



**Successfully  
Executing Strategies  
to Drive Long-Term  
Value for All  
Stockholders**

May 2023





# Disclaimer

## Forward-Looking Statements

This communication includes forward-looking statements as defined in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended, in connection with the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations about future events affecting us and are subject to risks and uncertainties, all of which are difficult to predict and many of which are beyond our control and could cause our actual results to differ materially and adversely from those expressed in our forward-looking statements as a result of various risk factors, including, but not limited to; risks related to our assumptions regarding the repeatability of clinical results; risks related to our belief that Masimo's unique noninvasive measurement technologies, including Masimo SpHb and rainbow®, contribute to positive clinical outcomes and patient safety; risks related to our belief that Masimo noninvasive medical breakthroughs provide cost-effective solutions and unique advantages; risks related to COVID-19; as well as other factors discussed in the "Risk Factors" section of our most recent reports filed with the Securities and Exchange Commission ("SEC"), which may be obtained for free at the SEC's website at [www.sec.gov](http://www.sec.gov). Although we believe that the expectations reflected in our forward-looking statements are reasonable, we do not know whether our expectations will prove correct. All forward-looking statements included in this communication are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the time the statements are made. We do not undertake any obligation to update, amend or clarify these statements or the "Risk Factors" contained in our most recent reports filed with the SEC, whether as a result of new information, future events or otherwise, except as may be required under the applicable securities laws.

## Additional Information Regarding The Annual Meeting of Stockholders Currently Expected to Be Held on June 26, 2023 and Where to Find It

The Company has filed a definitive proxy statement containing a form of WHITE proxy card with the SEC in connection with its solicitation of proxies for its 2023 Annual Meeting. THE COMPANY'S SHAREHOLDERS ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT (AND ANY AMENDMENTS AND SUPPLEMENTS THERETO) AND ACCOMPANYING WHITE PROXY CARD AS THEY WILL CONTAIN OR CONTAIN IMPORTANT INFORMATION. Shareholders may obtain the proxy statement, any amendments or supplements to the proxy statement and other documents as and when filed by the Company with the SEC without charge from the SEC's website at [www.sec.gov](http://www.sec.gov).

## Certain Information Regarding Participants

The Company, its directors and certain of its executive officers may be deemed to be participants in connection with the solicitation of proxies from the Company's shareholders in connection with the matters to be considered at the 2023 Annual Meeting. Information regarding the ownership of the Company's directors and executive officers in the Company common shares is included in the Company's definitive proxy statement, which can be found through the SEC's website at [www.sec.gov](http://www.sec.gov). To the extent holdings of the Company's securities by directors or executive officers have changed since the amounts set forth in the definitive proxy statement, such changes have been or will be reflected on SEC filings filed by the applicable individuals on Forms 3, 4, and 5, which can be found through the SEC's website at [www.sec.gov](http://www.sec.gov). These documents can be obtained free of charge from the sources indicated above.

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## Executive Summary



# Executive Summary

## Masimo Has and Continues to Deliver Outsized Returns for Investors

- Since its 2007 IPO, **Masimo's stock delivered a >1,000% return, >2x Nasdaq Composite Index and ~2x Dow Jones U.S. Select Medical Equipment Index** (the "Medical Devices Index") returns during the same period
- **Politan's entry in the Masimo stock has created substantial value loss for shareholders, resulting in a 10% decline in Masimo** vs a 3% decline for the Medical Device Index for the period between Politan's 13D filing and before Masimo's Investor Day
- At the December 2022 Investor Day, management unveiled its strategy for continued value creation
  - **Masimo's stock has since returned 32% vs. a 6% increase for the Medical Devices Index** and a 10% increase for the NASDAQ Composite Index
  - **This outperformance has substantially closed the valuation gap between Masimo and its peers that opened following the Sound United acquisition**
  - Strong market response demonstrates the growing market conviction that this strategy maximizes the long-term shareholder value
- We believe the TSR decline following May 1<sup>st</sup>, the closing price on the day before Politan filed its preliminary proxy materials and nominated Quentin Koffey, reflects the market's concern about Mr. Koffey's plans for the Company and the risks of his agenda with respect to Mr. Kiani

