 31, 2023, 2022, and 2021, research and development costs of $ 124.6 million, $ 106.9 million, and $ 99.5 million, respectively, were recognized in the Company's consolidated statements of operations in technology and development.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments with original maturities of three months or less from the date of purchase. The Company's cash and cash equivalents primarily consist of investments in money market funds. Cash and cash equivalents are stated at fair value.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of allowances for doubtful accounts. The allowance for doubtful accounts reflects the Company's best estimate of expected losses inherent in the accounts receivable balance. The Company determines the allowance based on historical experience, specific account information, and other currently available evidence. Accounts receivable deemed uncollectable are charged against the allowance for doubtful accounts when identified.

Inventories

Inventories consist of purchased components for assembling welcome kits, refill kits, and replacement components for the Company's chronic care management solutions, and virtual health devices manufactured for sale or lease as part of the Company's hosted virtual healthcare platform solution. Inventories are stated at the lower of cost and net realizable value. The cost of inventories is determined on a first-in, first-out ("FIFO") basis or on a weighted average cost basis which approximates the FIFO basis. Inventory costs include direct materials, direct labor and contracting costs, certain indirect labor and manufacturing overhead, and inbound shipping charges. Inventories are assessed on a periodic basis for potentially obsolete and slow-moving inventory with write-downs being recorded when identified. Write-downs are measured as the difference between cost of the inventory and net realizable value based upon assumptions about future demand and obsolescence, and charged to cost of revenue (exclusive of depreciation and amortization, which are shown separately) in the accompanying consolidated statement of operations. At the point of the loss recognition, a new lower cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective asset as follows:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	Shorter of the lease term or the estimated useful lives of the improvements
Rental equipment	4.3 years

Operating Leases

The Company accounts for its leases under the standards set forth under ASC Topic 842, "Leases" . See Note 11. "Leases" for further information.

Leases of Hosted Virtual Healthcare Platform

The Company rents its hosted virtual healthcare platform for certain Clients under arrangements that qualify primarily as operating lease arrangements. The contracts include equipment consisting of virtual health devices which allow physicians access to the platform and there are multiple performance obligations where the Company determines the standalone selling prices based on overall selling prices and pricing objectives. In determining whether a transaction should be classified as a sales-type or operating lease, the Company considers whether: (1) ownership of the virtual healthcare device transfers to the lessee by the end of the term of the lease, (2) the lease grants the lessee an option to purchase the virtual healthcare device that the lessee is reasonably certain to exercise, (3) the lease term is for the major part of the

remaining useful life of the virtual healthcare device, (4) the present value of the sum of the lease payments equals or exceeds substantially all of the fair value of the virtual healthcare device, and (5) it is expected that there will be no alternative use for the virtual healthcare device at the end of the lease term.

The Company generally recognizes revenue for virtual healthcare devices in sales-type leases at a point in time upon shipment by the Client provided all other revenue recognition criteria have been met. For operating lease arrangements, revenue for the virtual healthcare device is recognized over the lease term and generally on a straight-line basis. For both sales-type and operating lease arrangement, revenue associated with virtual healthcare platform access is recognized over the lease term on a straight-line basis.

Rental Equipment

Equipment is assigned to the rental pool upon the execution of a sales leasing arrangement. Rental equipment assets are generally stated at cost, less accumulated depreciation and reflected in property and equipment, net. Depreciation of rental equipment is provided on a straight-line basis, over the estimated useful lives of the respective assets, which is generally 4.3 years and is charged to cost of revenues.

Maintenance and repairs are charged to expense as incurred while improvements are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of operations in the period realized.

Capitalized Software Development Costs

Capitalized software development costs are included in intangible assets and are amortized on a straight-line basis over three to five years . For the Company’s development costs related to its software development tools that enable its members and providers to interact, the Company capitalizes costs incurred during the application development stage. Costs related to maintenance activities are expensed as incurred.

Goodwill

Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at the reporting unit level annually on October 1 or more frequently if events or changes in circumstances indicate that it is more likely than not to be impaired. These events include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in the Company's market capitalization, as indicated by its publicly quoted share price. As of December 31, 2023, the Company operates as two reporting units under the guidance in ASC 350, “Intangibles- Goodwill and Other,” the Teladoc Health Integrated Care reporting unit and the BetterHelp reporting unit.

When testing goodwill for impairment, the Company has the option of first performing a qualitative assessment to determine whether it is more likely than not that the fair value of its reporting units is less than its carrying amount. If the Company elects to bypass the qualitative assessment, or if a qualitative assessment indicates it is more likely than not that carrying value exceeds its fair value, the Company performs a quantitative goodwill impairment test. Under the quantitative goodwill impairment test, if the Company’s reporting unit’s carrying amount exceeds its fair value, the Company will record an impairment charge based on that difference.

To determine reporting unit fair value as part of the quantitative test, the Company uses a weighting of fair values derived from the income approach and the market approach. Under the income approach, the Company projects its future cash flows and discount these cash flows to reflect their relative risk. The cash flows used are consistent with those the Company uses in its internal planning, which reflects actual business trends experienced and its long-term business strategy. As such, key estimates and factors used in this method include, but are not limited to, revenue, margin and operating expense growth rates; as well as a discount rate and a terminal growth rate.

Under the market approach, the Company uses the guideline company method to develop valuation multiples and compare the Company’s reporting unit to similar publicly traded companies. In order to further validate the reasonableness of fair value as determined by the income and market approaches described above, a reconciliation to market capitalization is then performed by estimating a reasonable control premium and other market factors. Future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill could result in significantly different estimates of fair value.

Other Intangible Assets

Other intangible assets include client relationships, acquired technology, and trademarks resulting from business acquisitions as well as capitalized software development costs. The Company amortizes these definite-lived intangible assets over their estimated useful lives and review the estimated useful lives on a quarterly basis to determine if the period of economic benefit has changed. Customer relationships are amortized over a period of two to 20 years in relation to expected future cash flows. Acquired technology is amortized over four to seven years using the straight-line method. Capitalized software development costs are amortized over three to five years using the straight-line method.

Definite-lived intangible assets are re-evaluated whenever events or changes in circumstances indicate that their estimated useful lives may require revision and/or carrying value of the related asset group may not be recoverable by its projected undiscounted cash flows. If the carrying value of the asset group is determined to be unrecoverable, an impairment charge would be recognized in an amount equal to the amount by which the carrying value of the asset group exceeds its fair value.

Convertible Senior Notes

The Company's convertible senior notes are fully accounted for and carried as liabilities, net of debt discounts on the Company’s Consolidated Balance Sheets following its adoption of FASB Accounting Standards Update ("ASU") 2020-06, "Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.”

The Company adopted ASU 2020-06 as of January 1, 2022, under the modified retrospective transition method, and, accordingly, its prior period financial statements were not restated. Upon adoption of ASU 2020-06, the conversion feature of the Company’s convertible senior notes is no longer reported as a component of equity. Instead, the previously-separated equity component is now combined with the liability component, thereby eliminating the amortization of the debt discount arising from the conversion option separation model. To reflect the adoption of ASU 2020-06, the Company recorded an increase to convertible senior notes of $ 306.3 million and decreases to additional paid-in capital, accumulated deficit and net deferred tax liabilities of $ 363.7 million, $ 72.7 million, and $ 15.3 million, respectively, as of January 1, 2022.

Stock-Based Compensation

Stock-based compensation for stock options and restricted stock units (“RSUs”) granted is measured based on the grant-date fair value of the awards and recognized on a straight-line basis over the period during which the employee is required to perform services in exchange for the award (generally the vesting period of the award). The Company estimates the fair value of employee stock options using the Black-Scholes option-pricing model. Stock-based compensation for performance stock units (“PSUs”) granted is measured based on the grant-date fair value of the awards and recognized on an accelerated tranche by tranche basis over the period during which the employee is required to perform services in exchange for the award (generally the vesting period of the award). The ultimate number of PSUs that are issued to an employee is the result of the actual performance under the terms of the awards at the end of the performance period compared to the performance targets and generally range from 0 % to 200 % of the initial grant. The Company recognizes forfeitures of share-based awards as they occur.

The Company’s Employee Stock Purchase Plan (“ESPP”) permits eligible employees to purchase common stock at a discount through payroll deductions during defined offering periods. Under the ESPP, the Company may specify offerings with durations of not more than 27 months and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of its common stock will be purchased for employees participating in the offering. An offering may be terminated under certain circumstances. The price at which the stock is purchased is equal to the lower of 85 % of the fair market value of the common stock at the beginning of an offering period or on the date of purchase.

Income Taxes

The Company’s provision for income taxes, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The objectives for accounting for income taxes, as prescribed by the relevant accounting guidance, are to recognize the amount of taxes

payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the financial statements. Deferred income taxes reflect the tax effect of temporary differences between asset and liability amounts that are recognized for financial reporting purposes and the amounts that are recognized for income tax purposes. These deferred taxes are measured by applying currently enacted tax laws. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The assumptions about future tax consequences require significant judgment and variations in the actual outcome of these consequences could materially impact the Company's results of operations. The Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. The Company adjusts these liabilities when its judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the tax liabilities. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Determination of valuation allowances recorded against deferred tax assets requires significant judgment and use of assumptions, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. To the extent that new information becomes available which causes the Company to change its judgment regarding the adequacy of existing valuation allowances, such changes to tax liabilities will impact income tax expense in the period in which such determination is made.

The Company's policy is to include interest and penalties related to unrecognized tax benefits as a component of tax expense.

Foreign Currency Translation

Assets and liabilities of operations having non-U.S. dollar functional currencies are translated at year-end exchange rates, and income statement accounts are translated at weighted average exchange rates for the year. Gains or losses resulting from translating foreign currency financial statements are reflected in accumulated other comprehensive loss, a separate component of shareholders' equity.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock of the Company outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including outstanding stock options and convertible notes, to the extent dilutive. Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of common stock outstanding would have been anti-dilutive.

Third-party Advertising and Marketing Expenses

Third-party advertising and marketing expenses are expensed as incurred and predominately relate to the BetterHelp segment and, to a lesser extent, communications and campaigns to the Integrated Care segment's Clients and members. For the years ended December 31, 2023, 2022, and 2021, advertising expenses were $ 613.9 million, $ 503.9 million, and $ 297.0 million, respectively.

Concentrations of Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although the Company deposits its cash with multiple financial institutions in the U.S. and in foreign countries, its deposits, at times, may exceed federally insured limits. The Company holds a significant amount of its cash equivalents in a portfolio of government and institutional prime money market funds.

No customer represented over 10% of consolidated revenue for the years ended December 31, 2023, 2022, or 2021. For the Integrated Care Segment, a significant portion of its revenue is derived from large enterprises, mainly health plans. For the year ended December 31, 2023, revenue from the five largest customers was 34 % of total Integrated Care segment revenue. For the BetterHelp segment, there is no significant concentration risk as substantially all revenue is generated from individuals in the direct-to-consumer market.

Seasonality

The Company's business has historically been subject to seasonality. In the Company's Integrated Care segment, a concentration of the Company's new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, the Company historically has experienced its highest level of visit and other fees revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end of year holiday season, the Company's BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic the Company has typically experienced fewer new member additions and the strongest operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year the Company typically experiences the weakest operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Recently Adopted Accounting Standards

In October 2021, the FASB issued ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers," which requires contract assets and contract liabilities
(i.e., deferred revenue) acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC Topic 606, "Revenue from Contracts with Customers." ASU
2021-08 is effective, on a prospective basis, for public companies for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2022. The Company adopted this guidance on January 1, 2023 and it did not have any impact on the Company's financial statements.

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement (Topic 820)—Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions" to clarify that an equity security subject to a contractual sale restriction does not take that restriction into consideration when measuring its fair value and to require specific disclosures related to such an equity security. ASU 2022-03 is effective for annual reporting periods, including interim periods, beginning after December 15, 2023, with early adoption permitted. The provisions of ASU 2022-03 are to be applied prospectively with any adjustments made to earnings on the date of adoption. The adoption of ASU 2022-03 did not have any impact on the Company's financial statements.

In September 2022, the FASB issued ASU 2022-04, "Liabilities – Supplier Finance Programs (Subtopic 405-50)—Disclosure of Supplier Finance Program Obligations," to provide guidance on disclosure requirements for supplier finance programs and improve information transparency by requiring the disclosure of key terms of the program, amounts outstanding that remain unpaid, a description of where those amounts are presented in the balance sheet, and a roll forward of any outstanding obligations. ASU 2022-04 is effective for annual reporting periods, including interim periods therein, beginning after December 15, 2022, except for the amendment on roll forward information, which is effective for fiscal years beginning after December 15, 2023. The adoption of ASU 2022-04 did not have any impact on the Company's financial information.

Recently Issued Accounting Standards

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280)—Improvements to Report Segment Disclosures" which updates reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses so that investors can better understand an entity's overall performance. The amendments are effective for annual reporting periods beginning after December 15, 2023, and interim periods, beginning

after December 15, 2024, with early adoption permitted. The provisions of ASU 2023-07 are to be applied retrospectively to all periods presented in the financial statements, unless it is impracticable. The segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company is currently evaluating the impact of adopting ASU 2023-07 on its financial disclosures.

In December 2023, the FASB issued ASU No. 2023-09, “Income Taxes (Topic 740): Improvement to Income Tax Disclosures" to enhance the transparency and decision usefulness of income tax disclosures through expansion of disclosures in an entity’s income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis with early adoption permitted. The Company is currently evaluating the impact of this accounting standard update on its financial disclosures.

Note 3. Revenue, Deferred Revenue, and Deferred Device and Contract Costs

The Company generates access fees from Clients, as well as individual paying users, accessing its professional provider network, hosted virtual healthcare platform, and chronic care management platforms. Visit fee revenue is generated for general medical, expert medical service, and other specialty visits and is reported as a component of other revenue in the financial statements. Revenue associated with virtual healthcare device equipment sales included with the Company’s hosted virtual healthcare platform is also reported in other revenue.

The following table presents the Company’s revenues disaggregated by revenue source (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Revenue by Type			
Access fees	$ 2,282,521	$ 2,103,814	$ 1,740,170
Other	319,894	303,026	292,537
Total Revenue	$ 2,602,415	$ 2,406,840	$ 2,032,707
Revenue by Geography			
U.S. revenue	$ 2,237,533	$ 2,101,015	$ 1,774,024
International revenue	364,882	305,825	258,683
Total Revenue	$ 2,602,415	$ 2,406,840	$ 2,032,707

Deferred Revenue

For certain services, payment is required for future periods before the service is delivered to the member. The Company records deferred revenue when cash payments are received in advance of the Company’s performance obligation to provide services.

The following table summarizes deferred revenue activities for the periods presented (in thousands):

	Year Ended December 31,	
	2023	2022
Beginning balance	$ 113,786	$ 102,007
Cash collected	87,683	100,028
Revenue recognized	(92,187)	(88,249)
Ending balance	$ 109,282	$ 113,786

The Company expects to recognize $ 94.7 million and $ 14.6 million of revenue in 2024 and 2025, respectively, related to future performance obligations that are unsatisfied or partially unsatisfied as of December 31, 2023.

Deferred Device and Contract Costs

Deferred device and contract costs are classified as a component of prepaid expenses and other current assets or other assets, depending on term, and consisted of the following (in thousands):

	As of December 31, 2023	As of December 31, 2022
Deferred device and contract costs, current	$ 32,703	$ 29,956
Deferred device and contract costs, noncurrent	17,573	8,404
Total deferred device and contract costs	$ 50,276	$ 38,360

Deferred device and contract costs were as follows (in thousands):

	Deferred Device and Contract Costs
Beginning balance as of December 31, 2022	$ 38,360
Additions	57,964
Cost of revenue recognized	(46,048)
Ending balance as of December 31, 2023	$ 50,276

Note 4. Inventories

Inventories consisted of the following (in thousands):

	As of December 31, 2023	As of December 31, 2022
Raw materials and purchased parts	$ 9,338	$ 25,800
Work in process	299	394
Finished goods	19,876	30,148
Total inventories	$ 29,513	$ 56,342

Note 5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of December 31, 2023	As of December 31, 2022
Prepaid expenses	$ 65,651	$ 63,159
Deferred device and contract costs, current	32,703	29,956
Other receivables	12,640	25,091
Other current assets	7,443	12,104
Total prepaid expenses and other current assets	$ 118,437	$ 130,310

Note 6. Goodwill

Goodwill consisted of the following (in thousands):

	Teladoc Health Integrated Care	BetterHelp	Total
Balance as of December 31, 2021	$ 0	$ 0	$ 14,504,174
Impairment	0	0	(12,270,000)
Currency translation adjustment	0	0	(28,172)
Reassignment to reporting units at October 1, 2022	1,132,812	1,073,190	2,206,002
Impairment	(1,132,812)	0	(1,132,812)
Currency translation adjustment	0	0	0
Balance as of December 31, 2022	0	1,073,190	1,073,190
Currency translation adjustment	0	0	0
Balance as of December 31, 2023	$ 0	$ 1,073,190	$ 1,073,190

There were no impairment charges recorded for goodwill or long-lived assets, including definite-lived intangibles, for the years ended December 31, 2023 or 2021. For the year ended December 31, 2022, a $ 13.4 billion non-deductible goodwill impairment charge, or $ 83.01 per basic and diluted share, was recognized, with impairment charges occurring in each of the three months ending March 31, 2022, June 30, 2022, and December 31, 2022.

The Company performed a qualitative assessment of goodwill for its BetterHelp reporting unit as of October 1, 2023. As part of the Company's qualitative analysis, it considered the performance of the reporting unit compared to expectations, forecasts for revenue and margin, macroeconomic conditions, industry and market trends, as well as other relevant entity-specific items. Based on this qualitative assessment, no indicators of impairment were identified. While it is believed that the assumptions used were reasonable, changes in these assumptions for the BetterHelp reporting unit, including lowering forecasts for revenue and margin, lowering the long-term growth rate, or changes in the future discount rate assumptions, could result in a future impairment. In addition, if the Company experiences sustained significant decreases in its share price, this may also result in the need to perform impairment assessments of goodwill and long-lived assets including definite-lived intangibles that could also result in future impairments.

During the year ended December 31, 2022, the Company experienced triggering events due to sustained decreases in its share price, prompting impairment assessments of goodwill and long-lived assets including definite-lived intangibles as of March 31, 2022 and again as of June 30, 2022.

As of March 31, 2022, the Company updated the projected long-range cash flows used in the impairment assessment, including revenues, margin, and capital expenditures to reflect current conditions. Other changes in valuation assumptions included increases in interest rates and market volatility, resulting in a higher discount rate, and selection of lower revenue multiples based upon an assessment of a relevant peer group. As a result of this review, the Company did not identify an impairment to its definite-lived intangible assets or other long-lived assets, but the Company recorded a $ 6.6 billion non-deductible goodwill impairment charge in the quarter ended March 31, 2022. The non-cash charge had no impact on the provision for income taxes.

As of June 30, 2022, the Company updated valuation assumptions. The discount rate was increased for a company risk premium to reflect the current perception of risks of achieving projected cash flows and, to a lesser extent, to reflect further increases in interest rates and market volatility. Additionally, revenue market multiples were lowered based upon an updated analysis of a consistent peer group. The assessment did not result in an impairment of definite-lived intangible assets or other long-lived assets but resulted in an additional $ 3.0 billion non-deductible goodwill impairment charge. The non-cash charge had no impact on the provision for income taxes.

On October 1, 2022, the Company reorganized its reporting structure to include two reportable segments, Integrated Care and BetterHelp, which also represent reporting units for purposes of assessing goodwill. The Company performed its annual impairment test consistent with the rules set forth under ASC 350, “Intangibles—Goodwill and Other,” performing an initial test on its then-existing reporting unit. The impairment test utilized the Company’s latest estimates of projected cash flows, including revenues, margin, and capital expenditures, as well as current market assumptions for the discount rate and revenue multiples, to reflect current market conditions and risk assessments. Based

on the result of the impairment test, the Company recognized an additional $ 2.6 billion non-deductible goodwill impairment charge, driven significantly by a decline in projected cash flows. Following this impairment, the Company reassigned the remaining $ 2.2 billion to its new reporting units using a relative fair value allocation approach. The Company performed tests of the asset groups identified for the purposes of testing the recoverability of each reporting unit's definite-lived intangibles and other long-lived assets, which was passed by a significant margin. Lastly, a post allocation goodwill impairment test on each of the reporting units was performed, the result of which was the recognition of an additional $ 1.1 billion of impairment on the goodwill assigned to the Company's Teladoc Health Integrated Care reporting unit. The $ 3.8 billion non-cash charges had no impact on the provision for income taxes.

Both of these impairment assessments in the first half of 2022 reflected a 75 %/ 25 % allocation between the income and market approaches. The Company believed the 75 % weighting to the income approach continues to be appropriate as it more directly reflected the Company's future growth and profitability expectations. The table below indicates changes in the most significant inputs to the Company's impairment analysis on each testing date related to those triggering events and the annual impairment test.

Testing Dates	Reporting Unit	Discount Rate	Peer Group Revenue Multiples (Current Year/Subsequent Year)	Excess of Reporting Unit Fair Value over Carrying Value
March 31, 2022	Consolidated	12.0 %	3.5 x/ 3.0 x	None
June 30, 2022	Consolidated	16.0 %	2.0 x/ 1.8 x	None
October 1, 2022	Consolidated, Pre-reassignment	12.5 %	1.65 x/ 1.5 x	None , Pre-reassignment
October 1, 2022	Teladoc Health Integrated Care	12.0 %	1.2 x/ 1.0 x	No remaining goodwill
October 1, 2022	BetterHelp	13.5 %	1.6 x/ 1.3 x	Significant amount

Note 7. Property and Equipment, Net

Property and equipment, net, consisted of the following (in thousands):

	As of December 31,	
	2023	2022
Computer equipment	$ 35,992	$ 29,322
Furniture and equipment	14,661	14,861
Leasehold improvement	24,293	13,298
Rental equipment	15,106	12,679
Construction in progress	1,719	7,193
Total	91,771	77,353
Accumulated depreciation	(59,739)	(47,712)
Property and equipment, net	$ 32,032	$ 29,641

Note 8. Intangible Assets, Net and Certain Cloud Computing Costs

Intangible assets, net consisted of the following (dollars in thousands):

	Useful Life	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life (Years)
December 31, 2023					
Client relationships	2 to 20 years	$ 1,460,857	$ (391,196)	$ 1,069,661	12.5
Trademarks	2 to 15 years	325,479	(189,330)	136,149	6.9
Software	3 to 5 years	456,583	(161,108)	295,475	2.5
Acquired technology	4 to 7 years	341,814	(165,318)	176,496	3.7
Intangible assets, net		$ 2,584,733	$ (906,952)	$ 1,677,781	9.3
December 31, 2022					
Client relationships	2 to 20 years	$ 1,458,384	$ (291,993)	$ 1,166,391	13.5
Trademarks	2 to 15 years	325,171	(98,303)	226,868	7.0
Software	3 to 5 years	294,629	(78,373)	216,256	2.7
Acquired technology	4 to 7 years	343,067	(115,817)	227,250	4.7
Intangible assets, net		$ 2,421,251	$ (584,486)	$ 1,836,765	10.4

The following table presents the Company's amortization of intangible assets expense by component (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Amortization of acquired intangibles	$ 242,976	$ 198,522	$ 180,249
Amortization of capitalized software	82,957	46,098	15,049
Amortization of intangible assets expense	$ 325,933	$ 244,620	$ 195,298

During the second half of 2023, the Company initiated a strategy to transition the majority of its chronic condition management Clients and members to the Teladoc Health brand on a phased basis, with a smaller subset continuing to be served under the Livongo trade name beyond 2024. In connection with the brand strategy, the Company has accelerated the amortization associated with the Livongo trademark, increasing amortization expense in the year ended December 31, 2023, and in the year ending December 31, 2024, with corresponding reductions thereafter. The change in accounting estimate resulted in additional amortization expense of $ 37.5 million, or 0.23 per basic and diluted share, for the year ended December 31, 2023.

In the year ended December 31, 2022, the Company recognized impairments of capitalized software of the full value associated with certain international product programs totaling $ 9.9 million. This value was reported in amortization on the Company’s Consolidated Statement of Operations and Other Comprehensive Loss.

In January 2022, the Company embarked upon a two-year migration strategy that integrates and moves selected consumer brands, excluding Livongo and certain international brands, under Teladoc Health, which will serve as the primary business-to-business-to-consumer brand that meets all consumer healthcare needs. The evolution of brand names resulted in the weighted average life of the trademarks decreasing from 9.5 years to 7.5 years as of January 1, 2022, and an acceleration of amortization expense being expensed over 2022 and 2023. This change resulted in additional amortization expense of $ 23.2 million for both the years ended December 31, 2023 and 2022, compared with the year ended December 31, 2021.

Periodic amortization that will be charged to expense o ver the remaining life of the intangible assets as of December 31, 2023 was as follows (in thousands):

Years Ending December 31,	
2024	$ 359,304
2025	275,347
2026	217,685
2027	150,996
2028 and thereafter	674,449
	$ 1,677,781

Refer to Note 6. “Goodwill” for the results of impairment testing of the Company’s intangible assets, including goodwill.

Net cloud computing costs, which are primarily related to the implementation of the Company's CRM and ERP systems, are recorded in "Other assets" within the Company's Consolidated Balance Sheets. As of December 31, 2023 and 2022, those costs were $ 41.1 million and $ 25.4 million, respectively. The associated expense for cloud computing costs, which are recorded in general and administration expense, was $ 3.7 million and $ 1.9 million for the years ended December 31, 2023 and 2022, respectively.

Note 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of December 31, 2023	As of December 31, 2022
Client performance guarantees	$ 36,934	$ 18,687
Marketing and advertising	34,427	35,055
Consulting fees/provider fees	16,416	16,407
Franchise, sales and other taxes	12,933	10,994
Operating lease liabilities – current	10,752	13,592
Professional fees	9,910	10,152
Information technology	7,605	4,278
Insurance	5,777	5,981
Staff augmentation	4,287	3,391
Lease abandonment obligation - current	3,800	3,247
Interest payable	1,481	1,480
Income taxes payable	621	3,817
Other	33,691	41,612
Total	$ 178,634	$ 168,693

Note 10. Convertible Senior Notes

Outstanding Convertible Senior Notes

As of December 31, 2023, the Company had three series of convertible senior notes outstanding. The issuances of such notes originally consisted of (i) $ 1.0 billion aggregate principal amount of 1.25 % convertible senior notes due 2027 (the “2027 Notes”), issued on May 19, 2020 for net proceeds to the Company of $ 975.9 million after deducting offering costs of approximately $ 24.1 million, (ii) $ 287.5 million aggregate principal amount of 1.375 % convertible senior notes due 2025 (the “2025 Notes”), issued on May 8, 2018 for net proceeds to the Company of $ 279.1 million after deducting offering costs of approximately $ 8.4 million, and (iii) $ 550.0 million aggregate principal amount of 0.875 % convertible senior notes due 2025 that were issued by Livongo on June 4, 2020 for which the Company agreed to assume all of

Livongo's rights and obligations (the "Livongo Notes" and together with the 2027 Notes, the 2025 Notes and the 2022 Notes (as defined below), the "Notes"). On June 27, 2017, the Company issued, at par value, $ 275.0 million aggregate principal amount of 3 % convertible senior notes due 2022 (the "2022 Notes"), which were redeemed during the quarter ended March 31, 2021 as described below.

The following table presents certain terms of the Notes that were outstanding as of December 31, 2023:

	2027 Notes	2025 Notes	Livongo Notes
Principal Amount Outstanding as of December 31, 2023 (in millions)	$ 1,000.0	$ 0.7	$ 550.0
Interest Rate Per Year	1.25 %	1.375 %	0.875 %
Fair Value as of December 31, 2023 (in millions) (1)	$ 822.0	$ 0.3	$ 513.7
Fair Value as of December 31, 2022 (in millions) (1)	$ 768.2	$ 0.3	$ 480.6
Maturity Date	June 1, 2027	May 15, 2025	June 1, 2025
Optional Redemption Date	June 5, 2024	May 22, 2022	June 5, 2023
Conversion Date	December 1, 2026	November 15, 2024	March 1, 2025
Conversion Rate Per $ 1,000 Principal Amount as of December 31, 2023	4.1258	18.6621	13.94
Remaining Contractual Life as of December 31, 2023	3.4 years	1.4 years	1.4 years

(1) The Notes would be classified as Level 2 within the fair value hierarchy, as defined in Note 2. "Summary of Significant Accounting Policies."

All of the Notes are unsecured obligations of the Company and rank senior in right of payment to the Company's indebtedness that is expressly subordinated in right of payment to such Notes; equal in right of payment to the Company's liabilities that are not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities incurred by the Company's subsidiaries.

Holders may convert all or any portion of their Notes in integral multiples of $ 1,000 principal amount, at their option, at any time prior to the close of business on the business day immediately preceding the applicable conversion date only under the following circumstances:

- during any quarter (and only during such quarter), if the last reported sale price of the shares of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130 % of the conversion price for the applicable Notes on each applicable trading day;
- during the five business day period after any 10 consecutive trading day period (or five consecutive trading day period in the case of the Livongo Notes) in which the trading price was less than 98 % of the product of the last reported sale price of Company's common stock and the conversion rate for the applicable Notes on each such trading day;
- upon the occurrence of specified corporate events described under the applicable indenture; or
- if the Company calls the applicable Notes for redemption, at any time until the close of business on the second business day immediately preceding the redemption date.

On or after the applicable conversion date, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of such Notes, regardless of the foregoing circumstances.

The 2027 Notes and the 2025 Notes are convertible into shares of the Company's common stock at the applicable conversion rate shown in the table above. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination thereof, at the Company's election. If the Company elects to satisfy the conversion obligation solely in cash or through payment and delivery, as the case may be, of a combination of

cash and shares of the Company's common stock, the amount of cash and shares of the Company's common stock due upon conversion will be based on a daily conversion value calculated on a proportionate basis for each trading day in a 25 consecutive trading day observation period.

The Livongo Notes are convertible at the applicable conversion rate shown in the table above into "units of reference property," each of which is comprised of 0.592 of a share of the Company's common stock and $ 4.24 in cash, without interest. Upon conversion, the Company will pay or deliver, as the case may be, cash, units of reference property, or a combination thereof, at the Company's election. If the Company elects to satisfy the conversion obligation solely in cash or through payment and delivery, as the case may be, of a combination of cash and units of reference property, the amount of cash and units of reference property, if any, due upon conversion will be based on a daily conversion value calculated on a proportionate basis for each trading day in a 40 consecutive trading day observation period.

For each Note series, the Company may redeem for cash all or part of the Notes, at its option, on or after the applicable optional redemption date shown in the table above (and prior to the 41 st scheduled trading day immediately preceding the maturity date in the case of the Livongo Notes) if the last reported sale price of its common stock exceeds 130 % of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days ending on, and including, the trading day immediately preceding the date on which the Company provides notice of the redemption. The redemption price will be the principal amount of the Notes to be redeemed, plus accrued and unpaid interest, if any. In addition, calling any 2027 Note or 2025 Note for redemption on or after the applicable optional redemption date will constitute a make-whole fundamental change with respect to that Note, in which case the conversion rate applicable to the conversion of that Note, if it is converted in connection with the redemption, will be increased in certain circumstances as described in the applicable indenture. If the Company undergoes a fundamental change (as defined in the applicable indenture) at any time prior to the maturity date of the Livongo Notes, holders will have the right, at their option, to require the Company to repurchase for cash all or any portion of their Livongo Notes at a fundamental change repurchase price equal to 100 % of the principal amount of the Livongo Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The Company accounts for each Note series at amortized cost within the liability section of its Consolidated Balance Sheets. The Company has reserved an aggregate of 8.7 million shares of common stock for the Notes.

The net carrying values of the Notes consisted of the following (in thousands):

	As of December 31, 2023	As of December 31, 2022
2027 Notes		
Principal	$ 1,000,000	$ 1,000,000
Less: Debt discount, net (1)	(12,033)	(15,430)
Net carrying amount	987,967	984,570
2025 Notes		
Principal	725	725
Less: Debt discount, net (1)	(4)	(7)
Net carrying amount	721	718
Livongo Notes		
Principal	550,000	550,000
Less: Debt discount, net (1)	0	0
Net carrying amount	550,000	550,000
Total net carrying amount	$ 1,538,688	$ 1,535,288

(1) Included in the accompanying Consolidated Balance Sheet within convertible senior notes and amortized to interest expense over the expected life of the Notes using the effective interest rate method. See Note 2. "Summary of Significant Accounting Policies."

The following table sets forth total interest expense recognized related to the Notes (in thousands):

	Year Ended December 31,		
2027 Notes	**2023**	**2022**	**2021**
Contractual interest expense	$ 12,500	$ 12,500	$ 12,500
Amortization of debt discount	3,396	3,342	37,070
Total	$ 15,896	$ 15,842	$ 49,570
Effective interest rate	1.6 %	1.6 %	3.4 %

	Year Ended December 31,		
2025 Notes	**2023**	**2022**	**2021**
Contractual interest expense	$ 10	$ 10	$ 1,082
Amortization of debt discount	3	3	4,558
Total	$ 13	$ 13	$ 5,640
Effective interest rate	1.8 %	1.8 %	4.7 %

	Year Ended December 31,		
Livongo Notes	**2023**	**2022**	**2021**
Contractual interest expense	$ 4,813	$ 4,813	$ 4,813
Amortization of debt discount	0	0	19,310
Total	$ 4,813	$ 4,813	$ 24,123
Effective interest rate	0.9 %	0.9 %	5.2 %

Exchanges and Conversions of Convertible Senior Notes Due 2025

In 2021, the Company entered into privately negotiated agreements with certain holders of the 2025 Notes to exchange approximately $ 211.5 million aggregate principal amount of 2025 Notes for an aggregate of approximately 4.0 million shares of the Company's common stock in private placement transactions pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"). In addition, certain holders of the 2025 Notes converted their 2025 Notes in exchange for approximately 1.1 million shares of the Company's common stock during the year ended December 31, 2021. As a result of the exchanges and conversions, the Company recorded a charge associated with the loss on extinguishment of debt net of transaction fees of $ 40.3 million during the year ended December 31, 2021.

Redemption and Conversions of Convertible Senior Notes Due 2022

In March 2021, the Company completed a redemption of all of the then outstanding 2022 Notes in exchange for approximately $ 0.1 million in cash (including accrued and unpaid interest). Prior to that redemption, certain holders of the 2022 Notes converted their 2022 Notes in exchange for 1.1 million shares of the Company's common stock during the year ended December 31, 2021. As a result of the redemption and conversions, the Company recorded a charge associated with the loss on extinguishment of debt of $ 3.4 million during the year ended December 31, 2021.

Note 11. Leases

Operating Leases

The Company has operating leases for facilities, hosting co-location facilities, and certain equipment under non-cancelable leases in the U.S. and various international locations. The leases have remaining lease terms of less than one to nine years , with options to extend the lease term from one to five years . At the inception of an arrangement, the Company determines whether the arrangement is, or contains, a lease based on the terms covering the right to use property, plant, or equipment for a stated period of time. For new and amended leases beginning in 2020 and after, the Company separately allocates the lease (e.g., fixed lease payments for right-to-use land, building, etc.) and non-lease components (e.g., common

area maintenance) for its leases. The components of lease expense reflected in the consolidated statements of operations were as follows (in thousands):

	Year Ended December 31,		
Lease cost	**2023**	**2022**	**2021**
Operating lease cost	$ 15,458	$ 18,473	$ 14,087
Short-term lease cost	0	162	1,087
Total lease cost	$ 15,458	$ 18,635	$ 15,174

In determining the present value of the lease payments, the Company has elected to utilize its incremental borrowing rate based on the original lease term and not the remaining lease term. Supplemental information related to operating leases was as follows (dollars in thousands):

	Year Ended December 31,		
Consolidated Statements of Cash Flows	**2023**	**2022**	**2021**
Cash payment for operating cash flows used for operating leases	$ 16,265	$ 16,854	$ 14,531
Operating lease liabilities arising from obtaining right-of-use assets	$ 14,437	$ 3,748	$ 11,598
Other Information			
Weighted-average remaining lease term (in years)	5.54	5.55	5.71
Weighted-average discount rate	6.33 %	6.08 %	5.88 %

The Company leases office space under non-cancelable operating leases in the U.S. and various international locations. The future minimum lease payments under non-cancelable operating leases were as follows (in thousands):

	As of December 31,
Operating Leases:	**2023**
2024	$ 13,500
2025	12,299
2026	11,145
2027	8,123
2028	5,946
2029 and thereafter	13,057
Total future minimum payments	64,070
Less: imputed interest	(10,481)
Present value of lease liabilities	$ 53,589
Accrued expenses and other current liabilities	$ 10,752
Operating lease liabilities, net of current portion	$ 42,837

The Company rents certain virtual healthcare platforms to selected qualified customers under arrangements that qualify as either sales-type lease or operating lease arrangements. Leases have terms that generally range from two to five years .

The Company recorded certain restructuring costs related to lease impairments and the related charges due to the abandonment and/or exit of excess leased office space. However, the lease liabilities related to these spaces remain an outstanding obligation of the Company as of December 31, 2023.

Note 12. Restructuring

The Company accounts for restructuring costs in accordance with ASC Subtopic 420-10, "Exit or Disposal Cost Obligations" and ASC Section 360-10-35, "Property, Plant and Equipment-Subsequent Measurement." The costs are

recorded to the "Restructuring costs" line item within the Company's Consolidated Statements of Operations and Other Comprehensive Loss as they are recognized.

The Company recorded $ 16.9 million of restructuring costs during the year ended December 31, 2023, of which $ 7.9 million was related to employee transition, severance payments, employee benefits, and related costs and $ 9.0 million was related to costs associated with office space reductions, including $ 5.2 million of right-of-use assets impairment charges. The Company recorded $ 7.4 million of restructuring costs during the year ended December 31, 2022, of which $ 1.4 million was related to employee transition, severance payments, employee benefits, and related costs and $ 6.0 million was related to costs associated with office space reductions, including $ 2.2 million of right-of-use assets impairment charges. The portion of these amounts to be settled by cash disbursements was accounted for as a restructuring liability under the line item "Accrued expenses and other current liabilities" in the Company's Consolidated Balance Sheets.

The table below summarizes the accrual and charges incurred with respect to the Company's restructuring that are included in the line items "Accrued expenses and other current liabilities" in the Company's Consolidated Balance Sheet as of December 31, 2023 (in thousands):

	Restructuring Plan		
	Severance	Lease Termination	Total
Accrued Balance, January 1, 2022	$ 0	$ 0	$ 0
Initial costs	1,359	3,815	5,174
Cash payments	(563)	(568)	(1,131)
Accrued Balance, December 31, 2022	$ 796	$ 3,247	$ 4,043
Additions	7,890	3,847	11,737
Cash payments	(8,686)	(3,294)	(11,980)
Accrued Balance, December 31, 2023	$ 0	$ 3,800	$ 3,800

Note 13. Common Stock and Stockholders' Equity

Stock Plans

The Company's 2023 Incentive Award Plan and 2023 Employment Inducement Incentive Award Plan (collectively, the "2023 Plans") provide for the issuance of incentive and non-statutory options and other equity-based awards to its employees and non-employee service providers. Previously, the Company's 2015 Incentive Award Plan, 2017 Employment Inducement Incentive Award Plan and Livongo Acquisition Incentive Award Plan (together with the 2023 Plans, collectively, the "Plans") also provided for the issuance of such awards. The Company had 14,424,377 shares available for grant under the 2023 Plans at December 31, 2023.

All stock-based awards to employees are measured based on the grant-date fair value, or replacement grant date fair value in relation to the Livongo transaction, and are generally recognized on a straight-line basis in the Company's consolidated statement of operations over the period during which the employee is required to perform services in exchange for the award (generally requiring a four-year vesting period for each stock option and a three-year vesting period for each RSU).

Stock Options

Options issued under the Plans are exercisable for periods not to exceed 10 years, and vest and contain such other terms and conditions as specified in the applicable award document. Options to buy common stock are issued under the Plans, with exercise prices equal to the closing price of shares of the Company's common stock on the New York Stock Exchange on the date of award.

Stock option activity under the Plans was as follows (in thousands, except share, per share amounts, and years):

	Number of Shares Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Balance at December 31, 2022	4,243,934	$ 27.79	6.10	$ 19,541
Stock option grants	276,273	$ 20.45	N/A	
Stock options exercised	(175,761)	$ 8.42	N/A	$ 3,016
Stock options forfeited	(162,259)	$ 46.85	N/A	
Balance at December 31, 2023	4,182,187	$ 27.37	5.26	$ 13,732
Vested or expected to vest at December 31, 2023	4,182,187	$ 27.37	5.26	$ 13,732
Exercisable at December 31, 2023	3,215,889	$ 26.07	4.20	$ 13,191

The total grant-date fair value of stock options granted during the years ended December 31, 2023, 2022, and 2021 was $ 3.2 million, $ 26.8 million, and $ 7.4 million, respectively.

The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing model.

The assumptions used are determined as follows:

Volatility. The expected volatility was derived from the historical volatilities of the Company's stock price over a period equivalent to the expected term of the stock option grants.

Expected Term. The expected term represents the period that the stock-based awards are expected to be outstanding. When establishing the expected term assumption, the Company utilizes historical data.

Risk-Free Interest Rate. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with terms similar to the expected term on the options.

Dividend Yield. The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and therefore, it used an expected dividend yield of zero .

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions and fair value per share:

	Year Ended December 31,		
	2023	2022	2021
Volatility	65.6 % - 68.2 %	56.7 % - 68.7 %	56.1 % - 58.1 %
Expected term (in years)	4.3	4.1	4.1
Risk-free interest rate	3.68 % - 4.67 %	1.13 % - 4.36 %	0.31 %- 1.02 %
Dividend yield	0	0	0
Weighted-average fair value of underlying stock options	$ 11.45	$ 17.48	$ 67.37

For the years ended December 31, 2023, 2022, and 2021, the Company recorded stock-based compensation expense related to stock options granted of $ 9.4 million, $ 20.3 million, and $ 93.0 million, respectively.

As of December 31, 2023, the Company had $ 15.0 million in unrecognized compensation cost related to non-vested stock options, which is expected to be recognized over a weighted average period of approximately 2.1 years.

Restricted Stock Units

The fair value of RSUs is determined on the date of grant. The Company records compensation expense in the consolidated statement of operations on a straight-line basis over the vesting period for RSUs. The vesting period for employees and members of the board of directors ranges from one to three years .

RSU activity under the Plans was as follows:

	RSUs	Weighted-Average Grant Date Fair Value Per RSU
Balance at December 31, 2022	6,481,669	$ 63.63
Granted	7,518,577	$ 26.12
Vested and issued	(3,224,764)	$ 66.82
Forfeited	(1,323,070)	$ 48.12
Balance at December 31, 2023	9,452,412	$ 34.70
Vested and unissued at December 31, 2023	162,171	$ 31.98
Non-vested at December 31, 2023	9,290,241	$ 34.61

The total grant-date fair value of RSUs granted during the years ended December 31, 2023, 2022, and 2021 was $ 196.4 million, $ 322.2 million and $ 144.2 million, respectively.

For the years ended December 31, 2023, 2022 and 2021, the Company recorded stock-based compensation expense related to RSUs of $ 181.0 million, $ 179.4 million, and $ 182.4 million, respectively.

As of December 31, 2023, the Company had $ 239.7 million in unrecognized compensation cost related to non-vested RSUs, which is expected to be recognized over a weighted-average period of approximately 1.8 years.

Performance Stock Units

Stock-based compensation costs associated with the Company’s RSUs subject to performance criteria (“PSUs") are initially determined using the fair market value of the Company's common stock on the date the awards are granted (service inception date). The vesting of these PSUs is subject to certain performance conditions and a service requirement ranging from one to three years . Stock-based compensation costs associated with these PSUs are reassessed each reporting period based upon the estimated performance attainment on the reporting date until the performance conditions are met. The ultimate number of PSUs that are issued to an employee is the result of the actual performance of the Company at the end of the performance period compared to the performance targets and generally range from 0 % to 200 % of the initial grant. Stock compensation expense for PSUs is recognized on an accelerated tranche by tranche basis for performance-based awards.

PSU activity under the Plans was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per PSU
Balance at December 31, 2022	629,672	$ 99.07
Granted	1,297,725	$ 26.90
Vested and issued	(117,966)	$ 153.96
Forfeited	(73,762)	$ 43.77
Performance adjustment (1)	(283,282)	$ 0.00
Balance at December 31, 2023	1,452,387	$ 36.82
Vested and unissued at December 31, 2023	17,763	$ 23.19
Non-vested at December 31, 2023	1,434,624	$ 34.57

(1) Based on the Company's 2022 results, PSUs were attained at rates ranging from 0 % to 86.25 % of the target award.

The total grant-date fair value of PSUs granted during the years ended December 31, 2023, 2022, and 2021 was $ 34.9 million, $ 35.9 million, and $ 70.4 million, respectively.

For the years ended December 31, 2023, 2022, and 2021, the Company recorded stock-based compensation expense related to PSUs of $ 7.1 million, $ 15.1 million, and $ 22.0 million, respectively.

As of December 31, 2023, the Company had $ 31.5 million in unrecognized compensation cost related to non-vested PSUs, which is expected to be recognized over a weighted-average period of approximately 1.7 years.

Employee Stock Purchase Plan

In July 2015, the Company adopted the 2015 ESPP in connection with its initial public offering. At the Company's 2023 annual meeting of stockholders, the Company's stockholders approved an amendment to the ESPP to increase the number of shares of the Company's common stock available for issuance under the ESPP by 3,000,000 . A total of 4,113,343 shares of common stock have been reserved for issuance under this plan as of December 31, 2023. The Company's ESPP permits eligible employees to purchase common stock at a discount through payroll deductions during defined offering periods. Under the ESPP, the Company may specify offerings with durations of not more than 27 months and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of its common stock will be purchased for employees participating in the offering. An offering may be terminated under certain circumstances. The price at which the stock is purchased is equal to the lower of 85 % of the fair market value of the common stock at the beginning of an offering period or on the date of purchase.

During 2023, 2022, and 2021 the Company issued 592,308 shares, 271,159 shares, and 122,059 shares, respectively, under the ESPP. As of December 31, 2023, 2,800,781 shares remained available for issuance.

For the years ended December 31, 2023, 2022, and 2021, the Company recorded stock-based compensation expense related to the ESPP of $ 4.0 million, $ 3.0 million, and $ 5.2 million, respectively.

As of December 31, 2023, the Company had $ 1.1 million in unrecognized compensation cost related to the ESPP, which is expected to be recognized over a weighted-average period of approximately 0.4 years.

Total compensation costs for stock-based awards were as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Cost of revenue (exclusive of depreciation and amortization, which are shown separately)	$ 5,478	$ 6,468	$ 8,280
Advertising and marketing	15,300	14,083	18,952
Sales	35,449	43,183	71,475
Technology and development	58,336	64,577	95,561
General and administrative	86,987	89,541	108,318
Total stock-based compensation expense	$ 201,550	$ 217,852	$ 302,586
Capitalized stock-based compensation	19,439	18,238	13,175
Total stock-based compensation	$ 220,989	$ 236,090	$ 315,761

Note 14. Income Taxes

For financial reporting purposes, loss before provision for income taxes for the years ended December 31, 2023, 2022, and 2021 included the following components (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Domestic	$ (192,665)	$ (13,303,130)	$ (365,762)
International	(26,943)	(360,213)	(18,894)
Total	$ (219,608)	$ (13,663,343)	$ (384,656)

The provision for income taxes was comprised of the following components (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Current federal	$ 0	$ 0	$ 0
Current state	1,439	3,007	567
Current foreign	1,225	1,021	2,595
Total current	2,664	4,028	3,162
Deferred federal	(3,946)	770	49,008
Deferred state	5,388	(5,643)	(6,276)
Deferred foreign	(3,346)	(2,967)	(1,757)
Total deferred	(1,904)	(7,840)	40,975
Provision for income taxes	$ 760	$ (3,812)	$ 44,137

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences are as follows:

	Year Ended December 31,		
	2023	2022	2021
Tax at federal statutory rate	21.0 %	21.0 %	21.0 %
Goodwill impairment	0.0	(24.7)	0.0
State and local tax	(1.3)	4.2	7.7
Acquisition expenses	0.0	0.0	2.0
Stock compensation	(19.0)	(0.3)	6.7
Non-deductible expenses	0.2	0.0	(0.5)
Foreign rate differential	0.4	0.0	0.2
Change in valuation allowance	(0.9)	(0.1)	(46.9)
Other	(0.7)	(0.1)	(1.7)
Effective tax rate	(0.3)%	0.0 %	(11.5)%

The Company's deferred tax assets and liabilities consisted of the following (in thousands):

	As of December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	$ 602,895	$ 658,409
Accrued expenses and compensation	3,684	4,933
Stock-based compensation	47,141	52,854
Foreign tax credits and alternative minimum tax credits	2,009	3,448
Depreciation of property and equipment	1,485	19
Interest expense carryforward	354	2,677
Operating lease assets	11,088	11,012
Deferred revenue	5,479	7,422
Capitalized R&D	43,629	21,987
Other	11,130	8,590
Deferred tax assets	728,894	771,351
Valuation allowance	(418,234)	(415,751)
Net deferred tax assets	310,660	355,600
Deferred tax liabilities:		
Operating lease liabilities	(8,341)	(8,701)
Depreciation of property and equipment	0	(551)
Intangible assets	(346,753)	(396,408)
Other	(5,018)	(879)
Deferred tax liabilities	(360,112)	(406,539)
Net deferred tax liabilities	$ (49,452)	$ (50,939)

As of December 31, 2023, the Company had approximately $ 2,381.3 million of federal net operating loss ("NOL") carryforwards, $ 1,347.4 million of state NOL carryforwards, and $ 85.7 million of foreign NOL carryforwards. The federal NOL carryforwards created starting in the year ended December 31, 2018 of $ 2,178.7 million will carry forward indefinitely, while the remaining federal NOL carryforwards of $ 202.6 million will begin to expire in 2028. A portion of the state and foreign NOL carryforwards will expire in 2024 and continue to expire in future years. As of December 31, 2023, the Company had approximately $ 2.0 million of foreign tax credits, which will continue to expire in 2024 and future years. As of December 31, 2023, the Company had no federal and state research and development credits.

As of December 31, 2023, the Company had a valuation allowance of approximately $ 418.2 million against a portion of the U.S. and certain foreign deferred tax assets, for which realization cannot be considered more likely than not at this time. The valuation allowance increased by $ 2.5 million from December 31, 2022, as a result of current year operational loss and the impact of lower stock compensation deductions for tax purposes compared to the GAAP accrual.

The following table presents a reconciliation of the beginning and ending amount of the gross unrecognized tax benefits for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Balance at beginning of the period	$ 143,798	$ 110,848	$ 21,362
Unrecognized tax benefits assumed in a business combination	0	0	59,110
Additions based on prior year tax positions	6,677	12,151	43,399
Additions based on current year tax positions	21,091	20,799	1,490
Statute of limitations expirations	0	0	0
Release	0	0	(14,513)
Balance at end of the period	$ 171,566	$ 143,798	$ 110,848

The amount of unrecognized tax benefits as of December 31, 2023 that, if recognized, would reduce tax expense was approximately $ 171.6 million. The Company does not anticipate any of its unrecognized tax benefits to be settled within the next 12 months.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions in the U.S. and other countries, where applicable. The Company is open under the U.S. federal statute from 2019 to the present, although earlier years may be examined to the extent that loss carryforwards are used in open audit periods. The Company is currently under audit in a single foreign tax jurisdiction and one variable interest entity is separately under audit by the Internal Revenue Service for the 2020 and 2021 taxable years. There are no tax matters under discussion with taxing authorities that are expected to have a material effect on the Company's consolidated financial statements. The Company further believes that it has made adequate provision for all income tax uncertainties.

During 2021, the Organization for Economic Co-operation and Development announced an agreed framework for “Pillar Two” and released detailed model rules for a global minimum corporate tax rate of fifteen percent (15%) which requires multilateral agreement(s) and/or country-specific legislative action to be effective. A few jurisdictions have implemented legislation with effective dates spanning from 2024 through 2026. The Company will continue to monitor further legislation by individual countries and is currently evaluating the potential impact of Pillar Two to its business in future periods. However, the Company is not likely to have any Pillar Two liability and minimal compliance responsibilities starting in 2024.

The Company’s consolidated financial statements provide for any related tax liability on amounts that may be repatriated, aside from undistributed earnings of $ 13.5 million for certain of the Company’s foreign subsidiaries that are intended to be indefinitely reinvested in operations outside the U.S. as of December 31, 2023. The amount of any unrecognized deferred tax liability on these undistributed earnings would be immaterial.

Note 15. Net Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock of the Company outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock of the Company, including outstanding stock options and convertible notes, to the extent dilutive. Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of common stock of the Company outstanding would have been anti-dilutive. As of December 31, 2023, the Company had 4.2 million outstanding stock options, 9.5 million outstanding RSUs, 1.5 million outstanding PSUs, and 0.6 million issuable shares of common stock associated with the ESPP.

The following table presents the calculation of basic and diluted net loss per share for the Company's common stock (in thousands, except shares and per share data):

	Year Ended December 31,		
	2023	2022	2021
Net loss	$ (220,368)	$ (13,659,531)	$ (428,793)
Weighted-average shares used to compute basic and diluted net loss per share	164,578,219	161,457,123	156,939,349
Net loss per share, basic and diluted	$ (1.34)	$ (84.60)	$ (2.73)

Note 16. 401(k) Plan

The Company has established a 401(k) plan that qualifies as a deferred compensation arrangement under Internal Revenue Code Section 401. All U.S. employees over the age of 21 are eligible to participate in the plan. The Company contributes 100 % of eligible employee's elective deferral up to 4 % of $ 0.3 million of eligible earnings. The Company made matching contributions to participants' accounts totaling $ 13.4 million, $ 12.1 million, and $ 11.3 million during the years ended December 31, 2023, 2022, and 2021, respectively.

Note 17. Commitments and Contingencies

Commitments

The Company has contractual obligations to make future payments related to its outstanding convertible senior notes, which is presented in Note 10. Convertible Senior Notes, and its long-term operating leases, which is presented in Note 11. Leases.

Legal Matters

From time to time, Teladoc Health is involved in various litigation matters arising in the normal course of business, including the matters described below. The Company consults with legal counsel on those issues related to litigation and seeks input from other experts and advisors with respect to such matters. Estimating the probable losses or a range of probable losses resulting from litigation, government actions and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve discretionary amounts, present novel legal theories, are in the early stages of the proceedings, or are subject to appeal. Whether any losses, damages, or remedies ultimately resulting from such matters could reasonably have a material effect on the Company's business, financial condition, results of operations, or cash flows will depend on a number of variables, including, for example, the timing and amount of such losses or damages (if any) and the structure and type of any such remedies. As of the date of these financial statements, Teladoc Health's management does not expect any litigation matter to have a material adverse impact on its business, financial condition, results of operations, or cash flows.

On June 6, 2022, a purported securities class action complaint (Schneider v. Teladoc Health, Inc., et. al.) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period October 28, 2021 through April 27, 2022. The complaint asserted violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's business, operations, and prospects. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On August 2, 2022, a duplicative purported securities class action complaint (De Schutter v. Teladoc Health, Inc., et.al.) was filed in the U.S. District Court for the Eastern District of New York. The claims and parties in De Schutter were substantially similar to those in Schneider. The De Schutter case was transferred on consent to the Southern District court, and the Schneider and De Schutter actions have now been consolidated under the caption In re Teladoc Health, Inc. Securities Litigation. On August 23, 2022, the court appointed Leadersel Innotech ESG as lead plaintiff pursuant to the Private Securities Litigation Reform Act of 1995. The lead plaintiff filed an amended complaint on September 30, 2022, on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period February 24, 2021 to July 27, 2022, and filed a second amended complaint on December 6, 2022, on behalf of a purported class consisting of

all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period February 11, 2021 to July 27, 2022. On July 5, 2023, the court granted the defendants' motion to dismiss the complaint. On November 17, 2023, the lead plaintiff filed an appeal in the United States Court of Appeals for the Second Circuit. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the appeal and any further proceedings in the lawsuit vigorously.

On August 9, 2022, a verified shareholder derivative complaint (Vaughn v. Teladoc Health, Inc., et.al.) was filed in the U.S. District Court for the Southern District of New York against the Company as a nominal defendant and certain of the Company's officers and directors. The complaint asserts violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets in connection with factual assertions similar to those in the purported securities class action complaints described above. The complaint seeks damages to the Company allegedly sustained as a result of the acts and omissions of the named officers and directors and seeks an order directing the Company to reform and improve the Company's corporate governance. On September 6, 2022, a duplicative verified stockholder derivative complaint (Hendry v. Teladoc Health, Inc., et. al.) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in Hendry were substantially similar to those in Vaughn. The Vaughn and Hendry actions have now been consolidated under the caption In re Teladoc Stockholder Derivative Litigation, and a consolidated complaint was filed on November 29, 2022. The consolidated complaint also asserts violations of Section 14(a) of the Securities Exchange Act of 1934. The parties subsequently stipulated to transfer the action to the U.S. District Court for the District of Delaware, and on December 22, 2022 the parties agreed, and the Court ordered, to stay all proceedings until final resolution, including exhaustion of appeals, of the motion to dismiss filed in the purported securities class action complaint described above.

On July 30, 2020, the Company's subsidiary BetterHelp, Inc. ("BetterHelp") received a Civil Investigative Demand from the U.S. Federal Trade Commission ("FTC") as part of its non-public investigation to determine whether BetterHelp engaged in unfair business practices in violation of the Federal Trade Commission Act. In March 2023, BetterHelp and the FTC entered into a tentative settlement of all claims arising from the FTC's investigation and agreed to a consent order that required the Company to make a $ 7.8 million payment to the FTC. The settlement, including the consent order, received final approval from the FTC on July 14, 2023.

There have been multiple putative class-action litigations filed against BetterHelp in connection with the above-referenced FTC settlement and consent order. The actions have been filed in California federal and state courts and in Canada. The cases are substantially similar, involving allegations of misleading patients as to BetterHelp's use of patient data and associated alleged violations of law involving privacy, advertising, contract and tort. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuits vigorously.

On February 13, 2023, Data Health Partners, Inc. ("Data Health Partners") filed a lawsuit against the Company in the U.S. District Court for the District of Delaware alleging that certain of the Company's products, including its blood glucose meter, infringe upon certain patents held by Data Health Partners and seeking unspecified damages, attorney's fees and costs. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuit vigorously.

Note 18. Segments

ASC Subtopic 280-10, "*Segment Reporting,*" establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company's Chief Executive Officer is the CODM and is responsible for reviewing financial information presented on a segment basis for purposes of making operating decisions and assessing financial performance.

The CODM measures and evaluates segments based on segment operating revenues together with Adjusted EBITDA. The Company excludes the following items from segment Adjusted EBITDA: provision for income taxes; other (income) expense, net; interest income; interest expense; depreciation; amortization; goodwill impairment; loss on extinguishment of debt; stock-based compensation; restructuring costs; and acquisition, integration, and transformation charges. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net loss and are included in the reconciliation that follows.

The Company's computation of segment Adjusted EBITDA may not be comparable to other similarly titled metrics computed by other companies because all companies do not calculate segment Adjusted EBITDA in the same fashion.

Operating revenues and expenses directly associated with each segment are included in determining its operating results. Other expenses that are not directly attributable to a particular segment are based upon allocation methodologies, including the following: revenue, headcount, time and other relevant usage measures, and/or a combination of such.

The Company has two reportable segments: Teladoc Health Integrated Care and BetterHelp. The Integrated Care segment includes a suite of global virtual medical services including general medical, expert medical services, specialty medical, chronic condition management, mental health, and enabling technologies and enterprise telehealth solutions for hospitals and health systems. The BetterHelp segment includes virtual therapy and other wellness services provided on a global basis which are predominantly marketed and sold on a direct-to-consumer basis. Other reflects certain revenues and charges not related to ongoing segment operations.

The CODM does not review any information regarding total assets on a segment basis. Segments do not record intersegment revenues, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for the Company as a whole.

The following table presents revenues by segment (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Teladoc Health Integrated Care	$ 1,468,794	$ 1,373,900	$ 1,300,878
BetterHelp	1,133,621	1,019,646	721,238
Other (1)	0	13,294	10,591
Total Consolidated Revenue	$ 2,602,415	$ 2,406,840	$ 2,032,707

The following table presents Adjusted EBITDA by segment (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Teladoc Health Integrated Care	$ 191,871	$ 135,153	$ 144,021
BetterHelp	136,249	114,116	121,702
Other (1)	0	(2,756)	2,114
Total Consolidated Adjusted EBITDA	$ 328,120	$ 246,513	$ 267,837

(1) Other reflects certain revenues and expenses not related to ongoing segment operations.