## Strong Track Record of Execution Provides Visibility to Future Performance

- The Company has delivered strong returns for shareholders through sustained improvement in operating performance that drove consistent profitable, above-market growth
- From 2017 through 2021, under the current Board's tenure, Masimo delivered results that significantly exceeded targets set under its previous strategic plan:
  - **Revenue grew at a 14% CAGR vs. the 8-10% target set in 2017**
  - **Operating margins expanded >500 basis points vs. the 400 basis-point target**
  - **EPS grew at a 23% CAGR vs. the 12-15% target**
- Masimo has **delivered EPS beats over consensus estimates for the past 25 quarters straight**, despite macro disruptions which have impacted many of its peers
- The Company has maintained rigorous capital allocation and **sustained ROIC at levels well above the medical device industry**, while expanding into new and adjacent markets
- Execution history provides conviction in the current management team and board to deliver continued outperformance

## Governance Changes in Response to Robust Investor Engagement by the Board

- During the past year, management has engaged with Masimo's shareholders extensively, **speaking directly with the holders of more than 50% of outstanding shares**
- In response to this feedback, the current Board took a series of actions, including:
  - **Continued refreshment to the Board of Directors through expansion of the Board from five to seven directors**
  - **Appointment of H. Michael Cohen as Lead Independent Director**
  - **Proposal to amend Masimo's charter to declassify the Board**
  - **Termination of the Company's rights agreement**
  - **Certain executive compensation enhancements, including adding a relative TSR metric to incentive awards**

# Executive Summary (cont'd)

**Politan Is Either Purposely Misleading or Fundamentally Ignorant of Masimo's Business and Appears to Be Pursuing a Short-Term Agenda**

- **Despite months of engagement and our offers to collaborate on Board refreshment, Mr. Koffey has rejected jointly appointing independent Directors and has rejected our invitations to understand Masimo's business:**
  - We gave Mr. Koffey multiple opportunities to work with us in identifying two mutually agreed-upon directors independent of both Masimo and Politan to add to the Board, which Politan has refused, unless he, himself, is elected to the Board
  - In our limited interactions, has proved to be largely ignorant of the Company's technology & customer needs
  - Declined our invitation, under NDA, for full access to additional information about the Company and management's business strategies
- **Mr. Koffey's commentary since launching his proxy contest reflects either an intent to mislead our shareholders or a fundamental lack of understanding of Masimo's business, industry and history**
  - Mr. Koffey's eagerness to "fix innovation" at Masimo not only exposes his hubris, but more importantly, severely risks killing the goose that lays the golden egg
  - The "consistent" declines in ROIC that Mr. Koffey purports to identify are in fact a mirage created by the gradual, and known cessation of the royalties won by Masimo's successful defense of its intellectual property
  - Not only is Masimo "cognizant of the need to build a repeatable and successful market entry process" in consumer health, the primary rationale for the Sound United acquisition was to accelerate just that
- **Politan's apparent lack of ideas prior to launching a public proxy contest and unwillingness to cooperate when invited to do so clearly demonstrate that its focus is on getting Mr. Koffey his first public Board seat and his short-term agenda, including choking off our future investments and replacing our CEO**
- **Replacing Joe Kiani, who is critical to our continued development and growth, risks significant value destruction for stockholders; this is a risk too grave for stockholders to take**
  - Joe engenders a start-up culture and is deeply engaged with our engineers to drive the product pipeline as seen by 25% of all Masimo patents listing Joe as a named inventor

**Quentin Koffey is Not Additive & If Elected to the Board Will Likely be Value Destructive To Shareholders**

- Mr. Koffey's unprincipled willingness to distort the truth in pursuit of his agenda will foster dysfunction and chaos at Masimo
- Politan has also not cooperated with the Company's repeated attempts to arrange interviews for Ms. Brennan and Mr. Koffey with the Nominating, Compliance and Corporate Governance Committee
- Mr. Koffey has none of the skills, background, or experience that other shareholders and the Board's Nominating, Compliance and Corporate Governance Committee have identified as valuable:
  - **No industry experience**
  - **No experience leading an investment in a publicly traded medical device company and has not overseen capital allocation in the industry**
  - **Has not brought forth a single strategic or operational idea since Politan invested in Masimo, nor did he suggest any of the governance changes the Board recently adopted**
- Electing Mr. Koffey to the Board threatens Masimo's mission, principles and strategy and jeopardizes the long-term potential of Masimo to continue to deliver outsized returns for shareholders



**Building the Right  
Strategy for the  
Future**



# Masimo at a Glance

- Global technology company dedicated to improving lives with three operating segments: Healthcare, Consumer Health & Non-Healthcare
  - Healthcare segment offers revolutionary SET Pulse Oximeters and innovative rainbow measurements, as well as hospital automation and connectivity solutions
  - Consumer Health offers Masimo's revolutionary technology for people at home, with W1/Freedom wearables, Stork baby monitor, and Adaptive Acoustic Technology hearables, which also extends physicians' reach without compromising care
  - Non-healthcare segment offers premium and luxury audio, and home integration technologies