The following table presents a reconciliation of segment profitability (Adjusted EBITDA) to consolidated net loss (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Teladoc Health Integrated Care	$ 191,871	$ 135,153	$ 144,021
BetterHelp	136,249	114,116	121,702
Other	0	(2,756)	2,114
Total consolidated Adjusted EBITDA	328,120	246,513	267,837
Adjustments to reconcile to consolidated net loss:			
Goodwill impairment	0	(13,402,812)	0
Loss on extinguishment of debt	0	0	(43,748)
Interest income	46,782	12,674	776
Interest expense	(22,282)	(21,944)	(81,141)
Other income (expense), net	4,445	(859)	5,088
Depreciation	(11,138)	(11,407)	(8,941)
Amortization	(325,933)	(244,620)	(195,298)
Stock-based compensation	(201,550)	(217,852)	(302,586)
Acquisition, integration, and transformation costs	(21,110)	(15,620)	(26,643)
Restructuring costs	(16,942)	(7,416)	0
Loss before provision for income taxes	(219,608)	(13,663,343)	(384,656)
Provision for income taxes	(760)	3,812	(44,137)
Net loss	$ (220,368)	$ (13,659,531)	$ (428,793)

Geographic data for long-lived assets (representing property and equipment, net) were as follows (in thousands):

	As of December 31,	
	2023	2022
United States	$ 28,096	$ 25,935
Other	3,936	3,706
Total long-lived assets	$ 32,032	$ 29,641

Note 19. Subsequent Events

As a result of its comprehensive operational review of the business to drive efficiency in order to reduce costs and improve profit growth, the Company expects to incur pre-tax charges in the range of $ 12 million to $ 16 million in the year ending December 31, 2024, of which approximately $ 11 million is expected to occur in the quarter ending March 31, 2024. The charges will primarily relate to employee transition, severance, employee benefits and other costs needed to execute on various optimization initiatives.

Exhibit 3.2

SEVENTH AMENDED AND RESTATED

BYLAWS

OF

TELADOC HEALTH, INC.

(a Delaware corporation)

SEVENTH
AMENDED AND RESTATED BYLAWS
OF
TELADOC HEALTH, INC.

ARTICLE I
CORPORATE OFFICES

Section 1.1 REGISTERED OFFICE.

The registered office of Teladoc Health, Inc. (the "Corporation") shall be fixed in the Corporation's certificate of incorporation, as the same may be amended from time to time (the "certificate of incorporation").

Section 1.2 OTHER OFFICES.

The Corporation's board of directors (the "Board") may at any time establish other offices at any place or places where the Corporation is qualified to do business.

ARTICLE II
MEETINGS OF STOCKHOLDERS

Section 2.1 PLACE OF MEETINGS.

Meetings of stockholders shall be held at any place, within or outside the State of Delaware, designated by the Board. The Board may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a)(2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

Section 2.2 ANNUAL MEETING.

The Board shall designate the date and time of the annual meeting. At the annual meeting, directors shall be elected and other proper business properly brought before the meeting in accordance with Sections 2.4 and 2.5 of these bylaws may be transacted.

Section 2.3 SPECIAL MEETING.

(a) A special meeting of the stockholders may be called at any time only by (i) the Board, chairperson of the Board, chief executive officer or president (in the absence of a chief executive officer), or (ii) the secretary of the Corporation upon proper written request or requests (each, a "Meeting Request") given by or on behalf of one or more stockholders or beneficial owners (each, a "Requesting Stockholder") that have, in the aggregate, Net Long Ownership of at least fifteen percent (15%) in voting power of the capital stock of the Corporation issued and outstanding (the "Required Percentage") and who have complied with the procedures and requirements of this Section 2.3. No business may be transacted at such special meeting other than the business specified in the Company's notice to stockholders. Nothing contained in this Section 2.3 shall be construed as limiting, fixing or affecting the time when a meeting of stockholders called by action of the Board may be held.

(b) The term "Net Long Ownership", as used herein, when used to describe the nature of a Requesting Stockholder's ownership of capital stock of the Corporation, shall mean the capital stock of the Corporation that such stockholder or, if such person is a beneficial

owner, that such beneficial owner, would then be deemed to own pursuant to the definition of "net long position" set forth in Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (as so amended and inclusive of such rules and regulations, the "Exchange Act"), excluding, at any time, (i) any capital stock as to which such stockholder or beneficial owner, as the case may be, does not then have the right to vote or direct the vote and (ii) any capital stock as to which such person or beneficial owner (or any affiliate or associate of such stockholder or beneficial owner), as the case may be, had directly or indirectly entered into (or caused to be entered into) and not yet terminated a Short Interest (as defined below). Further, for purposes of the definition of "net long position", in determining each stockholder or beneficial owner's "short position", the reference in Rule 14e-4 to "the date the tender offer is first publicly announced or otherwise made known by the bidder to holders of the security to be acquired" shall instead be the date for determining a stockholder or beneficial owner's Net Long Ownership and the reference to the "highest tender offer price or stated amount of the consideration offered for the subject security" shall refer to the market price on such date.

(c) No stockholder may submit a Meeting Request unless a stockholder of record has first submitted a request in writing that the Board fix a record date (a "Meeting Request Record Date") for the purpose of determining stockholders entitled to submit a Meeting Request, which request shall be in proper form and delivered or mailed to, and received by the secretary of the Corporation at, the principal executive offices of the Corporation. To be in proper form, such request shall (i) bear the signature and the date of signature by the stockholder of record submitting such request and (ii) include all information required to be set forth in a notice under Section 2.3(d) to the same extent as if the stockholder of record submitting such request were a Requesting Stockholder. Within ten (10) business days after the Corporation receives a request to fix a Meeting Request Record Date in compliance with this Section 2.3, the Board shall adopt a resolution fixing a Meeting Request Record Date for the purpose of determining the stockholders entitled to submit a Meeting Request (unless the Board has already fixed a record date for such purpose pursuant to Section 2.13), which record date shall not be more than ten (10) days after the date on which the record date was fixed by the Board. If no record date has been fixed by the Board by 5:00 p.m. Eastern Time on the tenth (10th) business day after the date on which such request for a Meeting Request Record Date is so received, the record date shall be the close of business on such tenth (10th) business day. Notwithstanding anything to the contrary in this Section 2.3, no Meeting Request Record Date shall be fixed if the Board determines that any Meeting Request that would be submitted following such Meeting Request Record Date does not or will not comply with the requirements set forth in this Section 2.3. In determining whether a special meeting of stockholders has been requested by the Requesting Stockholders representing in the aggregate at the least the Required Percentage, multiple Meeting Requests delivered to the secretary of the Corporation will be considered together only if (i) each Meeting Request identifies substantially the same purpose or purposes of the special meeting and substantially the same matters proposed to be acted on at the special meeting, in each case as determined by the Board, and (ii) such Meeting Requests have been delivered to the secretary of the Corporation on the same date. Any such Meeting Requests shall be delivered to, or mailed and received by, the secretary of the Corporation at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the sixtieth (60th) day after the Meeting Request Record Date.

(d) To be in proper form, a Meeting Request shall be signed by the Requesting Stockholder or Requesting Stockholders submitting such Meeting Request, delivered or mailed to, and received by the secretary of the Corporation at, the principal executive offices of the Corporation, and set forth the following:

(i) a statement of the specific purpose or purposes of the meeting and the matters proposed to be acted on at the meeting, the reasons for conducting such business at the meeting, and any material interest in such business of each such Requesting Stockholder;

(ii) the name and address of each such Requesting Stockholder as it appears on the Corporation's stock ledger (or, with respect to all shares to be included in the Required Percentage that are beneficially owned but not of record by each such Requesting Stockholder, the name of each broker, bank or custodian (or similar entity) of each such Requesting Stockholder with respect to such shares);

(iii) documentary evidence of the Requesting Stockholders' Net Long Ownership of shares of the Corporation's Common Stock and other capital stock;

(iv) as to each such Requesting Stockholder, the information required to be disclosed pursuant to Section 2.4(c) and (d) (except that references in Section 2.4(c)(i) to (iii) to (A) "Proposing Person" shall instead refer, respectively, to each "Requesting Stockholder", any of such Requesting Stockholder's affiliates or associates (each within the meaning of Rule 12b-2 under the Exchange Act for the purposes of these bylaws) and any other person with whom such Requesting Stockholder (or any of their respective affiliates or associates) is a member of a "group" (as used in Rule 13d-5 under the Exchange Act) and (B) "annual meetings" shall instead refer to the applicable "special meeting");

(v) a representation as to whether each Requesting Stockholder intends (A) to deliver a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the matters proposed to be acted on at the special meeting or (B) otherwise to solicit proxies from stockholders in support of the matters proposed to be acted on at the special meeting;

(vi) a representation that each Requesting Stockholder, or one or more representatives of each such stockholder, intends to appear in person or by proxy at the special meeting to present the matters proposed to be acted on at the special meeting;

(vii) an acknowledgment by each Requesting Stockholder that any reduction in Net Long Ownership of capital stock of the Corporation with respect to which a Meeting Request relates following the delivery of such Meeting Request to the secretary of the Corporation shall constitute a revocation of such Meeting Request to the extent of such reduction, and an agreement to notify the Corporation if there has been any such reduction;

(viii) all other information that would be required to be filed with the U.S. Securities and Exchange Commission (the "Commission") if the Requesting Stockholders were participants in a solicitation subject to Section 14 of the Exchange Act; and

(ix) a representation that each Requesting Stockholder shall provide any other information reasonably requested by the Corporation.

The requirement set forth in clause (iv) of the immediately preceding sentence shall not apply to any stockholder that is a broker, bank or custodian (or similar entity) and is acting solely as nominee on behalf of a beneficial owner.

(e) The Requesting Stockholders shall also provide any other information reasonably requested from time to time by the Corporation within ten (10) business days after each such request.

(f) The Requesting Stockholders shall affirm as true and correct the information provided to the Corporation in the Meeting Request or at the Corporation's request pursuant to Section 2.3(e) (and shall update or supplement such information as needed so that such information shall be true and correct) as of (i) the record date for the meeting, and (ii) the date that is ten (10) business days before the date of the meeting and, if applicable, before reconvening any adjournment or postponement thereof. Such affirmation, update and/or supplement must be delivered personally or mailed to, and received at the principal executive offices of the Corporation, addressed to the secretary of the Corporation, by no later than (A) 5:00 p.m. Eastern Time on the fifth (5th) business day after the applicable date specified in clause (i) of the foregoing sentence (in the case of the affirmation, update and/or supplement required to be made as of those dates), and (B) not later than 5:00 p.m. Eastern Time on the seventh (7th) business day before the date for the meeting (in the case of the affirmation, update and/or supplement required to be made as of ten (10) business days before the meeting or reconvening any adjournment or postponement thereof).

(g) A Requesting Stockholder may revoke its Meeting Request at any time by written revocation delivered to the secretary of the Corporation, and if, following such revocation, there are unrevoked Meeting Requests from less than the Required Percentage, the Board, in its discretion, may cancel the special meeting of the stockholders.

(h) A special meeting so requested by stockholders shall be held at such date, time and place, if any, either within or without the state of Delaware or by means of remote communication, as may be fixed by the Board; provided, however, that the date of any such special meeting shall be not more than ninety (90) days after the receipt by the secretary of the Corporation in the manner required by Section 2.3(d) of Meeting Requests satisfying the Required Percentage.

(i) The Board shall not be required to set a Meeting Request Record Date and a special meeting requested by stockholders or beneficial owners shall not be held if (A) such stockholders, beneficial owners, the request for a Meeting Request Record Date or the Meeting Requests from the Required Percentage do not comply with these bylaws or the certificate of incorporation; (B) the request for a Meeting Request Record Date or the Meeting Request relates to an item of business that is not a proper subject for stockholder action under applicable law; (C) the Meeting Request includes an item of business that did not appear in the written request for the Meeting Request Record Date; (D) the request for a Meeting Request Record Date or the Meeting Request is received by the secretary of the Corporation during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting of stockholders and ending on the date that is sixty (60) days following adjournment of the annual meeting of stockholders; (E) an identical or substantially similar item of business, as determined in good faith by the Board, was presented at a meeting of stockholders held not more than ninety (90) days before the request for a Meeting Request Record Date or the Meeting Requests satisfying the Required Percentage are received by the secretary of the Corporation; (F) an annual or special meeting of stockholders will be held within ninety (90) days after the request for a Meeting Request Record Date or the Meeting Requests satisfying the Required Percentage are received by the secretary of the Corporation, and the business to be conducted at such meeting includes an identical or substantially similar item of business, as determined in good faith by the Board or (G) the request for a Meeting Request Record Date or the Meeting Requests satisfying the Required Percentage were made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law;

(j) If none of the Requesting Stockholders appear or send a duly authorized representative to present the business to be presented for consideration specified in the Meeting Requests from the Required Percentage, the Corporation need not present such business for a

vote at the special meeting, notwithstanding that proxies in respect of such matter may have been received by the Corporation; and

(k) Nothing herein shall prohibit the Board from including in the Corporation's notice of any special meeting of stockholders called by the secretary of the Corporation additional matters to be submitted to the stockholders at such meeting not included in the Meeting Request(s) in respect of such meeting.

Section 2.4 ADVANCE NOTICE PROCEDURES FOR BUSINESS BROUGHT BEFORE A MEETING.

(a) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than the election of directors, the procedures for which are detailed in Section 2.5 of these bylaws for advance notice nominees and Section 2.18 of these bylaws for proxy access nominees) must be (i) brought before the meeting by the Corporation and specified in the notice of meeting given by or at the direction of the Board, (ii) brought before the meeting by or at the direction of the Board or (iii) otherwise properly brought before the meeting by a stockholder who (A) was a stockholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such business is proposed, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 2.4 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 2.4 as to such business. Except for (x) proposals properly made in accordance with Rule 14a-8 under the Exchange Act, and included in the notice of meeting given by or at the direction of the Board, and (y) the calling of special meetings of stockholders (which is governed by Section 2.3), the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. Stockholders seeking to nominate persons for election to the Board must comply with the procedures set forth in Section 2.5 of these bylaws for advance notice nominees or Section 2.18 of these bylaws for proxy access nominees, and this Section 2.4 shall not be applicable to director nominations except as expressly provided in Section 2.5 or 2.18 of these bylaws, as applicable.

(b) Without qualification, for business to be properly brought before an annual meeting by a stockholder pursuant to this Section 2.4, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.4. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, to be timely, a stockholder's notice must be so delivered, or mailed and received, not earlier than the one hundred twentieth (120th) day prior to such annual meeting and not later than 5:00 p.m. Eastern Time on the ninetieth (90th) day prior to such annual meeting or, if later, 5:00 p.m. Eastern Time on the tenth (10th) day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of Timely Notice as described above.

(c) To be in proper form for purposes of this Section 2.4, a stockholder's notice to the secretary of the Corporation shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, without limitation, if applicable, the name and address that appear on the Corporation's books and records) and (B) the class or series and number of shares of the Corporation that are, directly or indirectly, owned of record or beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information");

(ii) As to each Proposing Person, (A) any derivative, swap or other transaction or series of transactions engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to give such Proposing Person economic risk similar to ownership of shares of any class or series of the Corporation, including, without limitation, due to the fact that the value of such derivative, swap or other transactions are determined by reference to the price, value or volatility of any shares of any class or series of the Corporation, or which derivative, swap or other transactions provide, directly or indirectly, the opportunity to profit from any increase in the price or value of shares of any class or series of the Corporation ("Synthetic Equity Interests"), which Synthetic Equity Interests shall be disclosed without regard to whether (x) the derivative, swap or other transactions convey any voting rights in such shares to such Proposing Person, (y) the derivative, swap or other transactions are required to be, or are capable of being, settled through delivery of such shares or (z) such Proposing Person may have entered into other transactions that hedge or mitigate the economic effect of such derivative, swap or other transactions, (B) any proxy (other than a revocable proxy or consent given in response to a solicitation made pursuant to, and in accordance with, Section 14(a) of the Exchange Act by way of a solicitation statement filed on Schedule 14A), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person has or shares a right to vote any shares of any class or series of the Corporation, (C) any agreement, arrangement, understanding or relationship, including, without limitation, any repurchase or similar so-called "stock borrowing" agreement or arrangement, engaged in, directly or indirectly, by such Proposing Person, the purpose or effect of which is to mitigate loss to, reduce the economic risk (of ownership or otherwise) of shares of any class or series of the Corporation by, manage the risk of share price changes for, or increase or decrease the voting power of, such Proposing Person with respect to the shares of any class or series of the Corporation, or which provides, directly or indirectly, the opportunity to profit from any decrease in the price or value of the shares of any class or series of the Corporation ("Short Interests"), (D) any rights to dividends on the shares of any class or series of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (E) any performance related fees (other than an asset based fee) that such Proposing Person is entitled to based on any increase or decrease in the price or value of shares of any class or series of the Corporation, or any Synthetic Equity Interests or Short Interests, if any, (F)(x) if such Proposing Person is not a natural person, the identity of the natural person or persons associated with such Proposing Person responsible for the formulation of and decision to propose the business to be brought before the meeting (such person or persons, the "Responsible Person"), the manner in which such Responsible Person was selected, any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Proposing Person, the qualifications and background of such Responsible Person and any material interests or relationships of such Responsible Person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such Proposing Person to propose such business to be brought before the meeting, and (y) if such Proposing Person is a natural person, the qualifications and background of such natural person and any material interests or relationships of such natural person that are not shared generally by any other record or beneficial holder of the shares of any class or series of the Corporation and that reasonably could have influenced the decision of such

Proposing Person to propose such business to be brought before the meeting, (G) any significant equity interests or any Synthetic Equity Interests or Short Interests in any principal competitor of the Corporation held by such Proposing Persons, (H) any direct or indirect interest of such Proposing Person in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, without limitation, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (I) any pending or threatened litigation in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (J) any material transaction occurring during the prior twelve (12) months between such Proposing Person, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, (K) a summary of any material discussions regarding the business proposed to be brought before the meeting (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder of the shares of any class or series of the Corporation (including, without limitation, their names) and (L) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (L) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner; and

(iii) As to each item of business that the stockholder proposes to bring before the annual meeting pursuant to this Section 2.4, (A) a reasonably brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including, without limitation, the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment), (C) a reasonably detailed description of all agreements, arrangements and understandings between or among any of the Proposing Persons or between or among any Proposing Person and any other person or entity (including, without limitation, their names) in connection with the proposal of such business by such stockholder, (D) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (E) a representation whether the Proposing Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal and/or (2) otherwise to solicit proxies or votes from stockholders in support of such proposal and (F) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this paragraph (c) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these bylaws on behalf of a beneficial owner.

(d) For purposes of this Section 2.4, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, (iii) any affiliate or

associate (each within the meaning of Rule 12b-2 under the Exchange Act for the purposes of these bylaws) of such stockholder or beneficial owner and (iv) any other person with whom such stockholder or beneficial owner (or any of their respective affiliates or associates) is a member of a "group" (as used in Rule 13d-5 under the Exchange Act).

(e) A stockholder providing notice of business proposed to be brought before an annual meeting pursuant to this Section 2.4 shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.4 shall be true and correct as of the record date for determining stockholders entitled to notice of the annual meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the secretary of the Corporation at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the fifth (5th) business day after the record date for determining stockholders entitled to notice of the annual meeting (in the case of the update and supplement required to be made as of the record date), and not later than 5:00 p.m. Eastern Time on the eighth (8th) business day prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(f) Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at an annual meeting except in accordance with this Section 2.4 (other than for the election of directors, the procedures for which are detailed in Section 2.5 of these bylaws for advance notice nominees and Section 2.18 of these bylaws for proxy access nominees). The presiding officer of an annual meeting shall, if the facts warrant, determine that the business was not properly brought before the meeting in accordance with this Section 2.4, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

(g) The foregoing notice requirements of this Section 2.4 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. Nothing in this Section 2.4 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

(h) For purposes of these bylaws, "public disclosure" shall mean disclosure in a press release reported by a national news service or in a document publicly filed by the Corporation with the Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

(i) Notwithstanding the foregoing provisions of this Section 2.4, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present proposed business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.4, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the annual meeting and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the annual meeting.

Section 2.5 ADVANCE NOTICE PROCEDURES FOR NOMINATIONS OF DIRECTORS.

(a) Nominations of any person for election to the Board at an annual meeting or at a special meeting (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting) may be made at such meeting only (i) by or at the direction of the Board, including, without limitation, by any committee or persons appointed by the Board, (ii) by a stockholder who (A) was a stockholder of record of the Corporation (and, with respect to any beneficial owner, if different, on whose behalf such nomination is proposed to be made, only if such beneficial owner was the beneficial owner of shares of the Corporation) both at the time of giving the notice provided for in this Section 2.5 and at the time of the meeting, (B) is entitled to vote at the meeting and (C) has complied with this Section 2.5 as to such nomination, or (iii) by any Eligible Stockholder (as defined in Section 2.18 of these bylaws) in accordance with the procedures set forth in Section 2.18 of these bylaws.

(b) Without qualification, for a stockholder to make any nomination of a person or persons for election to the Board at an annual meeting pursuant to this Section 2.5, the stockholder must (i) provide Timely Notice (as defined in Section 2.4(b) of these bylaws) thereof in writing and in proper form to the secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. Without qualification, if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting, then for a stockholder to make any nomination of a person or persons for election to the Board at a special meeting, the stockholder must (i) provide timely notice thereof in writing and in proper form to the secretary of the Corporation at the principal executive offices of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 2.5. To be timely, a stockholder's notice for nominations to be made at a special meeting must be delivered to, or mailed and received at, the principal executive offices of the Corporation not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than 5:00 p.m. Eastern Time on the ninetieth (90th) day prior to such special meeting or, if later, 5:00 p.m. Eastern Time on the tenth (10th) day following the day on which public disclosure (as defined in Section 2.4(h) of these bylaws) of the date of such special meeting was first made. In no event shall any adjournment or postponement of an annual meeting or special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(c) To be in proper form for purposes of this Section 2.5, a stockholder's notice to the secretary of the Corporation shall set forth:

(i) As to each Nominating Person (as defined below), the Stockholder Information (as defined in Section 2.4(c)(i) of these bylaws) except that for purposes of this Section 2.5, the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(c)(i);

(ii) As to each Nominating Person, any Disclosable Interests (as defined in Section 2.4(c)(ii), except that for purposes of this Section 2.5 the term "Nominating Person" shall be substituted for the term "Proposing Person" in all places it appears in Section 2.4(c)(ii) and the disclosure in clause (L) of Section 2.4(c)(ii) shall be made with respect to the election of directors at the meeting);

(iii) As to each person whom a Nominating Person proposes to nominate for election as a director, (A) all information with respect to such proposed nominee that would be required to be set forth in a stockholder's notice pursuant to this Section 2.5 if such

proposed nominee were a Nominating Person, (B) all information relating to such proposed nominee that is required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14(a) under the Exchange Act (including, without limitation, such proposed nominee's written consent to being named in the proxy statement as a nominee and to serving as a director if elected), (C) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among any Nominating Person, on the one hand, and each proposed nominee, his or her respective affiliates and associates, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 under Regulation S-K if such Nominating Person were the "registrant" for purposes of such rule and the proposed nominee were a director or executive officer of such registrant and (D) a completed and signed questionnaire, representation and agreement as provided in Section 2.5(g);

(iv) As to the Nominating Person, (A) a representation that the Nominating Person is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such nomination and (B) a representation whether the Nominating Person intends or is part of a group which intends (1) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to elect the nominee and/or (2) otherwise to solicit proxies or votes from stockholders in support of such nomination; and

(v) The Corporation may require any proposed nominee and/or Nominating Person to furnish such other information reasonably requested from time to time by the Corporation within ten (10) business days after each such request, including (A) as may be needed to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation in accordance with the Corporation's Corporate Governance Guidelines or (B) that could be material to a reasonable stockholder's understanding of the independence or lack of independence of such proposed nominee.

(d) For purposes of this Section 2.5, the term "Nominating Person" shall mean (i) the stockholder providing the notice of the nomination proposed to be made at the meeting, (ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the nomination proposed to be made at the meeting is made, (iii) any affiliate or associate of such stockholder or beneficial owner and (iv) any other person with whom such stockholder or beneficial owner (or any of their respective affiliates or associates) is a member of a "group" (as used in Rule 13d-5 under the Exchange Act).

(e) A stockholder providing notice of any nomination proposed to be made at a meeting pursuant to this Section 2.5 shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.5 shall be true and correct as of the record date for determining stockholders entitled to notice of the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the secretary of the Corporation at the principal executive offices of the Corporation not later than 5:00 p.m. Eastern Time on the fifth (5th) business day after the record date for determining stockholders entitled to notice of the meeting (in the case of the update and supplement required to be made as of the record date), and not later than 5:00 p.m. Eastern Time on the eighth (8th) business day prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment or postponement thereof).

(f) Notwithstanding anything in these bylaws to the contrary, no person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2.5 or the procedures set forth in Section 2.18 of these bylaws. The presiding officer at the meeting shall, if the facts warrant, determine that a nomination was not properly made in accordance with this Section 2.5 or Section 2.18 of these bylaws, as applicable, and if he or she should so determine, he or she shall so declare such determination to the meeting and the defective nomination shall be disregarded.

(g) To be eligible to be a nominee for election as a director of the Corporation pursuant to this Section 2.5 (other than nominations of any person for election to the Board by or at the direction of the Board, including, without limitation, by any committee or persons appointed by the Board), the proposed nominee must deliver (in accordance with the time periods prescribed for delivery of notice under this Section 2.5) to the secretary of the Corporation at the principal executive offices of the Corporation a written questionnaire, completed by the proposed nominee honestly and in reasonable detail, with respect to the background and qualification of, and other relevant information regarding, such proposed nominee (which questionnaire shall be provided by the secretary of the Corporation within five (5) business days of the written request by a stockholder of record of the Corporation) and a written representation and agreement (in form provided by the secretary of the Corporation upon written request) that such proposed nominee (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (B) any Voting Commitment that could limit or interfere with such proposed nominee's ability to comply, if elected as a director of the Corporation, with such proposed nominee's fiduciary duties under applicable law, (ii) is not, and will not become a party to, any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation and (iii) in such proposed nominee's individual capacity and on behalf of the stockholder (or the beneficial owner, if different) on whose behalf the nomination is made, would be in compliance, if elected as a director of the Corporation, and will comply with applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

(h) In addition to the requirements of this Section 2.5 with respect to any nomination proposed to be made at a meeting pursuant to this Section 2.5, each Nominating Person shall comply with all applicable requirements of the Exchange Act with respect to any such nominations.

(i) Notwithstanding the foregoing provisions of this Section 2.5, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present the proposed nomination, such proposed nomination shall not be considered, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 2.5, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting.

Section 2.6 NOTICE OF STOCKHOLDERS' MEETINGS.

Unless otherwise provided by law, the certificate of incorporation or these bylaws, the notice of any meeting of stockholders shall be sent or otherwise given in accordance with either Section 2.7 or Section 8.1 of these bylaws not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall specify the place, if any, date and hour of the meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting), the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

Section 2.7 MANNER OF GIVING NOTICE; AFFIDAVIT OF NOTICE.

Notice of any meeting of stockholders shall be deemed given: (a) if mailed, when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the Corporation's records; or (b) if electronically transmitted, as provided in Section 8.1 of these bylaws. An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or any other agent of the Corporation that the notice has been given by mail or by a form of electronic transmission, as applicable, shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Section 2.8 QUORUM.

Unless otherwise provided by law, the certificate of incorporation or these bylaws, the holders of a majority in voting power of the capital stock issued and outstanding and entitled to vote, present in person, or by remote communication, if applicable, or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the stockholders. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, a quorum is not present or represented at any meeting of the stockholders, then either (a) the person presiding over the meeting or (b) a majority in voting power of the stockholders entitled to vote thereon, present in person, or by remote communication, if applicable, or represented by proxy, shall have power to adjourn the meeting from time to time in the manner provided in Section 2.9 of these bylaws until a quorum is present or represented. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

Section 2.9 ADJOURNED MEETING; NOTICE.

When a meeting is adjourned to another time or place, unless these bylaws otherwise require, notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date for determining the stockholders entitled to vote is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting as of the record date for determining the stockholders entitled to notice of the adjourned meeting.

Section 2.10 CONDUCT OF BUSINESS.

The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures (which need not be in writing) and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the presiding person of the meeting, may include, without limitation, the following: (a) the establishment of an agenda or order of business for the meeting; (b) rules and procedures for maintaining order at the meeting and the safety of those present (including, without limitation, rules and procedures for removal of disruptive persons from the meeting); (c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (d) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (e) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting (including, without limitation, determinations with respect to the administration and/or interpretation of any of the rules, regulations or procedures of the meeting, whether adopted by the Board or prescribed by the person presiding over the meeting), shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.11 VOTING.

(a) The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Section 2.13 of these bylaws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL.

(b) Except as may be otherwise provided in the certificate of incorporation or these bylaws, each stockholder shall be entitled to one (1) vote for each share of capital stock held by such stockholder. At all duly called or convened meetings of stockholders, at which a quorum is present, for the election of directors, each director shall be elected by a majority of the votes cast with respect to the director; provided that in any Contested Election (as defined below), directors shall be elected by the vote of a plurality of the votes cast, with votes cast including the votes of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors and cast at any meeting for the election of directors.

(c) For purposes of this Section 2.11, (i) a "majority of the votes cast" means that (A) the number of votes cast "for" a director must exceed the number of votes cast "against" that director, with votes cast including the votes cast in respect of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors and (B) abstentions and broker non-votes are not counted as

votes cast, and (ii) "Contested Election" means an election of directors in which the number of nominees exceeds the number of directors to be elected as of the date that is fourteen (14) days in advance of the date the Corporation files its definitive proxy statement (regardless of whether or not thereafter revised or supplemented) with the Commission. Any director who is not so elected shall offer to tender his or her resignation to the Board in accordance with Section 3.4. The Nominating and Corporate Governance Committee shall make a recommendation to the Board as to whether to accept or reject the tendered resignation, or whether other action should be taken. The Board shall act on the tendered resignation, taking into account the recommendation of the Nominating and Corporate Governance Committee, and publicly disclose (by a press release or a filing with the Commission) its decision regarding the tendered resignation and the rationale behind the decision within ninety (90) days from the date of the certification of the election results. The Nominating and Corporate Governance Committee in making their recommendation, and the Board in making its decision, may consider any factors or other information that they consider appropriate and relevant. The director who tenders his or her resignation shall not participate in the recommendations and determinations with respect to his or her resignation. If such incumbent director's resignation is not accepted by the Board, such director shall continue to serve until the next annual meeting and until his or her successor is duly elected, or his or her earlier death, resignation or removal. If a director's resignation is accepted by the Board pursuant to these bylaws, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board, in its sole discretion, may fill any resulting vacancy pursuant to the provisions of Section 3.4 of these bylaws or may decrease the size of the Board as provided by the certificate of incorporation.

(d) Except as otherwise provided by the certificate of incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, all other elections and questions presented to the stockholders at a duly called or convened meeting, at which a quorum is present, shall be decided by the affirmative vote of the holders of a majority in voting power of the votes cast affirmatively or negatively (excluding abstentions) at the meeting by the holders entitled to vote thereon.

Section 2.12 STOCKHOLDER ACTION BY WRITTEN CONSENT WITHOUT A MEETING.

Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation and may not be effected by any consent in writing by such stockholders.

Section 2.13 RECORD DATE FOR STOCKHOLDER NOTICE; VOTING.

In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determination of

stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto.

Section 2.14 PROXIES.

Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. The revocability of a proxy that states on its face that it is irrevocable shall be governed by the provisions of Section 212 of the DGCL. A proxy may be in the form of a telegram, cablegram or other means of electronic transmission which sets forth or is submitted with information from which it can be determined that the telegram, cablegram or other means of electronic transmission was authorized by the stockholder.

Section 2.15 LIST OF STOCKHOLDERS ENTITLED TO VOTE.

The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth (10^{th}) day before the date of the meeting), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of at least ten (10) days prior to the meeting: (a) on a reasonably accessible electronic network, provided, that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the Corporation's principal executive office. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to the identity of the stockholders entitled to vote in person or by proxy and the number of shares held by each of them, and as to the stockholders entitled to examine the list of stockholders.

Section 2.16 POSTPONEMENT AND CANCELLATION OF MEETING.

Any previously scheduled annual or special meeting of the stockholders may be postponed, and any previously scheduled annual or special meeting of the stockholders may be canceled, by resolution of the Board upon public notice given prior to the time previously scheduled for such meeting.

Section 2.17 INSPECTORS OF ELECTION.

Before any meeting of stockholders, the Board shall appoint an inspector or inspectors of election to act at the meeting or its adjournment or postponement and make a written report thereof. The number of inspectors shall be either one (1) or three (3). If any person appointed as inspector fails to appear or fails or refuses to act, then the person presiding over the meeting may, and upon the request of any stockholder or a stockholder's proxy shall, appoint a person to fill that vacancy. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Such inspectors shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law. The inspectors of election shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical. If there are three (3) inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all. Any report or certificate made by the inspectors of election is prima facie evidence of the facts stated therein.

Section 2.18 PROXY ACCESS.

(a) Subject to the provisions of this Section 2.18, if any Eligible Stockholder or group of up to 25 Eligible Stockholders submits to the Corporation a Proxy Access Notice (as defined below) that complies with this Section 2.18 and such Eligible Stockholder or group of Eligible Stockholders otherwise satisfies all the terms and conditions of this Section 2.18 (such Eligible Stockholder or group of Eligible Stockholders, a "Nominating Stockholder"), the Corporation shall include in its proxy statement or on its form of proxy and ballot, as applicable (collectively, "proxy materials"), for any annual meeting of stockholders, in addition to any persons nominated for election by the Board or any committee thereof:

(i) the name of any person or persons nominated by such Nominating Stockholder for election to the Board at such annual meeting of stockholders who meets the requirements of this Section 2.18 (a "Nominee");

(ii) disclosure about the Nominee and the Nominating Stockholder required under the rules of the Commission or other applicable law to be included in the proxy materials;

(iii) subject to the other applicable provisions of this Section 2.18, a written statement, not to exceed 500 words, that is not contrary to any of the Commission's proxy rules, including Rule 14a-9 under the Exchange Act (a "Supporting Statement"), included by the Nominating Stockholder in the Proxy Access Notice intended for inclusion in the proxy materials in support of the Nominee's election to the Board; and

(iv) any other information that the Corporation or the Board determines, in its discretion, to include in the proxy materials relating to the nomination of the Nominee, including, without limitation, any statement in opposition to the nomination and any of the information provided pursuant to this Section 2.18.

(b) The maximum number of nominees shall be as follows:

(i) The Corporation shall not be required to include in the proxy materials for an annual meeting of stockholders more Nominees than that number of directors constituting 20% of the total number of directors of the Corporation on the last day on which a Proxy Access Notice may be submitted pursuant to this Section 2.18 (rounded down to the nearest whole number, but not less than two) (the "Maximum Number"). The Maximum Number for a particular annual meeting shall be reduced by: (A) the number of Nominees who are subsequently withdrawn or that the Board itself decides to nominate for election at such annual meeting of stockholders (including, without limitation, any person who is or will be nominated by the Board pursuant to any agreement or understanding with one or more stockholders to avoid such person being formally proposed as a Nominee), and (B) the number of incumbent directors who had been Nominees with respect to any of the preceding two annual meetings of stockholders and whose reelection at the upcoming annual meeting of stockholders is being recommended by the Board (including, without limitation, any person who was nominated by the Board pursuant to any agreement or understanding with one or more stockholders to avoid such person being formally proposed as a Nominee). In the event that one or more vacancies for any reason occurs on the Board after the deadline set forth in Section 2.18(d) but before the date of the annual meeting of stockholders, and the Board resolves to reduce the size of the Board in connection therewith, the Maximum Number shall be calculated based on the number of directors as so reduced.

(ii) Any Nominating Stockholder submitting more than one Nominee for inclusion in the Corporation's proxy materials shall rank such Nominees based on the order that the Nominating Stockholder desires such Nominees to be selected for inclusion in the Corporation's proxy materials in the event that the total number of Nominees submitted by Nominating Stockholders exceeds the Maximum Number. In the event that the number of Nominees submitted by Nominating Stockholders exceeds the Maximum Number, the highest ranking Nominee from each Nominating Stockholder will be included in the Corporation's proxy materials until the Maximum Number is reached, going in order from largest to smallest of the number of shares of capital stock of the Corporation owned by each Nominating Stockholder as disclosed in each Nominating Stockholder's Proxy Access Notice. If the Maximum Number is not reached after the highest ranking Nominee of each Nominating Stockholder has been selected, this process will be repeated as many times as necessary until the Maximum Number is reached. If, after the deadline for submitting a Proxy Access Notice as set forth in Section 2.18(d), a Nominating Stockholder ceases to satisfy the requirements of this Section 2.18 or withdraws its nomination or a Nominee ceases to satisfy the requirements of this Section 2.18 or becomes unwilling or unable to serve on the Board, whether before or after the mailing of definitive proxy materials, then the nomination shall be disregarded, and the Corporation: (A) shall not be required to include in its proxy materials the disregarded Nominee and (B) may otherwise communicate to its stockholders, including without limitation by amending or supplementing its proxy materials, that the Nominee will not be included as a Nominee in the proxy materials and the election of such Nominee will not be voted on at the annual meeting of stockholders.

(c) The eligibility of a Nominating Stockholder shall be as follows:

(i) As used herein, an "Eligible Stockholder" is a person who has either (A) been a record holder of the shares of capital stock used to satisfy the eligibility requirements in this Section 2.18(c) continuously for the three (3)-year period specified in Subsection (ii) below or (B) provides to the secretary of the Corporation, within the time period referred to in Section 2.18(d), evidence of continuous ownership of such shares for such three (3)-year period from one or more securities intermediaries in a form that satisfies the

requirements as established by the Commission for a stockholder proposal under Rule 14a-8 (or any successor rule) under the Exchange Act.

(ii) An Eligible Stockholder or group of up to 25 Eligible Stockholders may submit a nomination in accordance with this Section 2.18 only if the person or each member of the group, as applicable, has continuously owned at least the Minimum Number (as defined below) of shares of the Corporation's outstanding capital stock throughout the three (3)-year period preceding and including the date of submission of the Proxy Access Notice, and continues to own at least the Minimum Number through the date of the annual meeting of stockholders. Two or more funds that are (A) under common management and investment control, (B) under common management and funded primarily by a single employer or (C) a "group of investment companies," as such term is defined in Section 12(d)(1)(G)(ii) of the Investment Company Act of 1940, as amended, (two or more funds referred to under any of clause (A), (B) or (C), collectively a "Qualifying Fund") shall be treated as one Eligible Stockholder. For the avoidance of doubt, in the event of a nomination by a group of Eligible Stockholders, any and all requirements and obligations for an individual Eligible Stockholder that are set forth in this Section 2.18, including the minimum holding period, shall apply to each member of such group; provided, however, that the Minimum Number shall apply to the ownership of the group in the aggregate. Should any stockholder withdraw from a group of Eligible Stockholders at any time prior to the annual meeting of stockholders, the group of Eligible Stockholders shall only be deemed to own the shares held by the remaining members of the group.

(iii) The "Minimum Number" of shares of the Corporation's capital stock means three percent (3%) of the number of outstanding shares of capital stock as of the most recent date for which such amount is given in any filing by the Corporation with the Commission prior to the submission of the Proxy Access Notice.

(iv) For purposes of this Section 2.18, an Eligible Stockholder "owns" only those outstanding shares of the capital stock of the Corporation as to which the Eligible Stockholder possesses both: (A) the full voting and investment rights pertaining to the shares; and (B) the full economic interest in (including the opportunity for profit and risk of loss on) such shares; provided, that the number of shares calculated in accordance with clauses (A) and (B) shall not include any shares: (1) sold by such Eligible Stockholder or any of its affiliates in any transaction that has not been settled or closed, (2) borrowed by such Eligible Stockholder or any of its affiliates for any purpose or purchased by such Eligible Stockholder or any of its affiliates pursuant to an agreement to resell, or (3) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such Eligible Stockholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares, cash or other property based on the notional amount or value of outstanding shares of the Corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of: (w) reducing in any manner, to any extent or at any time in the future, such Eligible Stockholder's or any of its affiliates' full right to vote or direct the voting of any such shares, and/or (x) hedging, offsetting, or altering to any degree, gain or loss arising from the full economic ownership of such shares by such Eligible Stockholder or any of its affiliates. An Eligible Stockholder "owns" shares held in the name of a nominee or other intermediary so long as the Eligible Stockholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. An Eligible Stockholder's ownership of shares shall be deemed to continue during any period in which the Eligible Stockholder has delegated any voting power by means of a proxy, power of attorney, or other similar instrument or arrangement that is revocable at any time by the Eligible Stockholder. An Eligible Stockholder's ownership of shares shall be deemed to continue during any period in which the Eligible Stockholder has loaned such shares; provided, that the Eligible Stockholder has the power to recall such loaned shares on no more than three (3) business days' notice and includes in the Proxy Access Notice an agreement that it will (y)

promptly recall such loaned shares upon being notified that any of its Nominees will be included in the Corporation's proxy materials pursuant to this Section 2.18 and (z) continue to hold such recalled shares (including the right to vote such shares) through the date of the annual meeting of stockholders. The terms "owned," "owning" and other variations of the word "own" shall have correlative meanings. Each Nominating Stockholder shall furnish any other information that may reasonably be required by the Board to verify such stockholder's continuous ownership of at least the Minimum Number during the three (3)-year period referred to above.

(v) No person may be in more than one group constituting a Nominating Stockholder, and if any person appears as a member of more than one group, it shall be deemed to be a member of the group that owns the greatest aggregate number of shares of the Corporation's capital stock as reflected in the Proxy Access Notice, and no shares may be attributed as owned by more than one person constituting a Nominating Stockholder under this Section 2.18.

(d) To nominate a Nominee, the Nominating Stockholder must, not later than 5:00 p.m. Eastern Time on the one hundred and twentieth (120th) day nor earlier than one hundred fifty (150) days prior to the first anniversary of the date of the Corporation's proxy materials released to stockholders in connection with the preceding year's annual meeting of stockholders, submit to the secretary of the Corporation at the principal executive offices of the Corporation all of the following information and documents (collectively, the "Proxy Access Notice"):

(i) A Schedule 14N (or any successor form) relating to the Nominee, completed and filed with the Commission by the Nominating Stockholder as applicable, in accordance with the Commission's rules;

(ii) A written notice of the nomination of such Nominee that includes the following additional information, agreements, representations and warranties by the Nominating Stockholder (including each group member):

(A) the information, representations and agreements required with respect to the nomination of directors pursuant to Section 2.5 of Article II of these bylaws;

(B) the details of any relationship that existed within the past three (3) years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor item) if it existed on the date of submission of the Schedule 14N;

(C) a representation and warranty that the Nominating Stockholder did not acquire, and is not holding, securities of the Corporation for the purpose or with the effect of influencing or changing control of the Corporation;

(D) a representation and warranty that the Nominee's candidacy or, if elected, Board membership, would not violate the certificate of incorporation, these bylaws, or any applicable state or federal law or the rules of any stock exchange on which the Corporation's capital stock is traded;

(E) a representation and warranty that the Nominee:

(1) does not have any direct or indirect material relationship with the Corporation and otherwise would qualify as an "independent director" under the rules of the primary stock exchange on which the Corporation's capital stock is traded and any applicable rules of the Commission;

(2) would meet the audit committee independence requirements under the rules of the Commission and of the principal stock exchange on which the Corporation's capital stock is traded;

(3) would qualify as a "non-employee director" for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule);

(4) would qualify as an "outside director" for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (or any successor provision);

(5) is not and has not been, within the past three (3) years, an officer, director, affiliate or representative of a competitor, as defined under Section 8 of the Clayton Antitrust Act of 1914, as amended, and if the Nominee has held any such position during this period, details thereof; and

(6) is not and has not been subject to any event specified in Rule 506(d)(1) of Regulation D (or any successor rule) under the Securities Act of 1933, as amended, or Item 401(f) of Regulation S-K (or any successor rule) under the Exchange Act, without reference to whether the event is material to an evaluation of the ability or integrity of the Nominee;

(F) a representation and warranty that the Nominating Stockholder satisfies the eligibility requirements set forth in Section 2.18(c), has provided evidence of ownership to the extent required by Section 2.18(c)(i), and such evidence of ownership is true, complete and correct in all respects;

(G) a representation and warranty that the Nominating Stockholder intends to continue to satisfy the eligibility requirements described in Section 2.18(c) through the date of the annual meeting of stockholders;

(H) a statement as to whether or not the Nominating Stockholder intends to continue to hold the Minimum Number of shares for at least one (1) year following the annual meeting of stockholders;

(I) a representation and warranty that the Nominating Stockholder will not engage in or support, directly or indirectly, a "solicitation" within the meaning of Rule 14a-1(l) (without reference to the exception in Section 14a-1(l)(2)(iv)) (or any successor rules) with respect to the annual meeting of stockholders, other than a solicitation in support of the Nominee or any nominee of the Board;

(J) a representation and warranty that the Nominating Stockholder will not use any proxy card other than the Corporation's proxy card in soliciting stockholders in connection with the election of a Nominee at the annual meeting of stockholders;

(K) if desired by the Nominating Stockholder, a Supporting Statement;

(L) in the case of a nomination by a group, the designation by all group members of one group member that is authorized to act on behalf of all group members with respect to matters relating to the nomination, including withdrawal of the nomination;

(M) in the case of any Eligible Stockholder that is a Qualifying Fund consisting of two or more funds, documentation demonstrating that the funds are eligible to

be treated as a Qualifying Fund and that each such fund comprising the Qualifying Fund otherwise meets the requirements set forth in this Section 2.18; and

(N) a representation and warranty that the Nominating Stockholder has not nominated and will not nominate for election any individual as director at the annual meeting of stockholders other than its Nominee(s).

(iii) An executed agreement pursuant to which the Nominating Stockholder (including each group member) agrees:

(A) to comply with all applicable laws, rules and regulations in connection with the nomination, solicitation and election;

(B) to file with the Commission any solicitation or other communication with the Corporation's stockholders relating to any Nominee or one or more of the Corporation's directors or director nominees, regardless of whether any such filing is required under any law, rule or regulation or whether any exemption from filing is available for such materials under any law, rule or regulation;

(C) to assume all liability stemming from an action, suit or proceeding concerning any actual or alleged legal or regulatory violation arising out of any communication by the Nominating Stockholder with the Corporation, its stockholders or any other person in connection with the nomination or election of directors, including, without limitation, the Proxy Access Notice;

(D) to indemnify and hold harmless (jointly and severally with all other group members, in the case of a group member) the Corporation and each of its directors, officers and employees individually against any liability, loss, damages, expenses, demands, claims or other costs (including reasonable attorneys' fees and disbursements of counsel) incurred in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers or employees arising out of any nomination submitted by the Nominating Stockholder (including, without limitation, relating to any breach or alleged breach of its obligations, agreements, representations or warranties) pursuant to this Section 2.18;

(E) in the event that (1) any information included in the Proxy Access Notice, or any other communication by the Nominating Stockholder (including with respect to any group member) with the Corporation, its stockholders or any other person in connection with the nomination or election of directors ceases to be true and accurate in all material respects (or omits a material fact necessary to make the statements made not misleading), or (2) the Nominating Stockholder (including any group member) fails to continue to satisfy the eligibility requirements described in Section 2.18(c), the Nominating Stockholder shall promptly (and in any event within forty-eight (48) hours of discovering such misstatement, omission or failure) (x) in the case of clause (1) above, notify the Corporation and any other recipient of such communication of the misstatement or omission in such previously provided information and of the information that is required to correct the misstatement or omission, and (y) in the case of clause (2) above, notify the Corporation why, and in what regard, the Nominating Stockholder fails to comply with the eligibility requirements described in Section 2.18(c) (it being understood that providing any such notification referenced in clauses (x) and (y) above shall not be deemed to cure any defect or limit the Corporation's rights to omit a Nominee from its proxy materials as provided in this Section 2.18); and

(iv) An executed agreement by the Nominee:

(A) to provide to the Corporation a copy of the Corporation's director questionnaire completed by the Nominee honestly and in reasonable detail and such other information as the Corporation may reasonably request from time to time within ten (10) business days after each such request;

(B) that the Nominee (1) consents to be named in the proxy materials as a nominee and, if elected, to serve on the Board and (2) has read and agrees to adhere to the Corporation's Corporate Governance Guidelines and any other Corporation policies and guidelines applicable to directors generally; and

(C) that the Nominee is not and will not become a party to (1) any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the Corporation that has not been disclosed to the Corporation in writing, (2) any Voting Commitment that has not been disclosed to the Corporation in writing, or (3) any Voting Commitment that could limit or interfere with the Nominee's ability to comply, if elected as a director of the Corporation, with its fiduciary duties under applicable law or with the Corporation's Corporate Governance Guidelines and any other Corporation policies and guidelines applicable to directors generally.

The information and documents required by this Section 2.18(d) shall be: (x) provided with respect to and executed by each group member, in the case of information applicable to group members; and (y) provided with respect to the persons specified in Instruction 1 to Items 6(c) and (d) of Schedule 14N (or any successor item) if and to the extent applicable to a Nominating Stockholder or group member. The Proxy Access Notice shall be deemed submitted on the date on which all the information and documents referred to in this Section 2.18(d) (other than such information and documents contemplated to be provided after the date the Proxy Access Notice is provided) have been delivered to or, if sent by mail, received by the secretary of the Corporation. For the avoidance of doubt, in no event shall any adjournment or postponement of an annual meeting of stockholders or the public announcement thereof commence a new time period for the giving of a Proxy Access Notice pursuant to this Section 2.18.

(e) Exceptions and clarifications to these provisions are as follows:

(i) Notwithstanding anything to the contrary contained in this Section 2.18, (x) the Corporation may omit from its proxy materials any Nominee and any information concerning such Nominee (including a Nominating Stockholder's Supporting Statement), (y) any nomination shall be disregarded, and (z) no vote on such Nominee will occur (notwithstanding that proxies in respect of such vote may have been received by the Corporation), and the Nominating Stockholder may not, after the last day on which a Proxy Access Notice would be timely, cure in any way any defect preventing the nomination of the Nominee, if:

(A) the Corporation receives a notice pursuant to Section 2.5 of this Article II of these bylaws that a stockholder intends to nominate a candidate for director at the annual meeting of stockholders;

(B) the Nominating Stockholder or the designated lead group member, as applicable, or any qualified representative thereof, does not appear at the annual meeting of stockholders to present the nomination submitted pursuant to this Section 2.18 or the Nominating Stockholder withdraws its nomination prior to the annual meeting of stockholders;

(C) the Board determines that such Nominee's nomination or election to the Board would result in the Corporation violating or failing to be in compliance

with the certificate of incorporation, these bylaws or any applicable law, rule or regulation to which the Corporation is subject, including any rules or regulations of any stock exchange on which the Corporation's capital stock is traded;

(D) the Nominee was nominated for election to the Board pursuant to this Section 2.18 at one of the Corporation's two preceding annual meetings of stockholders and (1) its nomination was withdrawn, (2) such Nominee became ineligible to serve as a Nominee or as a director or (3) such Nominee received a vote of less than 25% of the shares of capital stock entitled to vote for such Nominee; or

(E) (1) the Nominating Stockholder fails to continue to satisfy the eligibility requirements described in Section 2.18(c), (2) any of the representations and warranties made in the Proxy Access Notice cease to be true, complete and correct in all material respects (or omits to state a material fact necessary to make the statements made therein not misleading), (3) the Nominee becomes unwilling or unable to serve on the Board or (4) the Nominating Stockholder or the Nominee materially violates or breaches any of its agreements, representations or warranties in this Section 2.18;

(ii) Notwithstanding anything to the contrary contained in this Section 2.18, the Corporation may omit from its proxy materials, or may supplement or correct, any information, including all or any portion of the Supporting Statement included in the Proxy Access Notice, if: (A) such information is not true and correct in all material respects or omits a material statement necessary to make the statements therein not misleading; (B) such information directly or indirectly impugns the character, integrity or personal reputation of, or, without factual foundation, directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations with respect to, any person; or (C) the inclusion of such information in the proxy materials would otherwise violate the Commission's proxy rules or any other applicable law, rule or regulation. Once submitted with a Proxy Access Notice, a Supporting Statement may not be amended, supplemented or modified by the Nominee or Nominating Stockholder.

(iii) For the avoidance of doubt, the Corporation may solicit against, and include in the proxy materials its own statement relating to, any Nominee.

(iv) This Section 2.18 provides the exclusive method for a stockholder to include nominees for election to the Board in the Corporation's proxy materials (including, without limitation, any proxy card or written ballot).

(v) The interpretation of, and compliance with, any provision of this Section 2.18, including the representations, warranties and covenants contained herein, shall be determined by the Board or, in the discretion of the Board, one or more of its designees, in each case acting in good faith.

ARTICLE III
DIRECTORS

Section 3.1 POWERS.

Subject to the provisions of the DGCL and any limitations in the certificate of incorporation relating to action required to be approved by the stockholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board.

Section 3.2 NUMBER OF DIRECTORS.

The authorized number of directors shall be determined from time to time by resolution of the Boardprovided the Board shall consist of at least one (1) member. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 3.3 ELECTION, QUALIFICATION AND TERM OF OFFICE OF DIRECTORS.

Except as provided in Section 3.4 of these bylaws, each director, including, without limitation, a director elected to fill a vacancy, shall hold office until the expiration of the term for which elected and until such director's successor is elected and qualified or until such director's earlier death, resignation or removal. Directors need not be stockholders unless so required by the certificate of incorporation or these bylaws. The Corporation may also have, at the discretion of the Board, a chairperson of the Board and a vice chairperson of the Board. The certificate of incorporation or these bylaws may prescribe other qualifications for directors.

Section 3.4 RESIGNATION AND VACANCIES.

Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation at its principal office or to the chairperson of the Board or the Corporation's chief executive officer, president or secretary. When one or more directors so resigns and the resignation is effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office as provided in this section in the filling of other vacancies.

Unless otherwise provided in the certificate of incorporation or these bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors shall, unless the Board determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board shall be deemed to exist under these bylaws in the case of the death, removal or resignation of any director.

Section 3.5 PLACE OF MEETINGS; MEETINGS BY TELEPHONE.

The Board may hold meetings, both regular and special, either within or outside the State of Delaware.

Unless otherwise restricted by the certificate of incorporation or these bylaws, members of the Board, or any committee designated by the Board, may participate in a meeting of the Board, or any committee, by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting pursuant to this bylaw shall constitute presence in person at the meeting.

Section 3.6 REGULAR MEETINGS.

Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board; provided that any director who is absent when such determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

Section 3.7 SPECIAL MEETINGS; NOTICE.

Special meetings of the Board for any purpose or purposes may be called at any time by the chairperson of the Board, the chief executive officer, the president, the secretary or a majority of the authorized number of directors.

Notice of the time and place of special meetings shall be:

(a) delivered personally by hand, by courier or by telephone;

(b) sent by United States first-class mail, postage prepaid;

(c) sent by facsimile; or

(d) sent by electronic mail, directed to each director at that director's address, telephone number, facsimile number or electronic mail address, as the case may be, as shown on the Corporation's records.

If the notice is (a) delivered personally by hand, by courier or by telephone, (b) sent by facsimile or (c) sent by electronic mail, it shall be delivered or sent at least twenty-four (24) hours before the time of the holding of the meeting. If the notice is sent by United States mail, it shall be deposited in the United States mail at least four (4) days before the time of the holding of the meeting. Any oral notice may be communicated to the director. The notice need not specify the place of the meeting (if the meeting is to be held at the Corporation's principal executive office) nor the purpose of the meeting.

Section 3.8 QUORUM.

The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board pursuant to Section 3.2 of these bylaws shall constitute a quorum of the Board for the transaction of business. The vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board, except as may be otherwise specifically provided by statute, the certificate of incorporation or these bylaws. If a quorum is not present at any meeting of the Board, then the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

Section 3.9 BOARD ACTION BY CONSENT WITHOUT A MEETING.

Unless otherwise restricted by the certificate of incorporation or these bylaws, any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 3.10 FEES AND COMPENSATION OF DIRECTORS.

Unless otherwise restricted by the certificate of incorporation or these bylaws, the Board shall have the authority to fix the compensation of directors.

Section 3.11 REMOVAL OF DIRECTORS.

Subject to the rights of the holders of the shares of any series of Preferred Stock, the Board or any individual director may be removed from office only by the affirmative vote of the holders of at least a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon.

ARTICLE IV
COMMITTEES

Section 4.1 COMMITTEES OF DIRECTORS.

The Board may designate one (1) or more committees, each committee to consist of one (1) or more of the directors of the Corporation. The Board may designate one (1) or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board or in these bylaws, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority to (a) approve or adopt, or recommend to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (b) adopt, amend or repeal any bylaw of the Corporation.

Section 4.2 COMMITTEE MINUTES.

Each committee shall keep regular minutes of its meetings and report the same to the Board when required.

Section 4.3 MEETINGS AND ACTION OF COMMITTEES.

Meetings and actions of committees shall be governed by, and held and taken in accordance with, the provisions of:

(a) Section 3.5 of these bylaws (place of meetings and meetings by telephone);

(b) Section 3.6 of these bylaws (regular meetings);

(c) Section 3.7 of these bylaws (special meetings and notice);

(d) Section 3.8 of these bylaws (quorum);

(e) Section 7.12 of these bylaws (waiver of notice); and

(f) Section 3.9 of these bylaws (action without a meeting), with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the Board and its members. However:

(i) the time of regular meetings of committees may be determined either by resolution of the Board or by resolution of the committee;

(ii) special meetings of committees may also be called by resolution of the Board; and

(iii) notice of special meetings of committees shall also be given to all alternate members, who shall have the right to attend all meetings of the committee. The Board may adopt rules for the government of any committee not inconsistent with the provisions of these bylaws.

ARTICLE V
OFFICERS

Section 5.1 OFFICERS.

The officers of the Corporation shall be a president and a secretary. The Corporation may also have, at the discretion of the Board, a chief executive officer, a chief financial officer or treasurer, one (1) or more vice presidents, one (1) or more assistant vice presidents, one (1) or more assistant treasurers, one (1) or more assistant secretaries, and any such other officers as may be appointed in accordance with the provisions of these bylaws. Any number of offices may be held by the same person.

Section 5.2 APPOINTMENT OF OFFICERS.

The Board shall appoint the officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 5.3 of these bylaws, subject to the rights, if any, of an officer under any contract of employment.

Section 5.3 SUBORDINATE OFFICERS.

The Board may appoint, or empower the chief executive officer or, in the absence of a chief executive officer, the president, to appoint, such other officers and agents as the business of the Corporation may require. Each of such officers and agents shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws or as the Board may from time to time determine.

Section 5.4 REMOVAL AND RESIGNATION OF OFFICERS.

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, either with or without cause, by the Board at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice. Unless otherwise specified in the notice of resignation, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

Section 5.5 VACANCIES IN OFFICES.

Any vacancy occurring in any office of the Corporation shall be filled by the Board or as provided in Section 5.3 of these bylaws.

Section 5.6 REPRESENTATION OF SHARES OF OTHER CORPORATIONS.

The chairperson of the Board, the president, any vice president, the treasurer, the secretary or assistant secretary of this Corporation, or any other person authorized by the Board or the president or a vice president, is authorized to vote, represent and exercise on behalf of this Corporation all rights incident to any and all securities of any other entity or entities standing in the name of this Corporation. The authority granted herein may be exercised either by such person directly or by any other person authorized to do so by proxy or power of attorney duly executed by such person having the authority.

Section 5.7 AUTHORITY AND DUTIES OF OFFICERS.

All officers of the Corporation shall respectively have such authority and perform such duties in the management of the business of the Corporation as may be designated from time to time by the Board and, to the extent not so provided, as generally pertain to their respective offices, subject to the control of the Board.

ARTICLE VI
RECORDS AND REPORTS

Section 6.1 MAINTENANCE OF RECORDS.

The Corporation shall, either at its principal executive office or at such place or places as designated by the Board, keep a record of its stockholders listing their names and addresses and the number and class of shares held by each stockholder, a copy of these bylaws as amended to date, accounting books and other records.

ARTICLE VII
GENERAL MATTERS

Section 7.1 EXECUTION OF CORPORATE CONTRACTS AND INSTRUMENTS.

The Board, except as otherwise provided in these bylaws, may authorize any officer or officers, or agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Corporation; such authority may be general or confined to specific instances. Unless so authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 7.2 STOCK CERTIFICATES; PARTLY PAID SHARES.