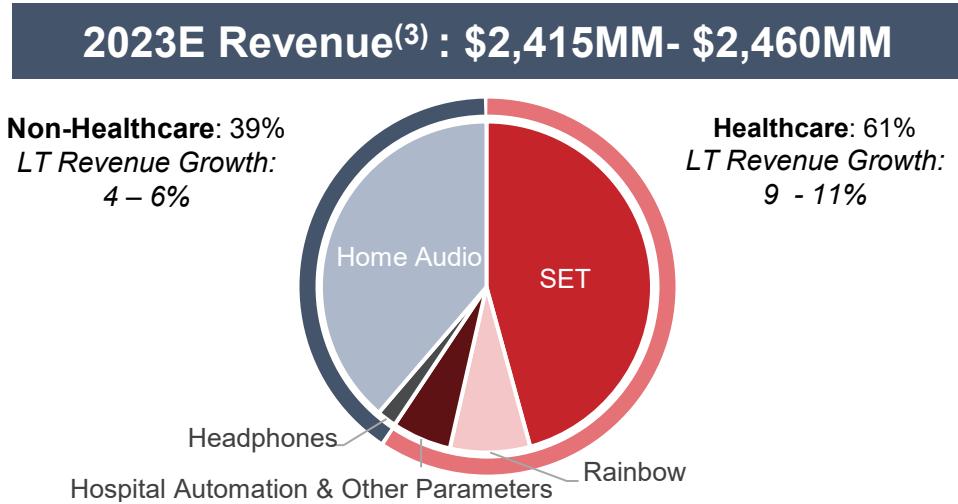
Mission	Guiding Principles
<ul style="list-style-type: none"> <li>• Improve life™</li> <li>• Improve patient outcomes and reduce cost of care®</li> <li>• Take noninvasive monitoring to new sites and applications™</li> </ul>	<ul style="list-style-type: none"> <li>• Remain faithful to your promises and responsibilities.</li> <li>• Thrive on fascination and accomplishment and not on greed and power.</li> <li>• Strive to make each year better than the year before, both personally and for the team.</li> <li>• Make each day as fun as possible.</li> <li>• Do what is best for patient care.</li> </ul>