The shares of the Corporation shall be represented by certificates or shall be uncertificated. Certificates for the shares of stock, if any, shall be in such form as is consistent with the certificate of incorporation and applicable law.

Every holder of stock represented by a certificate shall be entitled to have a certificate signed by, or in the name of the Corporation by the chairperson or vice-chairperson of the Board, or the president or vice-president, and by the treasurer or an assistant treasurer, or the

secretary or an assistant secretary of the Corporation representing the number of shares registered in certificate form. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate has ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

The Corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each stock certificate issued to represent any such partly paid shares, or upon the books and records of the Corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the Corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

Section 7.3 SPECIAL DESIGNATION ON CERTIFICATES.

If the Corporation is authorized to issue more than one class of stock or more than one series of any class, then the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock; provided, however, that, except as otherwise provided in Section 202 of the DGCL, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate that the Corporation shall issue to represent such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, the designations, the preferences and the relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 7.4 LOST CERTIFICATES.

Except as provided in this Section 7.4, no new certificates for shares shall be issued to replace a previously issued certificate unless the latter is surrendered to the Corporation and cancelled at the same time. The Corporation may issue a new certificate of stock or uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner’s legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

Section 7.5 CONSTRUCTION; DEFINITIONS.

Unless the context requires otherwise, the general provisions, rules of construction and definitions in the DGCL shall govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term “person” includes both a corporation and a natural person.

Section 7.6 DIVIDENDS.

The Board, subject to any restrictions contained in either (a) the DGCL or (b) the certificate of incorporation, may declare and pay dividends upon the shares of its capital stock. Dividends may be paid in cash, in property or in shares of the Corporation's capital stock.

The Board may set apart out of any of the funds of the Corporation available for dividends a reserve or reserves for any proper purpose and may abolish any such reserve. Such purposes shall include but not be limited to equalizing dividends, repairing or maintaining any property of the Corporation, and meeting contingencies.

Section 7.7 FISCAL YEAR.

The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

Section 7.8 SEAL.

The Corporation may adopt a corporate seal, which shall be adopted and which may be altered by the Board. The Corporation may use the corporate seal by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

Section 7.9 TRANSFER OF STOCK.

Shares of the Corporation shall be transferable in the manner prescribed by law and in these bylaws. Shares of stock of the Corporation shall be transferred on the books of the Corporation only by the holder of record thereof or by such holder's attorney duly authorized in writing, upon surrender to the Corporation of the certificate or certificates representing such shares endorsed by the appropriate person or persons (or by delivery of duly executed instructions with respect to uncertificated shares), with such evidence of the authenticity of such endorsement or execution, transfer, authorization and other matters as the Corporation may reasonably require, and accompanied by all necessary stock transfer stamps. No transfer of stock shall be valid as against the Corporation for any purpose until it shall have been entered in the stock records of the Corporation by an entry showing the names of the persons from and to whom it was transferred.

Section 7.10 STOCK TRANSFER AGREEMENTS.

The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 7.11 REGISTERED STOCKHOLDERS.

The Corporation:

(a) shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner;

(b) shall be entitled to hold liable for calls and assessments the person registered on its books as the owner of shares; and

(c) shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 7.12 WAIVER OF NOTICE.

Whenever notice is required to be given under any provision of the DGCL, the certificate of incorporation or these bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the certificate of incorporation or these bylaws.

ARTICLE VIII
NOTICE BY ELECTRONIC TRANSMISSION

Section 8.1 NOTICE BY ELECTRONIC TRANSMISSION.

Without limiting the manner by which notice otherwise may be given effectively to stockholders pursuant to the DGCL, the certificate of incorporation or these bylaws, any notice to stockholders given by the Corporation under any provision of the DGCL, the certificate of incorporation or these bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked if: (a) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices given by the Corporation in accordance with such consent; and (b) such inability becomes known to the secretary or an assistant secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice.

However, the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

Any notice given pursuant to the preceding paragraph shall be deemed given:

(a) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice;

(b) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice;

(c) if by a posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and

(d) if by any other form of electronic transmission, when directed to the stockholder.

An affidavit of the secretary or an assistant secretary of the Corporation or of the transfer agent or other agent of the Corporation that the notice has been given by a form of

electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

Section 8.2 DEFINITION OF ELECTRONIC TRANSMISSION.

For the purposes of these bylaws, an “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE IX
INDEMNIFICATION AND ADVANCEMENT

Section 9.1 ACTIONS, SUITS AND PROCEEDINGS OTHER THAN BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was, or has agreed to become, a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) (all such persons being referred to hereafter as an “Indemnitee”), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including, without limitation, attorneys’ fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974), and amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Section 9.2 ACTIONS OR SUITS BY OR IN THE RIGHT OF THE CORPORATION.

The Corporation shall indemnify any Indemnitee who was or is a party to or threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that Indemnitee is or was, or has agreed to become, a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving, or has agreed to serve, at the request of the Corporation, as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan), or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including, without limitation, attorneys’ fees) actually and reasonably incurred by or on behalf of Indemnitee in connection with such action, suit or proceeding and any appeal therefrom, if Indemnitee acted in good faith and in a manner which Indemnitee reasonably believed to be in, or not opposed to, the best interests of the

Corporation, except that no indemnification shall be made under this Section 9.2 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged to be liable to the Corporation, unless, and only to the extent, that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such expenses (including, without limitation, attorneys' fees) which the Court of Chancery of Delaware or such other court shall deem proper.

Section 9.3 INDEMNIFICATION FOR EXPENSES OF SUCCESSFUL PARTY.

Notwithstanding any other provisions of this Article IX, to the extent that an Indemnitee has been successful, on the merits or otherwise, in defense of any action, suit or proceeding referred to in Sections 9.1 and 9.2 of these bylaws, or in defense of any claim, issue or matter therein, or on appeal from any such action, suit or proceeding, Indemnitee shall be indemnified against all expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by or on behalf of Indemnitee in connection therewith. Without limiting the foregoing, if any action, suit or proceeding is disposed of, on the merits or otherwise (including, without limitation, a disposition without prejudice), without (a) the disposition being adverse to Indemnitee, (b) an adjudication that Indemnitee was liable to the Corporation, (c) a plea of guilty or nolo contendere by Indemnitee, (d) an adjudication that Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation and (e) with respect to any criminal proceeding, an adjudication that Indemnitee had reasonable cause to believe his or her conduct was unlawful, Indemnitee shall be considered for the purposes hereof to have been wholly successful with respect thereto.

Section 9.4 NOTIFICATION AND DEFENSE OF CLAIM.

As a condition precedent to an Indemnitee's right to be indemnified, such Indemnitee must notify the Corporation in writing as soon as practicable of any action, suit, proceeding or investigation involving such Indemnitee for which indemnity will or could be sought. With respect to any action, suit, proceeding or investigation of which the Corporation is so notified, the Corporation will be entitled to participate therein at its own expense and/or to assume the defense thereof at its own expense, with legal counsel reasonably acceptable to Indemnitee. After notice from the Corporation to Indemnitee of its election so to assume such defense, the Corporation shall not be liable to Indemnitee for any legal or other expenses subsequently incurred by Indemnitee in connection with such action, suit, proceeding or investigation, other than as provided below in this Section 9.4. Indemnitee shall have the right to employ his or her own counsel in connection with such action, suit, proceeding or investigation, but the fees and expenses of such counsel incurred after notice from the Corporation of its assumption of the defense thereof shall be at the expense of Indemnitee unless (a) the employment of counsel by Indemnitee has been authorized by the Corporation, (b) counsel to Indemnitee shall have reasonably concluded that there may be a conflict of interest or position on any significant issue between the Corporation and Indemnitee in the conduct of the defense of such action, suit, proceeding or investigation or (c) the Corporation shall not in fact have employed counsel to assume the defense of such action, suit, proceeding or investigation, in each of which cases the fees and expenses of counsel for Indemnitee shall be at the expense of the Corporation, except as otherwise expressly provided by this Article IX. The Corporation shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Corporation or as to which counsel for Indemnitee shall have reasonably made the conclusion provided for in clause (b) above. The Corporation shall not be required to indemnify Indemnitee under this Article IX for any amounts paid in settlement of any action, suit, proceeding or investigation effected without its written consent. The Corporation shall not settle any action, suit, proceeding or investigation in any manner which would impose any penalty or limitation on Indemnitee without Indemnitee's written consent. Neither the

Corporation nor Indemnitee will unreasonably withhold or delay its consent to any proposed settlement.

Section 9.5 ADVANCE OF EXPENSES.

Subject to the provisions of Sections 9.4 and 9.6 of these bylaws, in the event of any threatened or pending action, suit, proceeding or investigation of which the Corporation receives notice under this Article IX, any expenses (including, without limitation, attorneys' fees) incurred by or on behalf of Indemnitee in defending an action, suit, proceeding or investigation or any appeal therefrom shall be paid by the Corporation in advance of the final disposition of such matter; provided, however, that the payment of such expenses incurred by or on behalf of Indemnitee in advance of the final disposition of such matter shall be made only upon receipt of an undertaking by or on behalf of Indemnitee to repay all amounts so advanced in the event that it shall ultimately be determined by final judicial decision from which there is no further right to appeal that Indemnitee is not entitled to be indemnified by the Corporation as authorized in this Article IX; and provided, further that no such advancement of expenses shall be made under this Article IX if it is determined (in the manner described in Section 9.6 of these bylaws) that (a) Indemnitee did not act in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, or (b) with respect to any criminal action or proceeding, Indemnitee had reasonable cause to believe his or her conduct was unlawful. Such undertaking shall be accepted without reference to the financial ability of Indemnitee to make such repayment.

Section 9.6 PROCEDURE FOR INDEMNIFICATION AND ADVANCEMENT OF EXPENSES.

In order to obtain indemnification or advancement of expenses pursuant to Section 9.1, 9.2, 9.3 or 9.5 of these bylaws, an Indemnitee shall submit to the Corporation a written request. Any such advancement of expenses shall be made promptly, and in any event within sixty (60) days after receipt by the Corporation of the written request of Indemnitee, unless (a) the Corporation has assumed the defense pursuant to Section 9.4 of these bylaws (and none of the circumstances described in Section 9.4 of these bylaws that would nonetheless entitle the Indemnitee to indemnification for the fees and expenses of separate counsel have occurred) or (b) the Corporation determines within such sixty (60)-day period that Indemnitee did not meet the applicable standard of conduct set forth in Section 9.1, 9.2 or 9.5 of these bylaws, as the case may be. Any such indemnification, unless ordered by a court, shall be made with respect to requests under Section 9.1 or 9.2 of these bylaws only as authorized in the specific case upon a determination by the Corporation that the indemnification of Indemnitee is proper because Indemnitee has met the applicable standard of conduct set forth in Section 9.1 or 9.2 of these bylaws, as the case may be. Such determination shall be made in each instance (a) by a majority vote of the directors of the Corporation consisting of persons who are not at that time parties to the action, suit or proceeding in question ("disinterested directors"), whether or not a quorum, (b) by a committee of disinterested directors designated by majority vote of disinterested directors, whether or not a quorum, (c) if there are no disinterested directors, or if the disinterested directors so direct, by independent legal counsel (who may, to the extent permitted by law, be regular legal counsel to the Corporation) in a written opinion or (d) by the stockholders of the Corporation.

Section 9.7 REMEDIES.

The right to indemnification or advancement of expenses as granted by this Article IX shall be enforceable by Indemnitee in any court of competent jurisdiction. Neither the failure of the Corporation to have made a determination prior to the commencement of such action that indemnification is proper in the circumstances because Indemnitee has met the

applicable standard of conduct, nor an actual determination by the Corporation pursuant to Section 9.6 of these bylaws that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct. In any suit brought by Indemnitee to enforce a right to indemnification or advancement, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall have the burden of proving that Indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article IX. Indemnitee's expenses (including, without limitation, attorneys' fees) reasonably incurred in connection with successfully establishing Indemnitee's right to indemnification or advancement, in whole or in part, in any such proceeding shall also be indemnified by the Corporation to the fullest extent permitted by law. Notwithstanding the foregoing, in any suit brought by Indemnitee to enforce a right to indemnification hereunder it shall be a defense that the Indemnitee has not met any applicable standard for indemnification set forth in the DGCL.

Section 9.8 LIMITATIONS.

Notwithstanding anything to the contrary in this Article IX, except as set forth in Section 9.7 of these bylaws, the Corporation shall not indemnify an Indemnitee pursuant to this Article IX in connection with a proceeding (or part thereof) initiated by such Indemnitee unless the initiation thereof was approved by the Board. Notwithstanding anything to the contrary in this Article IX, the Corporation shall not indemnify (or advance expenses to) an Indemnitee to the extent such Indemnitee is reimbursed (or advanced expenses) from the proceeds of insurance, and in the event the Corporation makes any indemnification (or advancement) payments to an Indemnitee and such Indemnitee is subsequently reimbursed from the proceeds of insurance, such Indemnitee shall promptly refund indemnification (or advancement) payments to the Corporation to the extent of such insurance reimbursement.

Section 9.9 SUBSEQUENT AMENDMENT.

No amendment, termination or repeal of this Article IX or of the relevant provisions of the DGCL or any other applicable laws shall adversely affect or diminish in any way the rights of any Indemnitee to indemnification or advancement of expenses under the provisions hereof with respect to any action, suit, proceeding or investigation arising out of or relating to any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

Section 9.10 OTHER RIGHTS.

The indemnification and advancement of expenses provided by this Article IX shall not be deemed exclusive of any other rights to which an Indemnitee seeking indemnification or advancement of expenses may be entitled under any law (common or statutory), agreement or vote of stockholders or disinterested directors or otherwise, both as to action in Indemnitee's official capacity and as to action in any other capacity while holding office for the Corporation, and shall continue as to an Indemnitee who has ceased to be a director or officer, and shall inure to the benefit of the estate, heirs, executors and administrators of Indemnitee. Nothing contained in this Article IX shall be deemed to prohibit, and the Corporation is specifically authorized to enter into, agreements with officers and directors providing indemnification and advancement rights and procedures different from those set forth in this Article IX. In addition, the Corporation may, to the extent authorized from time to time by the Board, grant indemnification and advancement rights to other employees or agents of the Corporation or other persons serving the Corporation and such rights may be equivalent to, or greater or less than, those set forth in this Article IX.

Section 9.11 PARTIAL INDEMNIFICATION.

If an Indemnitee is entitled under any provision of this Article IX to indemnification by the Corporation for some or a portion of the expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement actually and reasonably incurred by or on behalf of Indemnitee in connection with any action, suit, proceeding or investigation and any appeal therefrom but not, however, for the total amount thereof, the Corporation shall nevertheless indemnify Indemnitee for the portion of such expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) or amounts paid in settlement to which Indemnitee is entitled.

Section 9.12 INSURANCE.

The Corporation may purchase and maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise (including, without limitation, any employee benefit plan) against any expense, liability or loss incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

Section 9.13 SAVINGS CLAUSE.

If this Article IX or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each Indemnitee as to any expenses (including, without limitation, attorneys' fees), liabilities, losses, judgments, fines (including, without limitation, excise taxes and penalties arising under the Employee Retirement Income Security Act of 1974) and amounts paid in settlement in connection with any action, suit, proceeding or investigation, whether civil, criminal or administrative, including, without limitation, an action by or in the right of the Corporation, to the fullest extent permitted by any applicable portion of this Article IX that shall not have been invalidated and to the fullest extent permitted by applicable law.

Section 9.14 DEFINITIONS.

Terms used in this Article IX and defined in Section 145(h) and Section 145(i) of the DGCL shall have the respective meanings assigned to such terms in such Section 145(h) and Section 145(i).

ARTICLE X
AMENDMENTS.

Subject to the limitations set forth in Section 9.9 of these bylaws or the provisions of the certificate of incorporation, the Board is expressly empowered to adopt, amend or repeal the bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the bylaws of the Corporation; provided, however, that in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the certificate of incorporation, such action by stockholders shall require the affirmative vote of the holders of at least a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon.

Exhibit 10.29

Effective January 1, 2024

TELADOC HEALTH, INC.

NON-EMPLOYEE DIRECTOR COMPENSATION PROGRAM

Non-employee members of the board of directors (the "***Board***") of Teladoc Health, Inc. (the "***Company***") shall receive cash and equity compensation as set forth in this Non-Employee Director Compensation Program (this "***Program***"). The cash and equity compensation described in this Program shall be paid or be made, as applicable, automatically and without further action of the Board, to each member of the Board who is not an employee of the Company or any parent or subsidiary of the Company (each, a "***Non-Employee Director***") who is entitled to receive such cash or equity compensation, unless such Non-Employee Director declines the receipt of such cash or equity compensation by written notice to the Company. This Program shall remain in effect until it is revised or rescinded by further action of the Board. This Program may be amended, modified or terminated by the Board at any time in its sole discretion. No Non-Employee Director shall have any rights hereunder, except with respect to stock options granted pursuant to the Program. This Program will become effective on January 1, 2022 (the "***Effective Date***"). As of the Effective Date, the terms and conditions of this Program will supersede any prior cash and/or equity compensation arrangements for service as a member of the Board that are not legally binding contracts between the Company and any of its Non-Employee Directors.

I. CASH COMPENSATION

A. Annual Retainers. Each Non-Employee Director shall receive an annual retainer of $45,000 for service on the Board.

B. Additional Annual Retainers. In addition, each Non-Employee Director shall receive the following annual retainers:

1. *Chairman of the Board.* A Non-Employee Director serving as Chairman of the Board shall receive an additional annual retainer of $50,000 for such service.

2. *Audit Committee.* A Non-Employee Director serving as Chairperson of the Audit Committee shall receive an additional annual retainer of $20,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Audit Committee shall receive an additional annual retainer of $10,000 for such service.

3. *Compensation Committee*. A Non-Employee Director serving as Chairperson of the Compensation Committee shall receive an additional annual retainer of $20,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Compensation Committee shall receive an additional annual retainer of $7,500 for such service.

4. *Nominating and Corporate Governance Committee*. A Non-Employee Director serving as Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $10,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Nominating and Corporate Governance Committee shall receive an additional annual retainer of $5,000 for such service.

5. *Quality of Care and Patient Safety Committee*. A Non-Employee Director serving as Chairperson of the Quality of Care and Patient Safety Committee shall receive an additional annual retainer of $10,000 for such service. A Non-Employee Director serving as a member other than the Chairperson of the Quality of Care and Patient Safety Committee shall receive an additional annual retainer of $5,000 for such service.

C. Payment of Retainers. The annual retainers described in Sections I(A) and I(B) shall be earned on a quarterly basis based on a calendar quarter and shall be paid in cash by the Company in arrears not later than the fifteenth day following the end of each calendar quarter. In the event a Non-Employee Director does not serve as a Non-Employee Director, or in the applicable positions described in Section I(B), for an entire calendar quarter, the retainer paid to such Non-Employee Director shall be prorated for the portion of such calendar quarter actually served as a Non-Employee Director, or in such position, as applicable. The retainers payable to a Non-Employee Director under this Program shall be reduced by (and shall not be paid in addition to) any cash retainers or director fees the Non-Employee Director is entitled to receive for performing Non-Employee Director services during the same period under a legally binding contract between the Company and the Non-Employee Director.

II. EQUITY COMPENSATION

Non-Employee Directors shall be granted the equity awards described below. The awards described below shall be granted under and shall be subject to the terms and provisions of the Company's 2015 Incentive Award Plan or any other applicable Company equity incentive plan then-maintained by the Company (the "***Equity Plan***") and shall be granted subject to award agreements, including attached exhibits, in substantially the form previously approved by the Board. All applicable terms of the Equity Plan apply to this Program as if fully set forth herein, and all grants of stock options hereby are subject in all respects to the terms of the Equity Plan and the applicable award agreement. Any provision hereof to the contrary notwithstanding, the Board may elect, from time to time, to allocate any equity award to a Non-Employee Director among any combination of equity-based awards eligible for grant under the Equity Plan.

A. Initial Awards. Each Non-Employee Director who is initially elected or appointed to the Board after the Effective Date shall receive, on the date of such initial election or appointment, such number of restricted stock units as equals $250,000, calculated as of the date of the award in accordance with the Company's customary methods. The awards described in this Section II(A) shall be referred to as "***Initial Awards***." No Non-Employee Director shall be granted more than one Initial Award.

B. Subsequent Awards. A Non-Employee Director who (i) has been serving as a Non-Employee Director on the Board for at least six months as of the date of any annual meeting of the Company's stockholders after the Effective Date and (ii) will continue to serve as a Non-Employee Director immediately following such meeting, shall be automatically granted, on the date of such annual meeting, such number of restricted stock units as equals $200,000 in value, calculated as of the date of the award in accordance with the Company's customary methods. The awards described in this Section II(B) shall be referred to as "***Subsequent Awards***." For the avoidance of doubt, a Non-Employee Director elected for the first time to the Board at an annual meeting of the Company's stockholders shall only receive an Initial Award in connection with such election, and shall not receive any Subsequent Award on the date of such meeting as well.

C. Termination of Service of Employee Directors. Members of the Board who are employees of the Company or any parent or subsidiary of the Company who subsequently terminate their service with the Company and any parent or subsidiary of the Company and remain on the Board will not receive an Initial Award pursuant to Section II(A) above, but to the extent that they are otherwise entitled, will receive, after termination from

service with the Company and any parent or subsidiary of the Company, Subsequent Awards as described in Section II(B) above.

D. Terms of Awards Granted to Non-Employee Directors

1. *Exercise Price*. The per share exercise price of each option granted to a Non-Employee Director shall equal the Fair Market Value (as defined in the Equity Plan) of a share of common stock on the date the option is granted.

2. *Vesting*. One-third (1/3) of each Initial Award shall vest and become exercisable, or have the restrictions lapse with respect thereto and become fully possessory (as applicable), on the first anniversary of the date of grant, and one-twelfth (1/12) of each Initial Award shall vest quarterly thereafter through the third anniversary of the date of grant, such that the Initial Award shall be fully vested on the third anniversary of the date of grant, subject to the Non-Employee Director continuing in service as a Non-Employee Director through each such vesting date. Each Subsequent Award shall vest and become exercisable, or have the restrictions lapse with respect thereto and become fully possessory (as applicable), on the earlier of the first anniversary of the date of grant or the day immediately prior to the date of the next annual meeting of the Company's stockholders occurring after the date of grant, in either case subject to the Non-Employee Director continuing in service on the Board as a Non-Employee Director through each such vesting date. Unless the Board otherwise determines, any portion of an Initial Award or Subsequent Award which is unvested or unexercisable at the time of a Non-Employee Director's termination of service on the Board as a Non-Employee Director shall be immediately forfeited upon such termination of service and shall not thereafter become vested and exercisable. All of a Non-Employee Director's Initial Awards and Subsequent Awards shall vest in full immediately prior to the occurrence of a Change in Control (as defined in the Equity Plan), to the extent outstanding at such time.

3. *Term*. The maximum term of each stock option granted to a Non-Employee Director hereunder shall be ten (10) years from the date the option is granted.

Exhibit 10.37

[Teladoc Health, Inc. Letterhead]

December 1, 2023

Claus Jensen
[_____]

Re: Separation and Release of Claims Agreement

Dear Claus:

As we have discussed, your employment with Teladoc Health, Inc. (the "Company") as Chief Innovation Officer will terminate effective as of December 1, 2023 ("Termination Date").

On your Termination Date, you are to stop all efforts on behalf of the Company. In addition, you are no longer to represent yourself as an employee, officer, associate, agent, or authorized representative of the Company, negotiate or enter into any agreements on behalf of the Company, or otherwise bind the Company in any way.

You will receive your final paycheck, which will include payment of your wages through the Termination Date. Regardless of whether you sign this letter agreement (this "Letter Agreement"), the Company will pay you all unreimbursed business expenses you have incurred through the Termination Date that the Company would reimburse in the ordinary course, provided you submit them in accordance with Company policy and no later than three weeks after your Termination Date, or in accordance with relevant law.

Your participation in any Company-sponsored health, dental and/or vision insurance benefit plans will terminate at the end of the month in which your Termination Date occurs. Thereafter, you will be eligible to continue your health, dental and vision care coverages and/or Flexible Spending Accounts pursuant to the provisions of the Consolidated Omnibus Reconciliation Act of 1985 ("COBRA") for an 18-month period (or such shorter period as may be applicable under the relevant provisions of COBRA), or you may choose to purchase insurance on the public exchange or elsewhere. All other benefits will end as of the Termination Date.

To ensure an amicable and smooth transition, and although not required to do so, the Company is offering you the following severance package. You will have a period of 21 days to review this Letter Agreement.

1. **Severance**. In exchange for your agreement to the release and other obligations set forth below in this Letter Agreement:

(a) **Cash Compensation**. The Company will pay you a gross sum of $350,000.00, representing 6 months' pay at your current regular base salary, less all required withholdings and deductions. This payment will be made in the form of a lump sum payment to you in January 2024, no later than 45 calendar days following the date

the Letter Agreement becomes irrevocable under its terms (as defined herein), and in accordance with the Company's normal payroll schedule.

(b) **Annual Corporate Bonus**. The Company will pay you $393,750.00 which represents the 2023 annual corporate bonus, less all required withholdings and deductions. This annual corporate bonus, which is subject to the sole and absolute discretion of the Company, is being provided to you as additional consideration, and is beyond that to which you would be entitled without signing this Letter Agreement. This payment will be made in the form of a lump sum payment to you in January 2024, no later than 45 calendar days following the date the Letter Agreement becomes irrevocable under its terms (as defined herein), and in accordance with the Company's normal payroll schedule.

(c) **COBRA Payments**. The Company will pay the premium cost for continued coverage in the group health plan(s) in which you are currently enrolled for six (6) calendar months (effective January 1, 2024) after you sign the Letter Agreement, provided you timely elect and remain eligible for COBRA during that period. After June 30, 2024, you will be solely responsible to pay all premiums for continued health care coverage if you wish, in the time and method set forth in your COBRA Election notice. In the event that you secure enrollment in group health plan coverage at an earlier time, you must promptly notify the Company, at which time Company-paid COBRA coverage will terminate. The period during which premiums are paid by the Company shall be part of your 18-month eligibility period under COBRA (or such longer period for which you may be deemed eligible). All eligibility and notice requirements under COBRA shall apply to your continuation coverage. In the event that the Company, in its sole and absolute discretion, determines at any time that the continued payment of your COBRA premiums is in violation of the nondiscrimination rules set forth in Section 105(h) of the Internal Revenue Code, which will result in a detrimental tax result for you (taxability of your health benefits), or if the Company determines that this practice would be a violation of any applicable federal or other law relating to health insurance coverage or is not permitted pursuant to the terms of the applicable group health plan, the Company reserves the right to discontinue such practice to the extent necessary, and to thereafter pay you the amount of the Company's subsidy in the form of a taxable lump sum cash amount, less applicable withholdings and deductions

(d) **Equity Grants.** The Company will accelerate all equity grants that are time vested to the extent such equity grants would have become vested had your employment continued through December 2, 2024. In addition, the Company will permit all equity grants that become vested on the basis of performance to become vested on the basis of such performance, provided the relevant performance goals are achieved on or before December 31, 2023. Except as provided in this paragraph, all unvested equity grants will be forfeited as of the Termination Date. All equity grants (whether currently vested or that are vested as outlined in this paragraph) shall be governed by the relevant terms of the award agreements and the equity incentive plan or plans under which such grants were issued, except as necessary to take into account modifications made by this paragraph.

(e) This Letter Agreement is intended to be interpreted and applied so that the payment of the Severance and other benefits are exempt from the requirements of Internal Revenue Code Section 409A under the short-term deferral and separation pay

exemptions set forth in Treasury Regulation Sections 1.409A-1(b)(4) and (9), and shall be interpreted consistently with such provisions. The Company and its respective officers, directors, employees, or agents, however, make no guarantee that the terms of this Letter Agreement are exempt from, the provisions of Internal Revenue Code Section 409A, and you agree that none of them will have any liability if the payments provided for under this Letter Agreement are subject to, but not in compliance with, the requirements of Internal Revenue Code Section 409A.

(f) You agree you have made no claims of sexual discrimination or harassment and therefore neither party believes the Tax Cuts and Jobs Act of 2017 Section 162(q) applies to this release. Nevertheless, you agree the Company has not made any representations to you regarding the tax consequences of any funds you receive pursuant to this Letter Agreement. You agree to pay any federal or state taxes remaining due with respect to the payments under this Letter Agreement and agree to indemnify and hold the Company harmless for any tax liability relating to such payments.

(g) You agree that you are not eligible for any benefits under any other severance agreement or Company sponsored severance plan, and that, in the event any other plan or agreement could be interpreted as providing you with severance pay or benefits, by your acceptance of the terms of this Letter Agreement and the severance pay and benefits provided for in this Letter Agreement, you have waived any right you may otherwise have to severance pay or benefits under any other such severance plan or agreement.

(h) The Company will allow you to consult with Charlie Mayhone, Head of Talent Acquisition, for a maximum of five hours, free of charge, to assist you in updating your resume and providing general guidance as you search for a new job position.

2. **No Other Compensation or Benefits**. Except as provided above, you agree you are not entitled to any other or further compensation, remuneration, benefits, reimbursement, or payments from the Company. You acknowledge and agree you have been paid any bonuses and/or any other awards you have earned under the terms of the plan or agreement where the amounts were payable to you prior to your Termination Date. You acknowledge and agree that no other compensation, bonuses or awards are payable to you. And therefore, you acknowledge and agree you have been paid for all time worked and are owed no further wages and/or compensation of any kind.

3. **No Admission of Liability**. The parties acknowledge and agree that this Letter Agreement is a result of a compromise and shall never be construed as, and is not, an admission by the Company (or its parent corporations, subsidiaries, and/or affiliates) of any liability, wrongdoing, or responsibility on their part.