***Our mission is to improve life, improve patient outcomes, and reduce the cost of care***

Source: Company Presentation / Filings

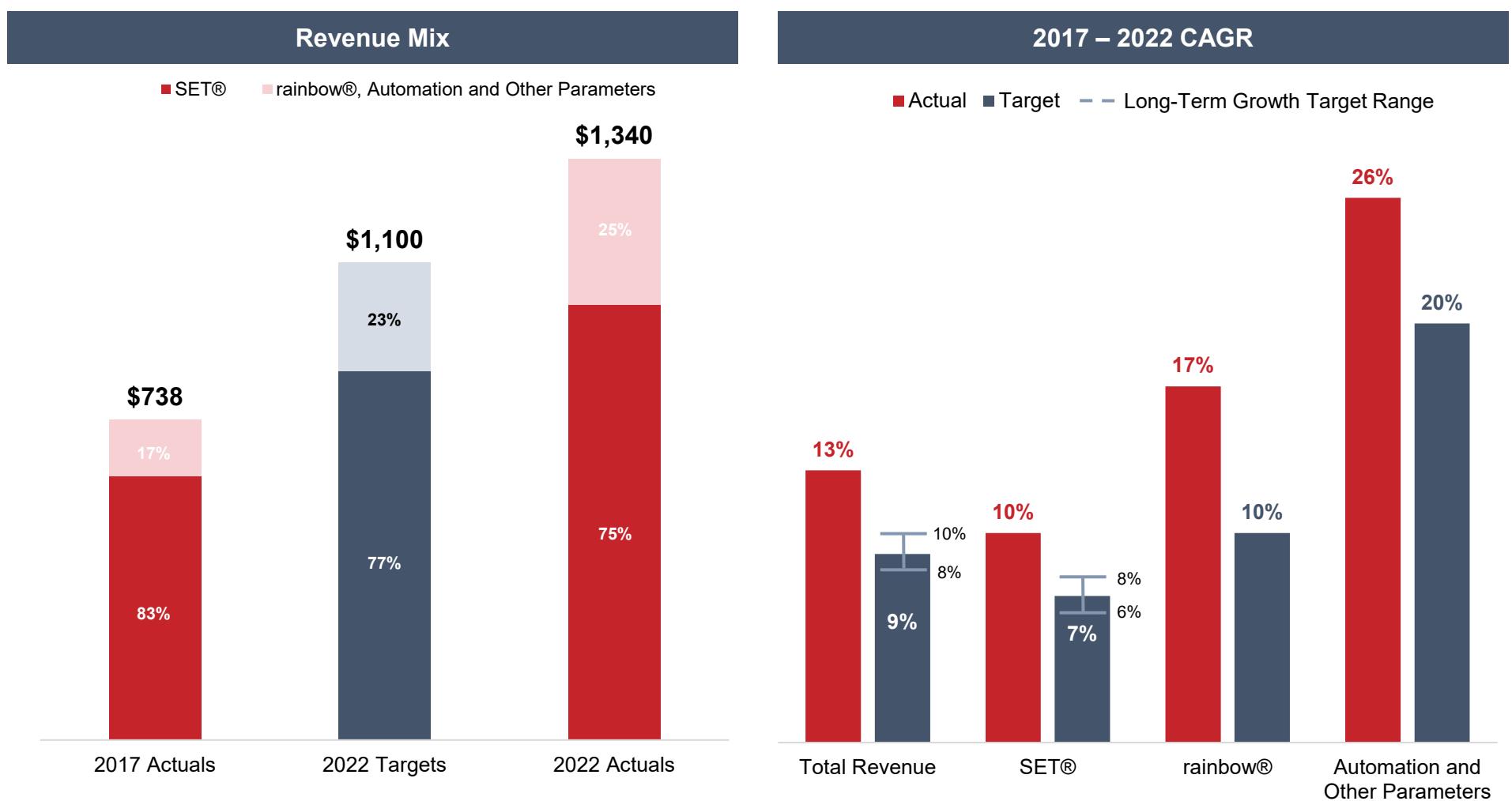
Notes:

1. Market estimates based upon internal data, iData & FutureSource
2. Based on EPS guidance issued at beginning of fiscal year during prior full-year earnings call
3. Based on consolidated revenue guidance as of Q1 Earnings Call on 5/9/2023



# Adjacent Market Efforts Have Exceeded All Targets

**Masimo has significantly outperformed its long-range revenue growth target of 8 to 10%, which included above-market growth targets for each of its major product categories (SET®, rainbow®, Hospital Automation and Other Parameters). Every major product category exceeded its growth target<sup>(1)</sup>.**



Source: Company Presentation / Filings

Note:

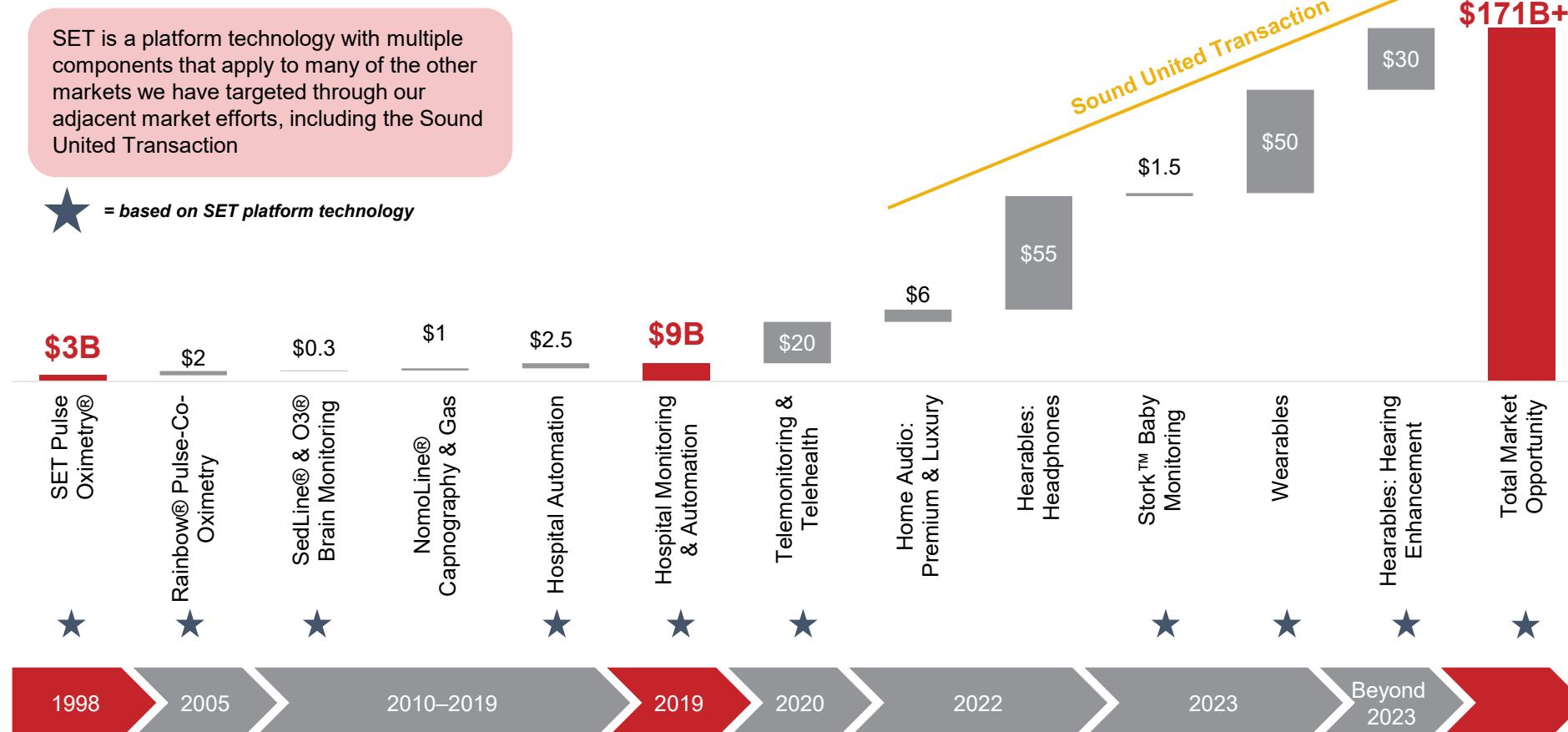
1. Long-term growth targets communicated during 2017 Investor Day (5/9/2017)

# Our Strategy & Innovation has Enabled Meaningful Expansion into Massive New Markets & Enhanced Our Pulse Oximetry Position



## Total Market Opportunity

(\$ in Billions)



## Pillars for Creating Shareholder Value



Differentiated and clinically superior **technological capabilities**, proven track record of **innovation**, and **customer-driven** approach to product development



Scaling and deepening integrated platform capabilities to capture the vast **Consumer Health** opportunity



Robust product portfolio and pipeline in **Professional Health** that addresses unmet needs of healthcare professionals and patients



Building on strong performance track record to drive **sustainable revenue** and **earnings growth** over the long-term