4. **Release & Covenant Not To Sue**. In exchange for the consideration outlined in Paragraph 1 above, you (on behalf of yourself, your heirs, your executors, and your assigns and all persons who might have claims deriving from your own) unconditionally, and to the maximum extent permitted by law, waive and release any and all lawsuits, debts, obligations, demands, judgments, damages, or causes of action that may lawfully be released by private agreement (referred to in this Letter Agreement as “claims”) you have or might have against the Company and any of its predecessors,

parents, subsidiaries, divisions, affiliates, and related entities, including Teladoc Health, Inc. or any of their past and present owners, officers, directors, shareholders, members, managing members, agents, attorneys, employees, successors, and all other related or affiliated persons (with regard to individuals, the definition includes in their individual capacity and corporate capacity), firms, or entities ("Released Parties"), arising from or related to your employment with and/or the termination of your employment from the Company. These claims include, but are not limited to, all claims, whether known or unknown, arising up to and including the date you sign this Letter Agreement, whether under contract, tort, statute, equity, or common law, including any and all foreign, federal, state, and/or local constitutional, statutory, regulatory, or common law. Released claims include, but are not limited to, those covered by the Americans with Disabilities Act, the Age Discrimination In Employment Act ("ADEA"), Title VII of the Civil Rights Act, the Family and Medical Leave Act ("FMLA"), the Employee Income Retirement and Security Act ("ERISA"), Washington Law Against Discrimination (RCW 49.60), the Washington Prohibited Employment Practices Law (RCW 49.44), the anti-retaliation provisions of the Washington Industrial Insurance Act (RCW 51.48) and Washington Industrial Safety and Health Act (RCW 49.17), the Washington Whistleblower Act (RCW 42.40), the Washington Minimum Wage Act (RCW 49.46), the Washington Industrial Welfare Act (RCW 49.12), the Washington Agricultural Labor Law (RCW 49.30), the Washington Hours of Labor Law (RCW 49.28), Washington's statutes related to wages (including RCW 49.48 and RCW 49.52), the Washington Veterans Employment and Reemployment Act (RCW 73.16), the Washington Military Family Leave Act (RCW 49.77), the Washington Domestic Violence Leave Law (RCW 49.76), the Washington Family Care Act and Parental Leave Law (RCW 49.12), the Washington Paid Family and Medical Leave Act (RCW 50A.05), the Washington Little Norris-LaGuardia Act (RCW 49.32), the Washington Fair Credit Reporting Act (RCW 19.182), the Washington Electronic Privacy Act (RCW 9.73); and all other claims for breach of contract, tort, wrongful termination, unpaid wages, and relating to any other law prohibiting employment discrimination or relating to employment and separation. Damages released and waived include back pay, future pay, lost benefits, any and all wages, compensatory damages, emotional distress, physical injury damages, pain and suffering, liquidated damages, punitive damages, exemplary damages, attorney's fees, costs, civil fines, penalties and interest. **This is a general release.** You expressly acknowledge that this general release includes, but is not limited to, any and all claims arising out of or related to your employment with and separation from the Company, whether or not they are known to you at the time you sign this Letter Agreement.

By signing this Letter Agreement, you expressly acknowledge and represent that (a) you have suffered no injuries or occupational diseases arising out of or in connection with your employment by the Company; (b) you have received all wages to which you were entitled as an employee of the Company; (c) you received all leave to which you were entitled under the FMLA; and (d) you are not aware of any facts or circumstances constituting a violation of the FMLA, the Fair Labor Standards Act, or any applicable state leave or wage payment law.

You expressly agree that this Letter Agreement forever precludes you from bringing, instituting, maintaining, further pursuing, or participating in any lawsuit against the Released Parties for any causes or claims released in this Paragraph 4, except as stated below in Paragraph 5. You specifically waive any right to become, and promise not to become, a member of any class in which a claim against the Released Parties is made

involving any events leading up to the date you sign this Letter Agreement, except where such waiver is prohibited by law. You represent that you have not filed or otherwise initiated any lawsuit, charge, claim, or demand against any of the Released Parties. You further agree that should you or any person, organization, or other entity bring or file, or cause or permit to be brought or filed, any civil action, suit, or administrative or legal proceeding involving any matter occurring at any time prior to the date you sign this Letter Agreement, you will not accept any personal, equitable, or monetary relief in such civil action, suit, or administrative or legal proceeding, except where such waiver is prohibited by law. You agree that the consideration provided under Paragraph 1 of this Letter Agreement fully satisfies any individual relief to which you are entitled as a result of your employment with and separation from the Company.

This Letter Agreement expressly releases claims under the False Claims Act to the fullest extent permitted by law. To the extent that a court of competent jurisdiction were to conclude that pre-filing releases of claims under the False Claims Act are not enforceable absent government knowledge of the alleged claims, the parties agree that you will be permitted to participate in any legal proceedings under the False Claims Act. But, you specifically waive any rights you may have to receive any monetary award from such proceedings.

5. **Reservation of Your Rights**. You understand your release of claims in Paragraph 4 does not apply to (i) claims for unemployment or workers' compensation benefits, (ii) claims or rights that may arise after the date that you sign this Letter Agreement, (iii) claims for reimbursement of expenses under the Company's expense reimbursement policies, (iv) any vested rights under the Company's ERISA-covered employee benefit plans as applicable on the date you sign this Letter Agreement, and (v) any claims that controlling law clearly states may not be released by private agreement.

Moreover, nothing contained in this Letter Agreement, including the Release & Covenant Not to Sue, Confidentiality, Comments to Others, and Future Cooperation provisions, is intended to or will preclude you from communicating with, filing a charge or complaint with, providing documents or information voluntarily or in response to a subpoena or other information request to, or from participating in an investigation or proceeding conducted by a government agency, including, but not limited to, the Equal Employment Opportunity Commission and the National Labor Relations Board. However, by signing this Letter Agreement, you are waiving your right to recover any individual relief (including any backpay, front pay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by you or on your behalf by any third party, except for any right you may have to receive a payment or award from a government agency (and not the Company) for information provided to the government agency or where otherwise prohibited.

In addition, nothing prevents you from discussing or disclosing conduct, or the existence of a settlement involving conduct, that you reasonably believed to be illegal discrimination, illegal harassment, illegal retaliation, a wage and hour violation, or sexual assault, or that is recognized as illegal under state, federal, or common law, or that is recognized as against a clear mandate of public policy, where the conduct occurred at the workplace, at work-related events coordinated by or through the employer, between employees, or between an employer and an employee, whether on or off the employment

premises; provided, however, that you remain subject to the obligation to keep confidential the amount paid in settlement of any claim.

Nothing in this Letter Agreement waives your right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, or on the part of the agents or employees of the Company, including but not limited to when you have been required or requested to attend such a proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature.

6 . **Confidentiality of Amount of Severance Payment in Letter Agreement and Business Information** You represent and warrant that you will keep the parties' discussions concerning the amount of Severance (as detailed in Paragraph 1) paid to you pursuant to this Letter Agreement, strictly confidential, and that you will not disclose them to anyone, unless such disclosure is (a) lawfully required by any governmental agency, including government taxing authorities; (b) subpoenaed; (c) otherwise required to be disclosed by law (including legally required financial reporting); (d) necessary in any legal proceeding in order to enforce any provision of this Letter Agreement or (e) permitted under Paragraph 5. You and the Company acknowledge the intention that the provisions of this Paragraph 6 create no liability for disclosures about this Letter Agreement made: (w) prior to your execution of this Letter Agreement; (x) by persons from public information released prior to your execution of this Letter Agreement; (y) pursuant to Paragraph 15 to enforce the terms of this Letter Agreement; or (z) as otherwise compelled by operation of law.

Nonetheless, you may discuss amount of Severance (as detailed in Paragraph 1) paid to you pursuant to this Letter Agreement with your spouse, attorney, and/or tax advisor, and you shall be liable for the actions of your spouse, attorney, and/or tax advisor with respect to their compliance with the confidentiality obligation of this paragraph.

You acknowledge and affirm your continuing obligation to keep confidential any and all confidential or proprietary information that you acquired during your employment with the Company. You agree not to disclose any such information to any person or entity outside of the Company at any time in the future or to use any such information for the benefit of anyone other than the Company. You agree to continue to be bound by any other preexisting agreement relating to the Company's proprietary information and your obligation to maintain the confidentiality of such information.

Nothing in this confidentiality statement or Letter Agreement prohibits you from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. You do not need the prior authorization of the Company to make any such reports or disclosures and you are not required to notify the Company that you have made such reports or disclosures.

Notwithstanding your confidentiality obligations, in accordance with the Defend Trade Secrets Act of 2016, you will not be held criminally or civilly liable under any

federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of the law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Your confidentiality obligations are subject to the Reservations of Your Rights provisions in Paragraph 5 of this Letter Agreement.

7. **Confidentiality, Invention Assignment, and Nonsolicitation**

a . **Confidentiality.** "Confidential Information" refers to information and compilations of information, in any form (tangible or intangible), related to the Company's business and of value to it that you first gain knowledge of or access to as a consequence of your employment with the Company if the Company has not made it public or authorized public disclosure of it and it is not readily available through lawful and proper means to the public or others in the industry who have no obligation to keep it confidential. Confidential Information shall be presumed to include, but is not limited to, the following nonpublic items of information: the Company's client and prospective client lists (inclusive of names, addresses, telephone numbers, contact persons, and staffing requirements); pricing variables and criteria (including proposals and analysis related to same); marketing plans and strategies, research and development data, business plans and analysis, buying practices, internal business methods; sources of supply and material, operating and cost data, financial information, and information contained in manuals or memoranda; trade secrets and other information concerning proprietary works that the Company does not make public; and information provided to the Company in confidence by third parties that the Company is obligated to keep confidential by law or through contractual commitments (such as personal identifying information like social security numbers and information from clients regarding medical services requested or required by them) ("Third-Party Confidential Information"). Due to its special value and utility as a compilation, a confidential compilation (like a client list) will remain protected as Confidential Information even if some items of information within the list are in the public domain. Private disclosure of otherwise Confidential Information to parties the Company is doing business with for business purposes shall not cause the information to lose its protected status under this Letter Agreement.

You agree that during your employment and for so long thereafter as the information qualifies as Confidential Information under this Letter Agreement, you will not engage in any use or disclosure of Confidential Information that is not authorized by the Company and undertaken for the benefit of the Company. This obligation specifically prohibits, among other things, the copying, recreation, use or disclosure of Confidential Information for the benefit of a competitor or on behalf of any person or entity preparing to compete with the Company, and includes use or disclosure of information on social media. You will comply with all Company policies and directives concerning the use, storage, and transfer of Confidential Information, and the protection of attorney-client privilege where it applies. These obligations do not prohibit your use of generally available knowledge, skill and education that is not specific to the Company or its business relationships but is instead knowledge generic to the industry or your profession. Unless prohibited by law from doing so, you will notify the Company as quickly as possible after being served with a subpoena, court order, or other legal mandate requiring

the production of Confidential Information so that the Company can take reasonable steps to protect its interests and will cooperate in same. You will retain no records of Confidential Information after your employment ends without written Company authorization to do so.

b . **Invention Assignment.** Any Proprietary Works (meaning inventions, developments, designs, discoveries, innovations, business methods, improvements, ideas, original works of authorship, database creations, trade secrets and other forms of legally protectable intellectual property) that you conceive, create, or develop in the course of your employment or as a result of your work for the Company (alone or with others, during or after regular working hours) will be considered "Work Product" that is the property of the Company, and the Company will hold all intellectual property rights ("IP Rights") in the Work Product. Work Product will include all Proprietary Works that either (a) relate to the Company's business or its actual or demonstrably anticipated research and development, or (b) are developed or discovered with the assistance of Confidential Information, tools, equipment, personnel, or other resources of the Company, or (c) are suggested by, related to, or results from any work performed by you or others for the Company. You hereby assign to the Company all of your rights, title and interest in and to all such Work Product; *provided, however, that this assignment shall be limited so that it does not require or create any assignment of an invention that cannot be assigned through an agreement under controlling law.* Specifically, you acknowledge notice of Wash. Rev. Code, Title 49 RCW: Labor Regulations, Chapter 49.44.140 and further acknowledge and understand that the obligations set forth in this Paragraph 7.b. of this Letter Agreement will not require the assignment of your rights in an invention for which no equipment, supplies, facility, or trade secret information of Company was used and which was developed entirely on your own time, unless (a) the invention relates (i) directly to the business of Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by you for Company.

All Work Product shall be considered "work made for hire" and all copyrights in the Work Product available under the Copyright Act of 1976 will be owned by the Company from moment of creation or conception forward without the need for further action by you. IP Rights assigned to and owned by the Company in Work Product through this Letter Agreement shall include all rights of ownership, control, and benefit throughout the world, including, without limitation, rights of inventors and authors with respect to patent, patent applications and registrations, copyrights, sui generis database rights, trademark rights, all rights relating to the protection of computer software (including, without limitation, both source code and object code), trade secret rights, rights of attribution or control and moral rights or droit moral (which you waive if they cannot be transferred to the Company), rights to royalties or other economic benefit, rights to derivative works, and rights to claims or causes of action arising out of or related to any past, present, or future infringement or misappropriation related to the Work Product. It is agreed that Work Products shall automatically vest in, and be the exclusive property of, the Company immediately on the creation thereof, regardless of the stage of completion. However, to the extent necessary and requested, you agree that during and after your assignment you will cooperate in executing any documents, providing testimony, and otherwise performing any acts the Company requires from you (with reasonable approved expenses covered by Company) to ensure the Company retains, throughout the world, all IP Rights in Work Product. This Letter Agreement shall

supplement and not replace or diminish any prior, subsequent, or additional written Work Product related agreements that you may have enter into (or be required to enter into) based on your position with the Company (such as those related to research and development, engineering, or software development positions).

c . **Non-Solicitation of Employees and Clients** You agree that the Company has many substantial, legitimate business interests that can be protected only by you agreeing not to interfere with the Company's operations under certain circumstances. These interests include, without limitation, the Company's contacts and relationships with its employees and clients, the Company's reputation and goodwill in the industry, and the Company's rights in its confidential information. You specifically recognize and agree that the Company's workforce is a vital part of its business. Based on your recognition of these substantial, legitimate business interests of the Company, you agree that for a period of 12 months after the termination of your employment with the Company, you will not solicit (a) any employee of the Company to leave the Company; or (b) any customer of the Company to cease or reduce the extent to which it is doing business with the Company, in accordance with the definition of an enforceable "Nonsolicitation agreement" under Wash. Rev. Code § 49.62.005–900 (2020). For purposes of this Paragraph 7.c., you agree that "solicit" and related terms such as "soliciting" or "solicitation" mean to engage in contacts, acts, or communications, whether directly or indirectly through others, that cause or induce, attempt to cause or induce, or can be reasonably expected to cause or induce an individual to engage in a particular action or conduct, regardless of who first initiates the contact or communication, or whether or not the communication at issue is in response to a request for information. You agree that the commitments made by you in this Paragraph 7.c. are a material part of this Letter Agreement, that the payments described in Paragraph 1 of this Letter Agreement would not be made to you without you making those commitments, and that those payments constitute full, fair, and independent consideration for those commitments.

8 . **Noncompetition**. For a period of 12 months after your Termination Date, you will not provide services to or be associated with a Competitor in any role or position (as an employee, director, owner, consultant or otherwise) that would involve your participation in Competitive Activity within the Restricted Area.

"Competitive Activity" is activity that involves (a) providing services to or for a Competitor that are the same as or similar in function or purpose to those services you provided to or for the Company during your employment with the Company (inclusive of employment with an acquired business that is now part of the Company) in the two years that precede the Termination Date (the "Look Back Period"), (b) providing services of a competitive nature to a Covered Client, or accepting competing business from a Covered Client, (c) owning, operating, or managing a business that is a Competitor, or (d) participating in other activity that is likely to result in the use or disclosure of Confidential Information for the benefit of a Competitor.

"Competitor" refers to any business (person or entity) that is engaged in or preparing to engage in providing products or services that would displace the business opportunities for, or otherwise compete with the products and/or services provided by any part of the Company's business that you had material involvement within the Look Back Period.

"Covered Client" means a client of the Company that you had material contact with in the Look Back Period. Material contact will be presumed present if in the Look Back Period (i) you (or persons under your supervision) provided services to or had business-related contact with the client on behalf of the Company, (ii) you were provided Confidential Information about the client, or (iii) you received commissions or other beneficial credit from the Company for business conducted with the client. Clients will be presumed to include active client prospects as of the Termination Date that you have material contact with or Confidential Information about and will not be limited to the end user or purchaser of the Company's products or services but shall also be understood to include client representatives.

"Restricted Area" – Because you were employed in a senior executive level position, you are presumed to have participated in the Company's business and/or had Confidential Information about the Company's business throughout the United States (including state and state-equivalents and county and county-equivalents therein), as the Company and you agree that the Company's business is conducted nationwide. If the Restricted Area is not clear to you upon your Termination Date, you will seek clarification from the Company's Legal Department within 14 days after the Termination Date. You agree not to complain about any uncertainty you may have regarding the Restricted Area applicable to you if you do not do so.

The restriction created by this paragraph is your "Noncompete" covenant. You agree that the commitments made by you in this Paragraph 8 are a material part of this Letter Agreement, that the payments described in Paragraph 1 of this Letter Agreement would not be made to you without you making those commitments, and that those payments constitute full, fair, and independent consideration for those commitments.

9. **Medicare Acknowledgement**. You affirm and warrant that you have made no claim for illness or injury against, nor are you aware of any facts supporting any claim against, the Released Parties under which the Released Parties could be liable for medical expenses incurred by you before or after the execution of this Letter Agreement. Furthermore, you are aware of no medical expenses that Medicare has paid and for which the Released Parties are or could be liable now or in the future. You agree and affirm that, to the best of your knowledge, no liens of any governmental entities, including those for Medicare conditional payments, exist.

10. **Comments to Others**. You agree not to make any defamatory, disparaging, or other negative statements about the Company or any of the Released Parties, verbally or in writing, to the media, on social media, to anyone, on public forums, including without limitation posting on Glassdoor, Indeed, Facebook, Instagram, Snapchat, Twitter, YouTube, TikTok, blogs, or other public forums. This provision shall not preclude you from providing truthful testimony.

11. **Return of Company Property**. Whether you enter into this Letter Agreement or not, within ten (10) business days of your Termination Date, you must return to the Company all of the Company's property in your possession including, but not limited to: computers; PDAs; cellular phones; credit cards; files, notes, books, binders, manuals, and other printed material; computer disks and software; and all other tangible and intangible property belonging to the Company and obtained by you in

connection with your employment with the Company, including all copies of such property, in any form, electronic or otherwise. You agree to provide the Company with any password(s) you installed and/or used on any Company computer or other Company property. You understand that the Company, in its sole discretion, may choose to delay any payments due to you under this Letter Agreement unless and until you comply with this paragraph, but such delay shall not relieve you of your other obligations under this Letter Agreement or your release of claims.

12. **Partial Invalidity**. Should any portion, word, clause, phrase, sentence, or paragraph of this Letter Agreement be declared void or unenforceable, other than the Release & Covenant Not To Sue, such portion will be considered independent and severable from the remainder, the validity of which will remain unaffected.

13. **Construction**. This Letter Agreement will not be construed in favor of one Party or against the other.

14. **Compliance with Terms**. The failure to insist upon compliance with any provision contained in this Letter Agreement will not be deemed a waiver of that provision or condition. If on one or more occasions a party waives or relinquishes a right or power it has in this Letter Agreement, that shall not be deemed a waiver or relinquishment of any right or power at any other time or times.

15. **Remedy**. Failure to abide by the terms of this Letter Agreement, including those of Paragraphs 6, 7, 8 or 10, will constitute a breach of this Letter Agreement and will entitle the Company to cease any and all severance payments and, where appropriate, to immediate injunctive relief to enjoin further breaches of those paragraphs, consequential damages, and reimbursement of all previously paid severance payments (with the exception of one dollar ($1.00)), fees and costs actually incurred in bringing such legal action. However, you shall remain subject to your obligations under this Letter Agreement, including your release of claims. This paragraph shall not limit any of your reserved rights under Paragraph 5 of this Letter Agreement nor impose any remedy for your doing so.

16. **Future Cooperation**.

(a) At any time following the Termination Date, you agree to cooperate fully and completely with the Company, its advisors, and its legal counsel and respond to questions candidly and truthfully with respect to any internal inquiry or investigation, any federal, state, or local agency investigation, or any legal proceeding involving the Company or any parent, predecessor, subsidiary, affiliate, or related entity (collectively for this paragraph only, the “Company Entities”). Such cooperation shall include being available at reasonable times and places for interviews, reviewing documents, testifying in depositions or legal or administrative proceedings, and otherwise meeting with the Company in connection with the preparation of defenses to any pending or potential future claims against any of the Company Entities. The Company agrees to reimburse you for all reasonable out-of-pocket expenses incurred in connection with rendering such services.

(b) To the extent permitted by law, and except as provided in subparagraph (d), below, if you are legally required to appear or participate in any non-

criminal proceeding that involves or is brought against any of the Company Entities, you agree to disclose to the Company no later than ten business days prior to the date that such appearance or participation is required, what you plan to disclose or otherwise produce, and to cooperate fully with the Company as set forth herein.

(c) In the event you receive a subpoena issued at the request of any private sector person or entity at any time following the Termination Date regarding any matter related to or involving any of the Company Entities, you agree to notify the Company no later than ten business days prior to the date you comply with the subpoena, so that the Company may take appropriate action to protect its interests, including moving to quash the subpoena, as long as provision of such notice does not violate any applicable law, rule, or court order. If the Company seeks to prevent disclosure in accordance with applicable legal procedures and provides you with notice before the deadline for compliance with a subpoena, you shall not make any such disclosure until either such objections are withdrawn or the objections are finally adjudicated by the tribunal.

(d) Nothing in this Letter Agreement, including subparagraphs (a), (b), and (c), above, shall be construed as requiring you to cooperate with the Company with respect to any charge or litigation in which you are a plaintiff or complaining party, or any confidential investigation by a competent government agency in which you are a witness for or providing support to a charging or complaining party or are asked by a Government Agency to maintain confidentiality.

(e) Should the Company need any assistance from you after the Termination Date, you agree to work in good faith with the Company to negotiate a consulting arrangement to provide such assistance.

17. **OWBPA**. Pursuant to the OWBPA, you acknowledge and understand that:

(a) You are waiving claims for age discrimination under the ADEA in exchange for the payments described above;

(b) Under this Letter Agreement, you will receive consideration beyond that to which you would be entitled without signing this Letter Agreement;

(c) You have been advised in writing and are hereby advised through this Letter Agreement of the right to consult with an attorney before signing this Letter Agreement;

(d) You have been given a period of at least 21 days within which to review and consider this Letter Agreement before signing it; and

(e) You may revoke this Letter Agreement by providing written notice to the Company within seven days after you sign it, and this Letter Agreement shall not become effective and enforceable until such seven-day period has expired.

Any notice of revocation of this Letter Agreement shall not be effective unless given in writing and received by Company within the seven day revocation period via e-mail as follows:

Connie M. Ng
Vice President & Corporate Counsel – Global Head of Employment & Immigration
[_____]

18. **Voluntary & Entire Agreement**. Your signature below will indicate that you are entering into this Letter Agreement freely and with a full understanding of its terms and not in reliance upon any representations other than those explicitly set forth in this Letter Agreement. No changes to this Letter Agreement will be valid unless in writing and signed by both you and the Company. With the exception of any fiduciary duties you may have to the Company, your obligation not to misappropriate trade secrets, and your obligations under any other restrictive covenants (including covenants not to compete, not to solicit Company employees, and not to solicit Company clients, customers, or business relationships) or confidentiality agreements you may have with the Company that survive termination, this Letter Agreement constitutes the entire understanding and agreement of the parties related to the matters discussed in this Letter Agreement and supersedes any agreement or plan that provides for severance benefits of any kind. This Letter Agreement is in addition to any arbitration, confidentiality and/or lawful restrictive covenant agreements into which you may have entered during your employment with the Company, and your obligations under any such agreements which shall remain in full force and effect. This Letter Agreement shall be interpreted and enforced in accordance with the laws of the State of Washington. Moreover, the Letter Agreement shall not be applied so as to require you to adjudicate a covenant covered by Wash. Rev. Code § 49.62.005–900 (2020) outside of the state of Washington.

* * *

If you are willing to enter into this Letter Agreement with its terms becoming effective on the seventh day following the date signed below, please signify your acceptance in the space indicated below and return to me within 21 days of receiving this Letter Agreement.

Sincerely,

/s/ Arnnon Geshuri

Arnnon Geshuri
Chief People Officer
Teladoc Health, Inc.

I, CLAUS JENSEN, HAVE READ AND UNDERSTAND THIS LETTER AGREEMENT, AND I ACCEPT AND AGREE TO ALL OF ITS TERMS AND CONDITIONS. I ENTER INTO THIS LETTER AGREEMENT VOLUNTARILY, WITH FULL KNOWLEDGE THAT IT WILL BECOME EFFECTIVE FOLLOWING MY SIGNATURE AND THE TERMS OUTLINED IN THIS LETTER AGREEMENT.

/s/ Claus Jensen_____ 12/2/2023_____
Signature Date

Exhibit 10.39

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement ***("Agreement")*** is made effective as of July 15, 2015 ***("Effective Date"),*** by and between Teladoc, Inc. (the ***"Company")*** and Daniel Trencher ***("Executive").***

WHEREAS, Executive is a key employee of the Company and the Company and Executive desire to set forth herein the terms and conditions of Executive's compensation in the event of a termination of Executive's employment under certain circumstances.

NOW, THEREFORE, the patties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) ***"Affiliate"*** means with respect to any person or entity, any other person or entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. For purposes of this definition, "control", when used with respect to any person or entity, means the power to direct the management and policies of such person or entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) ***"Base Salary"*** means Executive's base salary at the rate in effect on the date of Executive's Qualifying Termination (disregarding any decrease in such base salary that constitutes a Good Reason event).

(c) ***"Board"*** shall mean the Board of Directors of the Company.

(d) ***"Cause"*** shall mean any of the following: (i) Executive's breach of Executive's duty of loyalty to the Company or Executive's willful breach of Executive's duty of care to the Company; (ii) Executive's material failure or refusal to comply with reasonable written policies, standards and regulations established by the Board from time to time which failure or refusal, if curable, is not cured to the reasonable satisfaction of the Board during the fifteen (15) day period following written notice of such failure or refusal from the Board; (iii) Executive's commission of a felony, an act of theft, embezzlement or misappropriation of funds or the property of the Company or its subsidiaries of material value or an act of fraud involving the Company or its subsidiaries; (iv) Executive's willful misconduct or gross negligence which causes or reasonably could cause (for example, if it became publicly known) material harm to the Company's standing, condition or reputation; (v) Executive's material violation of the Company's Code of Ethics (or similar written policies concerning ethical behavior) or written policies concerning harassment or discrimination; or (vi) any material breach by Executive of the provisions of the Confidentiality Agreement or a material provision of this Agreement.

(e) ***"Change of Control"*** shall mean (other than an initial public offering of the Company) (i) any transaction or series of related transactions resulting in the consummation of a merger, combination, consolidation or other reorganization of the Company with or into any

third patty, *other than* any such merger, combination, consolidation or reorganization following which the holders of capital stock of the Company immediately prior to such merger, combination, consolidation or reorganization continue to hold, solely in respect of their interests in the Company's capital stock immediately prior to such merger, combination, consolidation or reorganization, at least fifty-five percent (55%) of the voting power of the outstanding capital stock of the Company or the surviving or acquiring entity; (ii) any transaction or series of related transactions resulting in the consummation of the sale, lease, exclusive or irrevocable licensing or other transfer of all or substantially all of the assets of the Company to a third patty, *other than* any such sale, lease, exclusive or irrevocable licensing or transfer following which the holders of capital stock of the Company immediately prior to such sale, lease, exclusive or irrevocable licensing or transfer continue to hold, solely in respect of their interests in the Company's capital stock immediately prior to such sale, lease, exclusive or irrevocable licensing or transfer, at least fifty-five percent (55%) of the voting power of the outstanding capital stock of the acquiring entity; or (iii) any transaction or series of related transactions resulting in the transfer or issuance, whether by merger, combination, consolidation or otherwise, of Company securities to a person or group if, after such transfer or issuance, such person or group would hold fifty-five percent (55%) of the voting power of the outstanding capital stock of the Company; provided that, with respect to any payments or benefits payable to Executive pursuant to this Agreement that may be considered deferred compensation under Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) shall only constitute a Change of Control for purposes of this Agreement if such transaction or event also constitutes a "change in control event," as defined in Treasury Regulation Section 1.409A-3(i)(5).

(f) ***"Code"*** shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other interpretive guidance thereunder.

(g) ***"Confidentiality Agreement'*** shall mean the Employee Confidentiality Agreement between the Company and Executive dated September 24, 2011.

(h) ***"Good Reason"*** shall mean the occurrence of any of the following events or conditions without Executive's written consent: (i) a material diminution in Executive's base salary or target annual bonus level; (ii) a material diminution in Executive's authority, duties or responsibilities, other than as a result of a Change of Control immediately after which Executive holds a position with the Company or its successor (or any other entity that owns substantially all of the Company's business after such sale) that is substantially equivalent with respect to the Company's business as Executive held immediately prior to such Change of Control; (iii) a change in the geographic location of Executive's principal place of employment to any location that is more than 75 miles from the location immediately prior to such change; or (iv) the failure of the Company to obtain an agreement from any successor to all or substantially all of the business or assets of the Company to assume this Agreement as contemplated in Section 8(a) of this Agreement; provided that Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions within 60 days of the occurrence of such event and such event or condition must remain uncured for 30 days following the Company's receipt of such written notice. Any voluntary termination for "Good Reason" following such 30 day cure period must occur no later than the date that is 30 days following the expiration of the Company's cure period.

(i) ***"Qualifying Termination"*** means (i) a termination by Executive of Executive's employment with the Company for Good Reason or (ii) a termination by the Company of Executive's employment with the Company without Cause.

(j) ***"Target Bonus Amount"*** means Executive's target annual bonus amount in effect at the time of Executive's Qualifying Termination (disregarding any decrease in such target annual bonus amount that constitutes a Good Reason event).

2. Severance.

(a) Severance Upon Qualifying Termination. If Executive has a Qualifying Termination that does not occur on the date of or within 12 months following a Change of Control, then subject to (x) the requirements of this Section 2, (y) Executive's continued compliance with the terms of the Confidentiality Agreement and Sections 4 and 5 and (z) the terms of Section 8, Executive shall be entitled to receive the following payments and benefits:

(i) The Company shall pay to Executive (A) his or her fully earned but unpaid base salary through the date of Executive's Qualifying Termination, (B) any accrued but unpaid paid time off and (C) any other amounts or benefits, if any, under the Company's employee benefit plans, programs or arrangements to which Executive may be entitled pursuant to the terms of such plans, programs or arrangements or applicable law, payable in accordance with the terms of such plans, programs or arrangements or as otherwise required by applicable law (collectively, the ***"Accrued Rights");***

(ii) Executive shall receive continued payment of the Base Salary for a period of 6 months following the termination date (the ***"Salary Severance Period")*** in accordance with the Company's ordinary payroll practices;

(iii) The Company will pay Executive the amount of any earned but unpaid annual bonus for the year immediately prior to the year in which Executive's Qualifying Termination occurs, as determined by the Board (or an authorized committee) in its good faith discretion, payable in a lump sum at the same time annual bonuses are paid to other Company executives generally but in no event later than December 31 of the year in which Executive's Qualifying Termination occurs; and

(iv) If Executive timely elects continued coverage under COBRA for Executive and Executive's covered dependents under the Company's group health plans following such Qualifying Termination, then the Company shall pay the COBRA premiums necessary to continue Executive's and his covered dependents' health insurance coverage in effect on the termination date until the earliest of (x) 6 months following the effective date of such Qualifying Termination (the ***"COBRA Severance Period"),*** (y) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (and Executive agrees to promptly notify the Company of such eligibility) and (z) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the Qualifying Termination date through the earlier of (x)-(z), the ***"COBRA Payment Period").*** Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's

behalf would result in a violation of applicable law (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act) or an excise tax, then in lieu of paying COBRA premiums pursuant to this Section 2(a)(iv), the Company shall pay Executive on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, such payment to be made without regard to Executive's payment of COBRA premiums.

(b) Severance Upon Qualifying Termination Occurring Within 12 Months Following a Change of Control. If Executive has a Qualifying Termination that occurs on the date of or within 12 months following a Change of Control, then subject to (x) the requirements of this Section 2, (y) Executive's continued compliance with the terms of the Confidentiality Agreement and Sections 4 and 5 and (z) the terms of Section 8, Executive shall be entitled to receive the payments and benefits described in Section 2(a) above; provided that: (i) the Salary Severance Period shall be increased to 9 months; (ii) the COBRA Severance Period shall be increased to 9 months; (iii) the Company shall pay Executive an additional amount equal to 75% of the Target Bonus Amount, payable in a lump sum on the Company's first ordinary payroll date occurring after the effective date of Executive's Qualifying Termination; and (iv) all unvested equity or equity-based awards granted to Executive under any equity compensation plans of the Company shall become immediately vested as to time and any such awards that are subject to performance-based vesting will remain eligible to vest to the extent the performance conditions are thereafter satisfied (provided that nothing herein shall operate to extend the term, if any, of an award beyond the final expiration date provided in the applicable award agreement or prohibit the award from being treated in substantially the same manner as awards held by Company employees in the context of a Change of Control or other corporate transaction).

(c) Other Terminations. Upon Executive's termination of employment for any reason other than as set forth in Section 2(a) and Section 2(b), the Company shall pay to Executive the Accrued Rights and shall have no other or further obligations to Executive under this Agreement. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Executive's receipt of any amounts set forth in Section 2(a) or Section 2(b) other than the Accrued Rights, Executive shall, within the 60 day period following the date of Executive's Qualifying Termination, deliver (without revoking) prior to receipt of such severance benefits, an effective, general release of claims in favor of the Company or its successor, its subsidiaries and their respective directors, officers and stockholders in a form acceptable to the Company or its successor, such form to contain a reaffirmation of Executive's promises contained in Section 4 of this Agreement and the Confidentiality Agreement and a promise not to disparage the Company, its business, or its employees, officers, directors or stockholders. The form of the general release will be provided to the Executive not later than five (5) days following the date of Executive's Qualifying Termination.

(e) Exclusive Remedy; Other Arrangements. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to

salary, severance, benefits, bonuses and other amounts (if any) accruing after the termination of Executive's employment for any reason shall cease upon such termination. In addition, the severance payments provided for in Section 2(a) and Section 2(b) above are intended to be paid in lieu of any severance payments Executive may otherwise be entitled to receive under any other plan, program, policy, contract or agreement with the Company or any of its Affiliates, including for the avoidance of doubt, any employment agreement or offer letter (collectively, ***"Other Arrangements").*** Therefore, in the event Executive becomes entitled to receive the severance payments and benefits provided under Section 2(a) or Section 2(b), Executive shall receive the amounts provided under that Section of this Agreement and shall not be entitled to receive any severance payments or severance benefits pursuant to any Other Arrangements. In addition, to the extent any Other Arrangement that was entered into prior to the date of this Agreement provides for Executive to receive any payments or benefits upon a termination or a resignation of employment for any reason (such agreement a ***"Prior Agreement"),*** Executive hereby agrees that such termination pay and benefit provisions of such Prior Agreement shall be and hereby are superseded by this Agreement and from and after the date of this Agreement, such termination pay and benefit provisions of the Prior Agreement shall be and are null and void and of no further force or effect. For the avoidance of doubt, except as may otherwise be agreed in writing between Executive and the Company or one of its Affiliates after the date of this Agreement, it is intended that the other terms and conditions of any Prior Agreement that do not provide for termination pay or benefits, including any non-competition, non-solicitation, non disparagement, confidentiality, or assignment of inventions covenants and other similar covenants contained therein, shall remain in effect in accordance with their terms for the periods set forth in the Prior Agreement.

(f) Parachute Payments.

(i) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 2(a) or Section 2(b) hereof, being hereinafter referred to as the ***"Total Payments"),*** would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the ***"Excise Tax"),*** then the Total Payments shall be reduced (in the order provided in Section 2(f)(ii)) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (1) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (2) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(ii) The Total Payments shall be reduced in the following order: (1) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code, (2) reduction on a pro-rata basis of any non-cash severance payments

or benefits that are exempt from Section 409A of the Code, (3) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A of the Code and (4) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code; provided, in the case of clauses (2), (3) and (4), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(iii) All determinations regarding the application of this Section 2(t) shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the ***"Independent Advisors").*** For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (1) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (2) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

(iv) In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 2(f), the excess amount shall be returned immediately by Executive to the Company.

(g) Withholding. All compensation and benefits to Executive hereunder shall be reduced by all federal, state, local and other withholdings and similar taxes and payments required by applicable law.

3. Condition to Severance Obligations. The Company shall be entitled to cease all severance payments and benefits to Executive in the event of Executive's breach of Sections 4 or 5, or any of the provisions of the Confidentiality Agreement or of any other non-competition, non-solicitation, non-disparagement, confidentiality, or assignment of inventions covenants contained in any other agreement between Executive and the Company, which other covenants are hereby incorporated by reference into this Agreement.

4. Restrictive Covenants.

(a) Non-Solicitation and Non-Competition.

(i) Non-Solicitation. Executive agrees that, for a period of 12 months from and after any termination of Executive's employment with the Company, voluntary or involuntary, for any reason or no reason (the ***"Non-Compete Period"),*** Executive shall not (directly or indirectly, on behalf of Executive or any third party) (a) solicit, induce, recruit or encourage, or take any other action which is intended to induce or encourage or facilitate or has the effect of inducing or encouraging any of the Company's employees to leave their employment with the Company or otherwise facilitates the hiring of any such employees by any

person outside the Company; or (b) solicit, interfere with, disrupt or attempt to disrupt any past, present or prospective relationship, contractual or otherwise, between the Company and any of its actual or prospective customers, suppliers, employees or stockholders, within the Geographic Area (as defined below), other than on behalf of the Company or any of its subsidiaries, directly or indirectly, without the prior written consent of the Company.

(ii) Non-Competition. In addition, during the Non-Compete Period, Executive shall not, directly or indirectly, (a) engage in (whether as an employee, agent, consultant, advisor, independent contractor, proprietor, partner, officer, director or otherwise), (b) have any ownership interest in (except for passive ownership of one percent (1%) or less of any entity whose securities have been registered under the Securities Act of 1933, as amended, or Section 12 of the Securities Exchange Act of 1934), or (c) participate in the financing, operation, management or control of, any firm, partnership, corporation, entity or business, that engages or participates in a "competing business purpose." The term "competing business purpose" shall mean the Company's business, including without limitation telephone and internet based physician consultation, as conducted or planned to be conducted by the Company at any time during the course of Executive's employment with the Company (including without limitation products and services under development as of the date of termination).

(iii) "Geographic Area" means any city, county or state, or any similar subdivision thereof, in each of the United States of America.

(iv) Separate Covenants. The covenants contained in Section 4(a)(i) and 4(a)(ii) shall be construed as a series of separate covenants, one for each city, county, state, or any similar subdivision in any Geographic Area and are in addition to (and not in lieu of) and may be enforced separately from, any prior non-compete, non-solicitation or other similar restrictive covenant or agreement between the Company, it affiliates or subsidiaries and Executive. These covenants shall also be construed as a series of separate and successive covenants, one for each month of the Non-Compete Period. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenants contained in Section 4(a)(i) and 4(a)(ii) above. If, in any judicial or arbitral proceeding, a court or arbitrator refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of Section 4(a)(i) and 4(a)(ii) above are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, then permitted by such law. In the event that the applicable court or arbitrator does not exercise the power granted to it in the prior sentence, Executive and the Company agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term. The existence or assertion of any claim by Executive against the Company, whether based on this Agreement or otherwise, shall not operate as a defense to the Company's enforcement of the promises and covenants in the Confidentiality Agreement and this Section 4. An alleged or actual breach of the Agreement by the Company will not be a defense to enforcement of any such promise or covenant in this Section 4 or the Confidentiality Agreement.

(v) Acknowledgements. Executive acknowledges that the nature of the Company's business is such that if Executive were to become employed by, or substantially involved in, the business of a competitor of the Company within the Non-Compete Period, it will be difficult for Executive not to rely on or use the Company's trade secrets and confidential information. Therefore, Executive has agreed to enter into this Agreement to reduce the likelihood of disclosure of the Company's trade secrets and confidential information. Executive therefore acknowledges and agrees that the promises in Section 4(a) are ancillary to an otherwise enforceable agreement contained in this Agreement and the Confidentiality Agreement. Executive also acknowledges that the limitations of time, geography, and scope of activity agreed to above are reasonable because, among other things: (a) the Company is engaged in a highly competitive industry; (b) Executive will have continued and unique access to the trade secrets and know-how of the Company, including without limitation the plans and strategy (and in particular the competitive strategy) of the Company; (c) Executive is receiving significant severance payments and benefits in connection with Executive's termination of employment; (d) these non-competition and non-solicitation agreements will not impose an undue hardship on Executive, and Executive acknowledges that Executive will be able to obtain suitable and satisfactory employment in Executive's chosen profession without violation of these covenants; and (e) these covenants provide no more protection than is reasonable and necessary to protect the trade secrets, confidential information, customer contacts and relationships, and goodwill of the Company.

(vi) Resignation on Termination. On termination of Executive's employment, Executive shall immediately (and with contemporaneous effect) resign any directorships, offices or other positions that Executive may hold in the Company or any of its affiliates, unless otherwise requested by the Board.

(vii) Tolling of Non-Compete Period. The Non-Compete Period will not include any period(s) of violation of such promises in this Section 4 or the Confidentiality Agreement, it being understood that the extension of time provided in this Section 4 may not exceed two (2) years.

5. Non-disparagement. Upon termination of employment by the Company or resignation of employment by Executive for any reason, Executive shall not, directly, or through any other person or entity, make any public or private statements that are disparaging of the Company, its business or its employees, officers, directors, or stockholders; and the Company shall not, directly or through any other person or entity, make any public or private statements that are disparaging of Executive.

6. Agreement to Arbitrate. Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in the borough of Manhattan, City of New York, New York or any subsequent location where the principal offices of the Company are located. Such arbitration shall be conducted in accordance with the then prevailing JAMS Streamlined Arbitration Rules & Procedures, with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, unless otherwise required to enforce this Section 6; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to

such party. Each patty shall bear its own attorneys' fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided, however, that nothing in this Section shall be construed as precluding the bringing of an action in a court of competent jurisdiction to enforce the Confidentiality Agreement or any other non-competition, non-solicitation, non-disparagement, confidentiality, or assignment of inventions covenants or other intellectual property related covenants contained in any other agreement between Executive and the Company.

7 . At-Will Employment Relationship. Executive's employment with the Company is at-will and not for any specified period and may be terminated at any time, with or without Cause or advance notice, by either Executive or the Company. Any change to the at-will employment relationship must be by specific, written agreement signed by Executive and an authorized representative of the Company. Nothing in this Agreement is intended to or should be construed to contradict, modify or alter this at-will relationship.

8. General Provisions.

(a) Successors and Assigns. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company or to any of its Affiliates. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company to assume this Agreement. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the patties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

(c) Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Either patty's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

(d) Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of New York applicable to contracts made and to be performed wholly therein, and without regard to the conflicts of laws principles that would result in the application of the laws of another jurisdiction. Any suit brought hereon shall be brought in the state or federal courts sitting in the borough of Manhattan, City of New York, New York, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each patty hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

(e) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the most recent address for Executive set forth in the Company's personnel files and to the Company at its principal place of business, or such other address as either party may specify in writing.

(i) Survival. Sections 2 ("Severance"), 3 ("Condition to Severance Obligations"), 4 ("Restrictive Covenants"), 5 ("Non-disparagement"), 6 ("Agreement to Arbitrate") and 8 ("General Provisions") of this Agreement shall survive termination of Executive's employment with the Company.

(g) Entire Agreement. This Agreement and any covenants and agreements incorporated herein by reference as set forth in Section 3 together constitute the entire agreement between the parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral, provided, however, that for the avoidance of doubt, all Other Arrangements (as such Other Arrangements may be amended, modified or terminated from time to time) shall remain in effect in accordance with their terms, subject to Section 2(e) hereof. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(h) Code Section 409A.

(i) The intent of the patties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, ***"Section 409A")*** and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.

(ii) Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a ***"Separation from Service")*** and, except as provided below, any such compensation or benefits shall not be paid, or, in the case of

installments, shall not commence payment, until the 60th day following Executive's Separation from Service (the ***"First Payment Date").*** Any installment payments that would have been made to Executive during the 60 day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the First Payment Date and the remaining payments shall be made as provided in this Agreement.

(iii) Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

(i) Consultation with Legal and Financial Advisors. By executing this Agreement, Executive acknowledges that this Agreement confers significant legal rights, and may also involve the waiver of rights under other agreements; that the Company has encouraged Executive to consult with Executive's personal legal and financial advisors; and that Executive has had adequate time to consult with Executive's advisors before executing this Agreement.

(j) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[signature page follows]

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

TELADOC, INC.

By: /s/ Adam Vandervoort
Name: Adam Vandervoort
Title: Chief Legal Officer

EXECUTIVE

/s/ Daniel Trencher
Daniel Trencher

Exhibit 10.41

EXECUTIVE SEVERANCE AGREEMENT

This Executive Severance Agreement ***("Agreement")*** is made effective as of July 15, 2015 ***("Effective Date"),*** by and between Teladoc, Inc. (the ***"Company")*** and Andrew Turitz ***("Executive").***

WHEREAS, Executive is a key employee of the Company and the Company and Executive desire to set forth herein the terms and conditions of Executive's compensation in the event of a termination of Executive's employment under certain circumstances.

NOW, THEREFORE, the parties agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

(a) ***"Affiliate"*** means with respect to any person or entity, any other person or entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. For purposes of this definition, "control", when used with respect to any person or entity, means the power to direct the management and policies of such person or entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

(b) ***"Base Salary"*** means Executive's base salary at the rate in effect on the date of Executive's Qualifying Termination (disregarding any decrease in such base salary that constitutes a Good Reason event).

(c) ***"Board"*** shall mean the Board of Directors of the Company.

(d) ***"Cause"*** shall mean any of the following: (i) Executive's breach of Executive's duty of loyalty to the Company or Executive's willful breach of Executive's duty of care to the Company; (ii) Executive's material failure or refusal to comply with reasonable written policies, standards and regulations established by the Board from time to time which failure or refusal, if curable, is not cured to the reasonable satisfaction of the Board during the fifteen (15) day period following written notice of such failure or refusal from the Board; (iii) Executive's commission of a felony, an act of theft, embezzlement or misappropriation of funds or the property of the Company or its subsidiaries of material value or an act of fraud involving the Company or its subsidiaries; (iv) Executive's willful misconduct or gross negligence which causes or reasonably could cause (for example, if it became publicly known) material harm to the Company's standing, condition or reputation; (v) Executive's material violation of the Company's Code of Ethics (or similar written policies concerning ethical behavior) or written policies concerning harassment or discrimination; or (vi) any material breach by Executive of the provisions of the Confidentiality Agreement or a material provision of this Agreement.

(e) ***"Change of Control"*** shall mean (other than an initial public offering of the Company) (i) any transaction or series of related transactions resulting in the consummation of a merger, combination, consolidation or other reorganization of the Company with or into any

third party, *other than* any such merger, combination, consolidation or reorganization following which the holders of capital stock of the Company immediately prior to such merger, combination, consolidation or reorganization continue to hold, solely in respect of their interests in the Company's capital stock immediately prior to such merger, combination, consolidation or reorganization, at least fifty-five percent (55%) of the voting power of the outstanding capital stock of the Company or the surviving or acquiring entity; (ii) any transaction or series of related transactions resulting in the consummation of the sale, lease, exclusive or irrevocable licensing or other transfer of all or substantially all of the assets of the Company to a third party, *other than* any such sale, lease, exclusive or irrevocable licensing or transfer following which the holders of capital stock of the Company immediately prior to such sale, lease, exclusive or irrevocable licensing or transfer continue to hold, solely in respect of their interests in the Company's capital stock immediately prior to such sale, lease, exclusive or irrevocable licensing or transfer, at least fifty-five percent (55%) of the voting power of the outstanding capital stock of the acquiring entity; or (iii) any transaction or series of related transactions resulting in the transfer or issuance, whether by merger, combination, consolidation or otherwise, of Company securities to a person or group if, after such transfer or issuance, such person or group would hold fifty-five percent (55%) of the voting power of the outstanding capital stock of the Company; provided that, with respect to any payments or benefits payable to Executive pursuant to this Agreement that may be considered deferred compensation under Section 409A of the Code, the transaction or event described in clause (i), (ii) or (iii) shall only constitute a Change of Control for purposes of this Agreement if such transaction or event also constitutes a "change in control event," as defined in Treasury Regulation Section l.409A-3(i)(5).

(f) ***"Code"*** shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations and other interpretive guidance thereunder.

(g) ***"Confidentiality Agreement"*** shall mean the Employee Confidentiality Agreement between the Company and Executive dated January 5, 2015.

(h) ***"Good Reason"*** shall mean the occurrence of any of the following events or conditions without Executive's written consent: (i) a material diminution in Executive's base salary or target annual bonus level; (ii) a material diminution in Executive's authority, duties or responsibilities, other than as a result of a Change of Control immediately after which Executive holds a position with the Company or its successor (or any other entity that owns substantially all of the Company's business after such sale) that is substantially equivalent with respect to the Company's business as Executive held immediately prior to such Change of Control; (iii) a change in the geographic location of Executive's principal place of employment to any location that is more than 75 miles from the location immediately prior to such change; or (iv) the failure of the Company to obtain an agreement from any successor to all or substantially all of the business or assets of the Company to assume this Agreement as contemplated in Section 8(a) of this Agreement; provided that Executive must provide written notice to the Company of the occurrence of any of the foregoing events or conditions within 60 days of the occurrence of such event and such event or condition must remain uncured for 30 days following the Company's receipt of such written notice. Any voluntary termination for "Good Reason" following such 30 day cure period must occur no later than the date that is 30 days following the expiration of the Company's cure period.

(i) ***"Qualifying Termination"*** means (i) a termination by Executive of Executive's employment with the Company for Good Reason or (ii) a termination by the Company of Executive's employment with the Company without Cause.

(j) ***"Target Bonus Amount"*** means Executive's target annual bonus amount in effect at the time of Executive's Qualifying Termination (disregarding any decrease in such target annual bonus amount that constitutes a Good Reason event).

2. Severance.

(a) Severance Upon Qualifying Termination. If Executive has a Qualifying Termination that does not occur on the date of or within 12 months following a Change of Control, then subject to (x) the requirements of this Section 2, (y) Executive's continued compliance with the terms of the Confidentiality Agreement and Sections 4 and 5 and (z) the terms of Section 8, Executive shall be entitled to receive the following payments and benefits:

(i) The Company shall pay to Executive (A) his or her fully earned but unpaid base salary through the date of Executive's Qualifying Termination, (B) any accrued but unpaid paid time off and (C) any other amounts or benefits, if any, under the Company's employee benefit plans, programs or arrangements to which Executive may be entitled pursuant to the terms of such plans, programs or arrangements or applicable law, payable in accordance with the terms of such plans, programs or arrangements or as otherwise required by applicable law (collectively, the ***"Accrued Rights");***

(ii) Executive shall receive continued payment of the Base Salary for a period of 6 months following the termination date (the ***"Salary Severance Period")*** in accordance with the Company's ordinary payroll practices;

(iii) The Company will pay Executive the amount of any earned but unpaid annual bonus for the year immediately prior to the year in which Executive's Qualifying Termination occurs, as determined by the Board (or an authorized committee) in its good faith discretion, payable in a lump sum at the same time annual bonuses are paid to other Company executives generally but in no event later than December 31 of the year in which Executive's Qualifying Termination occurs; and

(iv) If Executive timely elects continued coverage under COBRA for Executive and Executive's covered dependents under the Company's group health plans following such Qualifying Termination, then the Company shall pay the COBRA premiums necessary to continue Executive's and his covered dependents' health insurance coverage in effect on the termination date until the earliest of (x) 6 months following the effective date of such Qualifying Termination (the ***"COBRA Severance Period"),*** (y) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (and Executive agrees to promptly notify the Company of such eligibility) and (z) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the Qualifying Termination date through the earlier of (x)-(z), the ***"COBRA Payment Period").*** Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's

behalf would result in a violation of applicable law (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act) or an excise tax, then in lieu of paying COBRA premiums pursuant to this Section 2(a)(iv), the Company shall pay Executive on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, such payment to be made without regard to Executive's payment of COBRA premiums.

(b) Severance Upon Qualifying Termination Occurring Within 12 Months Following a Change of Control. If Executive has a Qualifying Termination that occurs on the date of or within 12 months following a Change of Control, then subject to (x) the requirements of this Section 2, (y) Executive's continued compliance with the terms of the Confidentiality Agreement and Sections 4 and 5 and (z) the terms of Section 8, Executive shall be entitled to receive the payments and benefits described in Section 2(a) above; provided that: (i) the Salary Severance Period shall be increased to 9 months; (ii) the COBRA Severance Period shall be increased to 9 months; (iii) the Company shall pay Executive an additional amount equal to 75% of the Target Bonus Amount, payable in a lump sum on the Company's first ordinary payroll date occurring after the effective date of Executive's Qualifying Termination; and (iv) all unvested equity or equity-based awards granted to Executive under any equity compensation plans of the Company shall become immediately vested as to time and any such awards that are subject to performance-based vesting will remain eligible to vest to the extent the performance conditions are thereafter satisfied (provided that nothing herein shall operate to extend the term, if any, of an award beyond the final expiration date provided in the applicable award agreement or prohibit the award from being treated in substantially the same manner as awards held by Company employees in the context of a Change of Control or other corporate transaction).

(c) Other Terminations. Upon Executive's termination of employment for any reason other than as set forth in Section 2(a) and Section 2(b), the Company shall pay to Executive the Accrued Rights and shall have no other or further obligations to Executive under this Agreement. The foregoing shall be in addition to, and not in lieu of, any and all other rights and remedies which may be available to the Company under the circumstances, whether at law or in equity.

(d) Release. As a condition to Executive's receipt of any amounts set forth in Section 2(a) or Section 2(b) other than the Accrued Rights, Executive shall, within the 60 day period following the date of Executive's Qualifying Termination, deliver (without revoking) prior to receipt of such severance benefits, an effective, general release of claims in favor of the Company or its successor, its subsidiaries and their respective directors, officers and stockholders in a form acceptable to the Company or its successor, such form to contain a reaffirmation of Executive's promises contained in Section 4 of this Agreement and the Confidentiality Agreement and a promise not to disparage the Company, its business, or its employees, officers, directors or stockholders. The form of the general release will be provided to the Executive not later than five (5) days following the date of Executive's Qualifying Termination.

(e) Exclusive Remedy: Other Arrangements. Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to

salary, severance, benefits, bonuses and other amounts (if any) accruing after the termination of Executive's employment for any reason shall cease upon such termination. In addition, the severance payments provided for in Section 2(a) and Section 2(b) above are intended to be paid in lieu of any severance payments Executive may otherwise be entitled to receive under any other plan, program, policy, contract or agreement with the Company or any of its Affiliates, including for the avoidance of doubt, any employment agreement or offer letter (collectively, ***"Other Arrangements").*** Therefore, in the event Executive becomes entitled to receive the severance payments and benefits provided under Section 2(a) or Section 2(b), Executive shall receive the amounts provided under that Section of this Agreement and shall not be entitled to receive any severance payments or severance benefits pursuant to any Other Arrangements. In addition, to the extent any Other Arrangement that was entered into prior to the date of this Agreement provides for Executive to receive any payments or benefits upon a termination or a resignation of employment for any reason (such agreement a ***"Prior Agreement'),*** Executive hereby agrees that such termination pay and benefit provisions of such Prior Agreement shall be and hereby are superseded by this Agreement and from and after the date of this Agreement, such termination pay and benefit provisions of the Prior Agreement shall be and are null and void and of no further force or effect. For the avoidance of doubt, except as may otherwise be agreed in writing between Executive and the Company or one of its Affiliates after the date of this Agreement, it is intended that the other terms and conditions of any Prior Agreement that do not provide for termination pay or benefits, including any non-competition, non-solicitation, non disparagement, confidentiality, or assignment of inventions covenants and other similar covenants contained therein, shall remain in effect in accordance with their terms for the periods set forth in the Prior Agreement.

(f) Parachute Payments.

(i) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 2(a) or Section 2(b) hereof, being hereinafter referred to as the ***"Total Payments"),*** would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the ***"Excise Tax"),*** then the Total Payments shall be reduced (in the order provided in Section 2(f)(ii)) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (1) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to
(2) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(ii) The Total Payments shall be reduced in the following order: (1) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code, (2) reduction on a pro-rata basis of any non-cash severance payments

or benefits that are exempt from Section 409A of the Code, (3) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A of the Code and (4) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code; provided, in the case of clauses (2), (3) and (4), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

(iii) All determinations regarding the application of this Section 2(f) shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the ***"Independent Advisors").*** For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (1) does not constitute a "parachute payment" within the meaning of Section280G(b)(2) of the Code (including by reason of Section280G(b)(4)(A) of the Code) or (2) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

(iv) In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 2(f), the excess amount shall be returned immediately by Executive to the Company.

(g) Withholding. All compensation and benefits to Executive hereunder shall be reduced by all federal, state, local and other withholdings and similar taxes and payments required by applicable law.

3. Condition to Severance Obligations. The Company shall be entitled to cease all severance payments and benefits to Executive in the event of Executive's breach of Sections 4 or 5, or any of the provisions of the Confidentiality Agreement or of any other non-competition, non-solicitation, non-disparagement, confidentiality, or assignment of inventions covenants contained in any other agreement between Executive and the Company, which other covenants are hereby incorporated by reference into this Agreement.

4. Restrictive Covenants.

(a) Non-Solicitation and Non-Competition.

(i) Non-Solicitation. Executive agrees that, for a period of 12 months from and after any termination of Executive's employment with the Company, voluntary or involuntary, for any reason or no reason (the ***"Non-Compete Period"),*** Executive shall not (directly or indirectly, on behalf of Executive or any third party) (a) solicit, induce, recruit or encourage, or take any other action which is intended to induce or encourage or facilitate or has the effect of inducing or encouraging any of the Company's employees to leave their employment with the Company or otherwise facilitates the hiring of any such employees by any

person outside the Company; or (b) solicit, interfere with, disrupt or attempt to disrupt any past, present or prospective relationship, contractual or otherwise, between the Company and any of its actual or prospective customers, suppliers, employees or stockholders, within the Geographic Area (as defined below), other than on behalf of the Company or any of its subsidiaries, directly or indirectly, without the prior written consent of the Company.

(ii) Non-Competition. In addition, during the Non-Compete Period, Executive shall not (except as set forth in Section 4(a)(viii) below), directly or indirectly, (a) engage in (whether as an employee, agent, consultant, advisor, independent contractor, proprietor, partner, officer, director or otherwise), (b) have any ownership interest in (except for passive ownership of one percent (1%) or less of any entity whose securities have been registered under the Securities Act of 1933, as amended, or Section 12 of the Securities Exchange Act of 1934), or (c) participate in the financing, operation, management or control of, any firm, partnership, corporation, entity or business, that engages or participates in a "competing business purpose." The term "competing business purpose" shall mean the Company's business, including without limitation telephone and internet based physician consultation, as conducted or planned to be conducted by the Company at any time during the course of Executive's employment with the Company (including without limitation products and services under development as of the date of termination).

(iii) "Geographic Area" means any city, county or state, or any similar subdivision thereof, in each of the United States of America.

(iv) Separate Covenants. The covenants contained in Section 4(a)(i) and 4(a)(ii) shall be construed as a series of separate covenants, one for each city, county, state, or any similar subdivision in any Geographic Area and are in addition to (and not in lieu of) and may be enforced separately from, any prior non-compete, non-solicitation or other similar restrictive covenant or agreement between the Company, it affiliates or subsidiaries and Executive. These covenants shall also be construed as a series of separate and successive covenants, one for each month of the Non-Compete Period. Except for geographic coverage, each such separate covenant shall be deemed identical in terms to the covenants contained in Section 4(a)(i) and 4(a)(ii) above. If, in any judicial or arbitral proceeding, a court or arbitrator refuses to enforce any of such separate covenants (or any part thereof), then such unenforceable covenant (or such part) shall be eliminated from this Agreement to the extent necessary to permit the remaining separate covenants (or portions thereof) to be enforced. In the event that the provisions of Section 4(a)(i) and 4(a)(ii) above are deemed to exceed the time, geographic or scope limitations permitted by applicable law, then such provisions shall be reformed to the maximum time, geographic or scope limitations, as the case may be, then permitted by such law. In the event that the applicable court or arbitrator does not exercise the power granted to it in the prior sentence, Executive and the Company agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term. The existence or assertion of any claim by Executive against the Company, whether based on this Agreement or otherwise, shall not operate as a defense to the Company's enforcement of the promises and covenants in the Confidentiality Agreement and this Section 4. An alleged or actual breach of the Agreement by the Company will not be a defense to enforcement of any such promise or covenant in this Section 4 or the Confidentiality Agreement.

(v) Acknowledgements. Executive acknowledges that the nature of the Company's business is such that if Executive were to become employed by, or substantially involved in, the business of a competitor of the Company within the Non-Compete Period, it will be difficult for Executive not to rely on or use the Company's trade secrets and confidential information. Therefore, Executive has agreed to enter into this Agreement to reduce the likelihood of disclosure of the Company's trade secrets and confidential information. Executive therefore acknowledges and agrees that the promises in Section 4(a) are ancillary to an otherwise enforceable agreement contained in this Agreement and the Confidentiality Agreement. Executive also acknowledges that the limitations of time, geography, and scope of activity agreed to above are reasonable because, among other things: (a) the Company is engaged in a highly competitive industry; (b) Executive will have continued and unique access to the trade secrets and know-how of the Company, including without limitation the plans and strategy (and in particular the competitive strategy) of the Company; (c) Executive is receiving significant severance payments and benefits in connection with Executive's termination of employment; (d) these non-competition and non-solicitation agreements will not impose an undue hardship on Executive, and Executive acknowledges that Executive will be able to obtain suitable and satisfactory employment in Executive's chosen profession without violation of these covenants; and (e) these covenants provide no more protection than is reasonable and necessary to protect the trade secrets, confidential information, customer contacts and relationships, and goodwill of the Company.

(vi) Resignation on Termination. On termination of Executive's employment, Executive shall immediately (and with contemporaneous effect) resign any directorships, offices or other positions that Executive may hold in the Company or any of its affiliates, unless otherwise requested by the Board.

(vii) Tolling of Non-Compete Period. The Non-Compete Period will not include any period(s) of violation of such promises in this Section 4 or the Confidentiality Agreement, it being understood that the extension of time provided in this Section 4 may not exceed two (2) years.

(viii) Carve-Out. Any provision of this Agreement to the contrary notwithstanding, in no event shall the provisions hereof be interpreted so as to prevent Executive immediately following cessation of his employment with Company from being employed by a firm, partnership, corporation, entity or business that has a primary purpose of investing in private companies unless such firm, partnership, corporation, entity or business both (a) has an active ownership interest in, and (b) has the legal right to appoint a director of, any of the following: (a) American Well Corporation; (b) MDLIVE Inc.; (c) Doctor on Demand, Inc.; or (d) any corporate successor or parent of any of the foregoing three companies.

5. Non-disparagement. Upon termination of employment by the Company or resignation of employment by Executive for any reason, Executive shall not, directly, or through any other person or entity, make any public or private statements that are disparaging of the Company, its business or its employees, officers, directors, or stockholders; and the Company shall not, directly or through any other person or entity, make any public or private statements that are disparaging of Executive.

6. Agreement to Arbitrate. Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in the borough of Manhattan, City of New York, New York or any subsequent location where the principal offices of the Company are located. Such arbitration shall be conducted in accordance with the then prevailing JAMS Streamlined Arbitration Rules & Procedures, with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, unless otherwise required to enforce this Section 6; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such patty. Each party shall bear its own attorneys' fees and expenses. The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided, however, that nothing in this Section shall be construed as precluding the bringing of an action in a court of competent jurisdiction to enforce the Confidentiality Agreement or any other non-competition, non-solicitation, non-disparagement, confidentiality, or assignment of inventions covenants or other intellectual property related covenants contained in any other agreement between Executive and the Company.

7 . At-Will Employment Relationship. Executive's employment with the Company is at-will and not for any specified period and may be terminated at any time, with or without Cause or advance notice, by either Executive or the Company. Any change to the at-will employment relationship must be by specific, written agreement signed by Executive and an authorized representative of the Company. Nothing in this Agreement is intended to or should be construed to contradict, modify or alter this at-will relationship.

8. General Provisions.

(a) Successors and Assigns. The rights of the Company under this Agreement may, without the consent of Executive, be assigned by the Company to any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly, acquires all or substantially all of the assets or business of the Company or to any of its Affiliates. The Company will require any successor (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company to assume this Agreement. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(b) Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

(c) Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. This Agreement has been drafted by legal counsel representing the Company, but Executive has participated in the negotiation of its terms. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Either patty's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

(d) Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the United States and the State of New York applicable to contracts made and to be performed wholly therein, and without regard to the conflicts of laws principles that would result in the application of the laws of another jurisdiction. Any suit brought hereon shall be brought in the state or federal courts sitting in the borough of Manhattan, City of New York, New York, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party hereby agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by New York law.

(e) Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to Executive at the most recent address for Executive set forth in the Company's personnel files and to the Company at its principal place of business, or such other address as either party may specify in writing.

(f) Survival. Sections 2 ("Severance"), 3 ("Condition to Severance Obligations"), 4 ("Restrictive Covenants"), 5 ("Non-disparagement"), 6 ("Agreement to Arbitrate") and 8 ("General Provisions") of this Agreement shall survive termination of Executive's employment with the Company.

(g) Entire Agreement. This Agreement and any covenants and agreements incorporated herein by reference as set forth in Section 3 together constitute the entire agreement between the parties in respect of the subject matter contained herein and therein and supersede all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral, provided, however, that for the avoidance of doubt, all Other Arrangements (as such Other Arrangements may be amended, modified or terminated from time to time) shall remain in effect in accordance with their terms, subject to Section 2(e) hereof. This Agreement may be amended or modified only with the written consent of Executive and an authorized representative of the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

(h) Code Section 409A.

(i) The intent of the parties is that the payments and benefits under this Agreement comply with or be exempt from Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, ***"Section 409A")*** and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith.

(ii) Notwithstanding anything in this Agreement to the contrary, any compensation or benefits payable under this Agreement upon Executive's termination of employment shall be payable only upon Executive's "separation from service" with the Company within the meaning of Section 409A (a ***"Separation from*** *Service")* and, except as provided below, any such compensation or benefits shall not be paid, or, in the case of installments, shall not commence payment, until the 60th day following Executive's Separation from Service (the ***"First Payment Date").*** Any installment payments that would have been made to Executive during the 60 day period immediately following Executive's Separation from Service but for the preceding sentence shall be paid to Executive on the First Payment Date and the remaining payments shall be made as provided in this Agreement.

(iii) Notwithstanding anything in this Agreement to the contrary, if Executive is deemed by the Company at the time of Executive's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which Executive is entitled under this Agreement is required in order to avoid a prohibited distribution under Section 409A, such portion of Executive's benefits shall not be provided to Executive prior to the earlier of (i) the expiration of the six-month period measured from the date of Executive's Separation from Service with the Company or (ii) the date of Executive's death. Upon the first business day following the expiration of the applicable Section 409A period, all payments deferred pursuant to the preceding sentence shall be paid in a lump sum to Executive (or Executive's estate or beneficiaries), and any remaining payments due to Executive under this Agreement shall be paid as otherwise provided herein.

(iv) Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. Except as otherwise permitted under Section 409A, no payment hereunder shall be accelerated or deferred unless such acceleration or deferral would not result in additional tax or interest pursuant to Section 409A.

(i) Consultation with Legal and Financial Advisors. By executing this Agreement, Executive acknowledges that this Agreement confers significant legal rights, and may also involve the waiver of rights under other agreements; that the Company has encouraged Executive to consult with Executive's personal legal and financial advisors; and that Executive has had adequate time to consult with Executive's advisors before executing this Agreement.

(j) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

[*signature page follows]*

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

TELADOC, INC.

By: /s/ Adam Vandervoort
Name: Adam Vandervoort
Title: Chief Legal Officer

EXECUTIVE

/s/ Andrew Turitz
Andrew Turitz

Exhibit 10.42

AMENDMENT NO. 1 TO EXECUTIVE SEVERANCE AGREEMENT

This Amendment No. 1 to Executive Severance Agreement (this "***Amendment***"), by and between Teladoc Health, Inc., a Delaware corporation ("***Teladoc***" or the "***Company***"), and Mr. Andrew Turitz, an individual resident in the State of Illinois (***Executive***"), is made as of October 29, 2019.

Recitals

A. Teladoc and Executive are parties to that certain Executive Severance Agreement, dated as of July 15, 2015 (the "***Agreement***").

B. Teladoc and Executive desire to make certain changes to the Agreement, as set forth in this Amendment.

Terms and Conditions

In consideration of the mutual covenants contained herein, along with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Amendments.

1.1. Except as otherwise set forth in this Amendment, capitalized terms have the meaning given them in the Agreement.

1.2. A Section 8(k) is hereby added to the Agreement, as follows:

"(k) Governance Policies. During and, to the extent required by applicable law, regulation or exchange listing requirement, following the period of Executive's employment with the Company, Executive shall be subject to all of the Company's corporate governance and executive compensation policies in effect from time to time, including any stock ownership guidelines and the Company's executive compensation recovery policy."

1.3. Section 1(d) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(d) "***Cause***" shall mean: (A) the willful and continued failure by Executive to substantially perform his or her duties to the Company (other than any such failure resulting from Executive's incapacity due to physical or mental illness), after demand for substantial performance is delivered by the Company that specifically identifies the manner in which the Company believes Executive has not substantially performed his or her duties, which is not cured within thirty (30) days after notice of such failure has been given to the Executive by the Company; (B) the willful engaging by the Executive in misconduct that is significantly injurious to the Company, monetarily, in reputation or otherwise, including any conduct that is in violation of the written employee workplace policies of the Company; or (C) the Executive's commission of any felony, or any crime involving dishonesty in respect of the business or affairs of the Company or any of its subsidiaries. No act, or failure to act, on the Executive's part shall be

considered “willful” unless done, or omitted to be done by him or her not in good faith and without reasonable belief that his or her action or omission was in the best interest of the Company.”

1.4. Section 1(h) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(h) “***Good Reason***” shall mean one or more of the following, without Executive’s consent: (A) there is a material reduction in aggregate amount of Executive’s base salary and target bonus without Executive’s consent (except where there is a general reduction applicable to the management team generally); (B) there is a material reduction in Executive’s overall responsibilities or authority, or scope of duties below the position of a Senior Vice President – Business Development of the Company; (C) Executive is required by the Company to relocate his or her principal place of employment outside of the Chicago metropolitan area; or (D) the failure of the Company to obtain an agreement from any successor to all or substantially all of the business or assets of the Company to assume this Agreement as contemplated in Section 8(a) of this Agreement; or (E) any material breach by the Company of this Agreement. Furthermore, any provision of this Agreement to the contrary notwithstanding, “Good Reason” shall be deemed to exist if, in connection with or following a Change of Control, the Company’s common stock ceases to be publicly traded on a national securities exchange, unless Executive becomes (or continues as) the Senior Vice President – Business Development (with the powers and responsibilities customarily associated with the highest-ranking corporate development official) of the ultimate parent entity, or successor to, the Company in such Change of Control, and the common stock of such parent entity or successor, as applicable, is publicly traded on a national securities exchange. It is understood that Executive must assert any termination for Good Reason by written notice to the Company no later than ninety (90) days following the date on which arises the event or events giving the Executive the right to assert such a termination, and the Company must have an opportunity within thirty (30) days following delivery of such notice to cure the Good Reason condition. In no instance will a resignation by Executive be deemed to be for Good Reason if it is made more than twelve (12) months following the initial occurrence of any of the events that otherwise would constitute Good Reason hereunder.”

1.5. Section 2(a) of the Agreement is hereby deleted in its entirety and replaced with the following:

“(a) Severance Upon Qualifying Termination. If Executive has a Qualifying Termination that does not occur prior to but in connection with, on the date of, or within twelve
(12) months following a Change of Control, then subject to (x) the requirements of this Section 2(a), (y) Executive’s continued compliance with the terms of the Confidentiality Agreement and Sections 4 and 5 hereof and (z) the terms of Section 8 hereof, Executive shall be entitled to receive the following payments and benefits:

(i) The Company shall pay to Executive (A) his or her fully earned but unpaid base salary through the date of Executive’s Qualifying Termination, (B) any accrued but unpaid paid time off and (C) any other amounts or benefits, if any, under the Company’s employee benefit plans, programs or arrangements to which Executive is entitled pursuant to the terms of such plans, programs or arrangements or applicable law, payable in accordance with the terms of

such plans, programs or arrangements or as otherwise required by applicable law (collectively, the "***Accrued Rights***");

(ii) Executive shall receive continued payment of the Base Salary for a period of six (6) months following the termination date in accordance with the Company's ordinary payroll practices;

(iii) The Company will pay Executive the amount of any earned but unpaid annual bonus for the calendar year immediately prior to the year in which Executive's Qualifying Termination occurs, as determined by the Board (or an authorized committee) in its good faith discretion, payable in a lump sum at the same time annual bonuses are paid to other Company executives generally but in no event later than December 31 of the year in which Executive's Qualifying Termination occurs;

(iv) If Executive timely elects continued coverage under COBRA for Executive and Executive's covered dependents under the Company's group health (medical, dental or vision) plans following such Qualifying Termination, then the Company shall pay the COBRA premiums necessary to continue Executive's and his covered dependents' health insurance coverage in effect on the termination date until the earliest of (x) six (6) months following the effective date of such Qualifying Termination, (y) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self- employment (and Executive agrees to promptly notify the Company of such eligibility) and (z) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the Qualifying Termination date through the earlier of (x)-(z), in such case, the "***COBRA Payment Period***"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's behalf would result in a violation of applicable law (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act) or an excise tax, then in lieu of paying COBRA premiums pursuant to this Section 2(a)(iv), the Company shall pay Executive on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, such payment to be made without regard to Executive's payment of COBRA premiums; and

(v) All unvested equity or equity-based awards granted to Executive under any and all equity compensation plans of the Company that were scheduled to vest within six (6) months after the date of Executive's termination or resignation shall become immediately vested as to time, with any such awards that are subject to performance-based vesting conditions remaining eligible to vest to the extent the performance conditions are satisfied during such six-month period (provided that nothing in this Section 2(a) shall operate to extend the term, if any, of an award beyond the final expiration date provided in the applicable award agreement)."

1.6. Section 2(b) of the Agreement is hereby deleted in its entirety and replaced with the following:

"(b) Severance Upon Qualifying Termination Occurring in Connection with a Change of Control. If Executive has a Qualifying Termination that occurs prior to but in

connection with, on the date of, or within twelve (12) months following a Change of Control, then subject to (x) the requirements of this Section 2(b), (y) Executive's continued compliance with the terms of the Confidentiality Agreement and Sections 4 and 5 hereof and (z) the terms of Section 8 hereof, *in lieu* of the payments and benefits described in Section 2(a) above, Executive shall be entitled to receive the following payments and benefits:

(i) the Company shall pay to Executive the Accrued Rights; and

(ii) Executive shall receive continued payment of the Base Salary for a period of twelve (12) months following the termination date in accordance with the Company's ordinary payroll practices; and

(iii) The Company shall pay Executive the amount of any earned but unpaid annual bonus for the calendar year immediately prior to the year in which Executive's Qualifying Termination occurs, as determined by the Board (or an authorized committee) in its good faith discretion, payable in a lump sum at the same time annual bonuses are paid to other Company executives generally but in no event later than December 31 of the year in which Executive's Qualifying Termination occurs; and

(iv) The Company shall pay Executive an additional amount equal to a *pro rata* portion of the annual bonus Executive would have earned for the year of termination, which bonus shall be determined based on Company financial performance results for such year, payable in a lump sum at the same time bonuses are paid to Company senior executives generally (but in no event later than March 15 of the year following the year in which Executive's Qualifying Termination occurs); and

(v) The Company shall pay Executive an additional amount equal to one hundred percent (100%) of Executive's annual target bonus, payable in a lump sum on the Company's first ordinary payroll date occurring after the effective date of the later of Executive's Qualifying Termination or the Change of Control; and

(vi) If Executive timely elects continued coverage under COBRA for Executive and Executive's covered dependents under the Company's group health (medical, dental or vision) plans following such Qualifying Termination, then the Company shall pay the COBRA premiums necessary to continue Executive's and his covered dependents' health insurance coverage in effect on the termination date until the earliest of (x) twelve (12) months following the effective date of such Qualifying Termination, (y) the date when Executive becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment (and Executive agrees to promptly notify the Company of such eligibility) and
(z) the date Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the Qualifying Termination date through the earlier of (x)-(z), in such case, the "***COBRA Payment Period***"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Executive's behalf would result in a violation of applicable law (including but not limited to the 2010 Patient Protection and Affordable Care Act, as amended by the 2010 Health Care and Education Reconciliation Act) or an excise tax, then in lieu of paying COBRA premiums pursuant to this Section 2(b)(iv), the Company shall pay Executive on the last day of each remaining month of

the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, such payment to be made without regard to Executive's payment of COBRA premiums; and

(vii) all unvested equity or equity-based awards granted to Executive under any and all equity compensation plans of the Company shall become immediately vested as to time and any such awards that are subject to performance-based vesting will remain eligible to vest to the extent the performance conditions are thereafter satisfied (provided that nothing herein shall operate to extend the term, if any, of an award beyond the final expiration date provided in the applicable award agreement)."

2. Other Provisions. Except as expressly set forth above, each and every provision of the Agreement shall remain unchanged and in full force and effect.

3. General Provisions. The provisions of Section 8 of the Agreement shall govern this Amendment, to the fullest extent applicable and are hereby incorporated into this Amendment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment as of the date first written above.

MR. ANDREW TURITZ,
an individual resident in the State of Illinois

/s/ Andrew Turitz

TELADOC HEALTH, INC.,
a Delaware corporation

By: /s/ Michelle Bucaria
Name: Ms. Michelle Bucaria
Title: Chief Human Resources Officer

Exhibit 21.1

Subsidiaries of Teladoc Health, Inc.

Name	Domestic Jurisdiction
Advance Medical, Inc.	Massachusetts
AM Healthcare Management Consulting Sdn. Bhd.	Malaysia
Association pour le Déploiement de Parcours de Santé Territoriaux et Phygitaux	France
Best Doctors Holdings, Inc.	Delaware
Best Doctors, Inc.	Delaware
BetterHelp, Inc.	Delaware
Centro Médico Virtual Teladoc Health S.P.A.	Chile
Consultant Connect Limited	England and Wales
Diabeto Inc.	Delaware
Institute of Patient Safety and Quality in Virtual Care, LLC	Texas
InTouch Health Providers, LLC	Florida
InTouch Technologies, Inc.	Delaware
ITH Development, LLC	Belarus
Livongo Health Malaysia Sdn. Bhd.	Malaysia
Livongo Health, Inc.	Delaware
Logiciels Ipnos inc. (Ipnos Software inc.)	Quebec
myStrength, Inc.	Delaware
Retrofit Inc.	Delaware
Rise Health, Inc.	Delaware
Smartek S.R.L.	Argentina
Teladoc Health Australasia Pty Limited	Australia
Teladoc Health Brasil - Serviços de Consultoria em Saude Ltda	Brazil
Teladoc Health Brasil - Serviços de Tecnologia Ltda	Brazil
Teladoc Health Canada, Inc.	Canada
Teladoc Health Chile SpA	Chile
Teladoc Health Denmark ApS	Denmark
Teladoc Health France SAS	France
Teladoc Health Germany GmbH	Germany
Teladoc Health India Private Limited	India
Teladoc Health International, Sociedad Anónima Unipersonal	Spain
Teladoc Health Netherlands B.V.	Netherlands
Teladoc Health Poland sp. z o.o.	Poland
Teladoc Health Portugal, S.A.	Portugal
Teladoc Health Romania SRL	Romania
Teladoc Health Singapore Pte. Ltd.	Singapore
Teladoc Health UK Ltd	England and Wales
Teladoc Hungary Consulting and Services Limited Liability Company	Hungary
THF Service Medical	France
Yi Yi Medical Health Management Consulting (Shanghai) Co., Ltd.	China

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-219275) pertaining to the 2015 Incentive Award Plan, the 2015 Employee Stock Purchase Plan and the 2017 Employment Inducement Incentive Award Plan of Teladoc Health, Inc.,

(2) Registration Statement (Form S-8 No. 333-205568) pertaining to the Second Amended and Restated Stock Incentive Plan, the 2015 Incentive Award Plan and the 2015 Employee Stock Purchase Plan of Teladoc Health, Inc.,

(3) Registration Statement (Form S-3 No. 333-249886) and related Prospectus of Teladoc Health, Inc.,

(4) Registration Statement (Post-Effective Amendment on Form S-8 No. 333-248568) pertaining to the Livongo Health, Inc. 2019 Equity Incentive Plan, Livongo Health, Inc. Amended and Restated 2014 Stock Incentive Plan and the Livongo Health, Inc. Amended and Restated 2008 Stock Incentive Plan,

(5) Registration Statement (Form S-8 No. 333-249892) pertaining to the Livongo Acquisition Incentive Award Plan of Teladoc Health, Inc.,

(6) Registration Statement (Form S-8 No. 333-253705) pertaining to the 2015 Incentive Award Plan and the 2015 Employee Stock Purchase Plan of Teladoc Health, Inc.,

(7) Registration Statement (Form S-8 No. 333-270181) pertaining to the 2015 Employee Stock Purchase Plan of Teladoc Health, Inc.,

(8) Registration Statement (Form S-8 No. 333-272279) pertaining to the 2023 Incentive Award Plan and the 2015 Employee Stock Purchase Plan of Teladoc Health, Inc., and

(9) Registration Statement (Form S-8 No. 333-273509) pertaining to the 2023 Employment Inducement Incentive Award Plan of Teladoc Health, Inc.

of our reports dated February 23, 2024 with respect to the consolidated financial statements of Teladoc Health, Inc. and the effectiveness of internal control over financial reporting of Teladoc Health, Inc. included in this Annual Report (Form 10-K) of Teladoc Health Inc. for the year ended December 31, 2023.

/s/ Ernst & Young LLP

New York, New York

February 23, 2024

Exhibit 31.1

Certification

I, Jason Gorevic, certify that:

1. I have reviewed this Annual Report on Form 10-K of Teladoc Health, Inc. (the "registrant") for the year ended December 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2024

/s/ JASON GOREVIC

Jason Gorevic

Chief Executive Officer

Exhibit 31.2

Certification

I, Mala Murthy, certify that:

1. I have reviewed this Annual Report on Form 10-K of Teladoc Health, Inc. (the "registrant") for the year ended December 31, 2023;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 23, 2024

/s/ MALA MURTHY

Mala Murthy

Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Teladoc Health, Inc. (the "Company") for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jason Gorevic, Chief Executive Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 23, 2024

/s/ JASON GOREVIC

Jason Gorevic

Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Teladoc Health, Inc. (the "Company") for the year ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mala Murthy, Chief Financial Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 23, 2024

/s/ MALA MURTHY

Mala Murthy

Chief Financial Officer

Exhibit 97.1

September 21, 2023

Teladoc Health, Inc.

Incentive-Based Compensation Recovery Policy

The Board of Directors (the "***Board***") of Teladoc Health, Inc. (the "***Company***") believes that it is in the best interests of the Company and its stockholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this Incentive-Based Compensation Recovery Policy (the "***Policy***"), which provides for the recovery of certain incentive compensation in the event of an Accounting Restatement (as defined below). This Policy is designed to comply with, and shall be interpreted to be consistent with, Section 10D of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), Rule 10D-1 promulgated under the Exchange Act ("***Rule 10D-1***") and Section 303A.14 of the New York Stock Exchange Listed Company Manual (the "***Listing Standards***").

1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Compensation Committee of the Board (the "***Committee***"). The Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy, in each case to the extent permitted under the Listing Standards and in compliance with (or pursuant to an exemption from the application of) Section 409A of the Internal Revenue Code of 1986, as amended (together with the implementing regulations, the "***Code***"). Any determinations made by the Committee shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Committee is authorized and directed to consult with the full Board or such other committees of the Board as may be necessary or appropriate as to matters within the scope of such other committee's responsibility and authority. Subject to any limitation at applicable law, the Committee may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

2. Definitions

As used in this Policy, the following definitions shall apply:

- "***Accounting Restatement***" means an accounting restatement of the Company's financial statements due to the Company's material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

- "***Applicable Period***" means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company's fiscal year) within or immediately following those three completed fiscal years (except that a transition period that comprises a period of at least nine months shall count as a completed fiscal year). The "***date on which the Company is required to prepare an Accounting Restatement***" is the earlier to occur of (a) the date the Board or a committee thereof, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement or (b) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.

- "***Covered Executives***" means the Company's current and former executive officers, as determined by the Board or a committee thereof in accordance with the definition of executive officer set forth in Rule 10D-1 and the Listing Standards.

- A "***Financial Reporting Measure***" is any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. Financial Reporting Measures include but are not limited to the following (and any measures derived from the following): Company stock price; total shareholder return ("***TSR***"); revenues; net income; operating income; profitability of one or more reportable segments; financial ratios (e.g., accounts receivable turnover and inventory turnover rates); earnings before interest, taxes, depreciation and amortization ("***EBITDA***"); adjusted EBITDA; liquidity measures (e.g., free cash flow, operating cash flow); return measures (e.g., return on invested capital, return on assets); earnings measures (e.g., earnings per share); revenue per user, or average revenue per user, where revenue is subject to an Accounting Restatement; cost per employee, where cost is subject to an Accounting Restatement; any of such financial reporting measures relative to a peer group, where the Company's financial reporting measure is subject to an Accounting Restatement; and tax basis income. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities Exchange Commission.

- "***Incentive-Based Compensation***" means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive-Based Compensation is "received" for purposes of this Policy in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

3. Covered Executives; Incentive-Based Compensation

This Policy applies to Incentive-Based Compensation received by a Covered Executive (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; and (c) while the Company had a listed class of securities on a national securities exchange.

4. Required Recoupment of Erroneously Awarded Compensation in the Event of an Accounting Restatement

In the event the Company is required to prepare an Accounting Restatement, the Company shall reasonably promptly recoup the amount of any Erroneously Awarded Compensation received by any Covered Executive, as calculated pursuant to Section 5 hereof, during the Applicable Period.

5. Erroneously Awarded Compensation: Amount Subject to Recovery

The amount of "***Erroneously Awarded Compensation***" subject to recovery under the Policy, as determined by the Committee, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that would have been received by the Covered Executive had it been determined based on the restated amounts.

Erroneously Awarded Compensation shall be computed by the Committee without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation. For Incentive-Based Compensation based on stock price or TSR: (a) the Committee shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received; and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to the New York Stock Exchange ("***NYSE***").

6. Method of Recoupment

The Committee shall determine, in its sole discretion, the timing and method for reasonably promptly recouping Erroneously Awarded Compensation hereunder which may include, without limitation:

a) seeking reimbursement of all or part of any cash or equity-based award;
b) cancelling prior cash or equity-based awards, whether vested or unvested;
c) cancelling or offsetting against any planned future cash or equity-based awards;
d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Code; and
e) any other method authorized by applicable law or contract. Subject to compliance with any applicable law, the Committee may affect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses or commissions and compensation previously deferred by the Covered Executive.

The Company is authorized and directed pursuant to this Policy to recoup Erroneously Awarded Compensation in compliance with this Policy unless the Committee has determined that recovery would be impracticable solely for the following limited reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on expense of enforcement, the Committee must make a reasonable attempt to recover such erroneously awarded compensation, document such reasonable attempt(s) to recover and provide that documentation to NYSE; or

- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

7. No Indemnification of Covered Executives

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, the Company shall not indemnify any Covered Executives against the loss of any Erroneously Awarded Compensation, including any payment or reimbursement for the cost of third-party insurance purchased by any Covered Executives to fund potential clawback obligations under this Policy.

8. Administrator Indemnification

Any members of the Committee, and any other members of the Board who assist in the administration of this Policy, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

9. Effective Date; Retroactive Application

This Policy shall be effective as of October 2, 2023 (the "***Effective Date***"). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executives on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to

Covered Executives prior to the Effective Date. Without limiting the generality of Section 6 hereof, and subject to applicable law, the Committee may affect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

10. Severability

To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision shall be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

11. Amendment; Termination

The Board may amend, modify, supplement, rescind or replace all or any portion of this Policy at any time and from time to time in its discretion and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

12. Other Recoupment Rights; Company Claims

The Board intends that this Policy will be applied to the fullest extent of the law. To the extent that the application of this Policy would provide for recovery of Incentive-Based Compensation that the Company recovers pursuant to Section 304 of the Sarbanes-Oxley Act or other recovery obligations, the amount the relevant Covered Executive has already reimbursed the Company will be credited to the required recovery under this Policy. The Committee may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not *in lieu* of, any other remedies or rights of recoupment that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

To the extent that a Covered Executive fails to repay all Erroneously Awarded Compensation to the Company when due, the Company shall take all actions reasonable and appropriate to recover such Erroneously Awarded Compensation from the applicable Covered Executive. The applicable Covered Executive shall be required to reimburse the Company for any and all expenses reasonably incurred (including legal fees) by the Company in recovering such Erroneously Awarded Compensation in accordance with the immediately preceding sentence.

Nothing contained in this Policy, and no recoupment or recovery as contemplated by this Policy, shall limit any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of or resulting from any actions or omissions by the Covered Executive.

13. Successors

This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

14. Required Policy-Related Filings

The Company shall file all disclosures with respect to this Policy in accordance with the requirements of the federal securities laws, including disclosures required by Securities and Exchange Commission filings.

15. Governing Law; Venue

This Policy and all rights and obligations hereunder are governed by and construed in accordance with the internal laws of the State of Delaware, excluding any choice of law rules or principles that may direct the application of the laws of another jurisdiction. All actions arising out of or relating to this Policy shall be heard and determined exclusively in the Court of Chancery of the State of Delaware or, if such court declines to exercise jurisdiction or if subject matter jurisdiction over the matter that is the subject of any such legal action or proceeding is vested exclusively in the U.S. federal courts, the U.S. District Court for the District of Delaware.

EXHIBIT A

TELADOC HEALTH, INC.
INCENTIVE-BASED COMPENSATION RECOVERY POLICY

ACKNOWLEDGEMENT FORM

I, the undersigned, agree and acknowledge that I am fully bound by, and subject to, all of the terms and conditions of the Teladoc Health, Inc. Incentive-Based Compensation Recovery Policy (as may be amended, restated, supplemented or otherwise modified from time to time, the "**Policy**"). In the event of any inconsistency between the Policy and the terms of any employment agreement to which I am a party, or the terms of any compensation plan, program or agreement under which any compensation has been granted, awarded, earned or paid, the terms of the Policy shall govern. In the event it is determined by the Committee that any amounts granted, awarded, earned or paid to me must be forfeited or reimbursed to the Company, I will promptly take any action necessary to effectuate such forfeiture and/or reimbursement. I acknowledge and agree that I am and will continue to be subject to the Policy and that the Policy will apply both during and after my employment with the Company. Any capitalized terms used in this Acknowledgment without definition shall have the meaning set forth in the Policy.

COVERED EXECUTIVE

_____
Signature

_____
Print Name

_____
Date