# Sound United Acquisition Provides Immediate Critical Mass for Consumer Channel Without Dilution



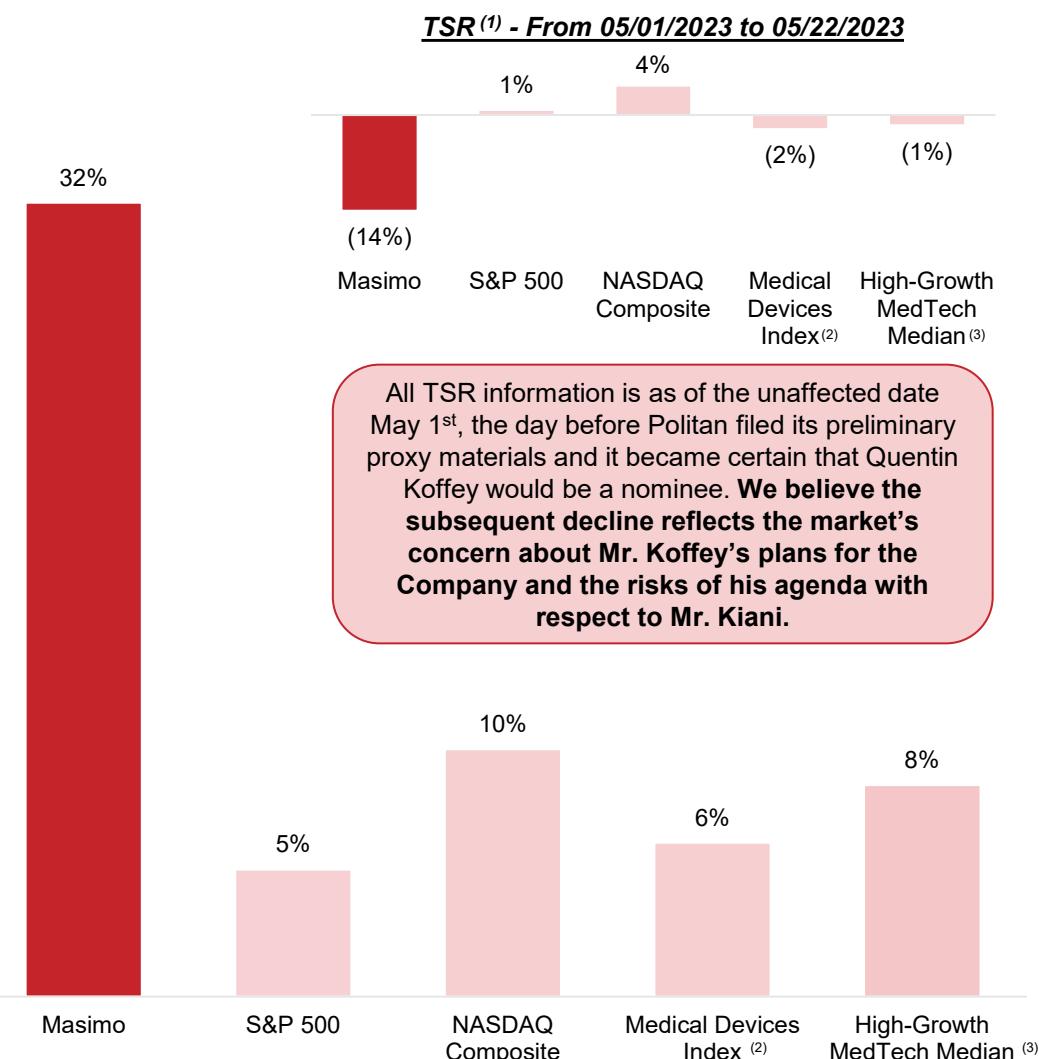
	Masimo Standalone	Masimo + Sound United
Consumer Channel & Infrastructure	<ul style="list-style-type: none"><li>Limited consumer channel &amp; infrastructure</li></ul>	<ul style="list-style-type: none"><li>20,000 points of global retail distribution</li><li>DTC marketing expertise</li><li>450 consumer sales &amp; marketing staff globally</li></ul>
Consumer Brand Recognition	<ul style="list-style-type: none"><li>Trusted hospital brand</li><li>Limited consumer brand recognition</li></ul>	<ul style="list-style-type: none"><li>100+ years of consumer brand heritage</li><li>Known for premium &amp; luxury brands</li></ul>
Hearables Market (\$85B+) <sup>(1)</sup>	<ul style="list-style-type: none"><li>No hearables in the market today</li><li>Developing hearables with Adaptive Acoustic Technology (AAT™)</li></ul>	<ul style="list-style-type: none"><li>Headphones &amp; earbuds technology &amp; products</li><li>Ability to leverage Masimo's AAT™</li></ul>
Home Health Hubs	<ul style="list-style-type: none"><li>Less than 1k home health hubs</li></ul>	<ul style="list-style-type: none"><li>Over 3.4 million HEOS connected devices today are capable of acting as health hubs to Masimo's Secured Health Cloud</li></ul>
Engineering Power	<ul style="list-style-type: none"><li>450 engineers</li></ul>	<ul style="list-style-type: none"><li>825 engineers combined</li><li>Ability to leverage combined engineering power</li></ul>
Financial Impact	<ul style="list-style-type: none"><li>Heavy multi-year investment would be required to build out consumer channel, without revenue to support</li><li>Dilutive to earnings over multiple years</li></ul>	<ul style="list-style-type: none"><li>Provides Consumer Channel with immediate positive cash flow</li><li>Reasonable valuation (1x Revenue and 8x EBITDA)</li><li>Provided relatively low downside</li></ul>

> 200 opportunities evaluated before the Sound United transaction

# Increased Clarity Around Consumer Strategy Has Elevated Masimo's TSR...



## TSR – Between December 2022 Investor Day and Politan Proxy Filing <sup>(1)</sup>



Source: Capital IQ (unaffected date of 5/1/2023)

Notes:

1. Total Shareholder Return includes dividends

2. Dow Jones U.S. Select Medical Device Index

3. High-Growth MedTech Peer Index includes Align, DexCom, Edwards, Insulet, Intuitive, ResMed

"We were admittedly skeptical ahead of this event, but are **starting to understand how the Sound United purchase can help support broad adoption of consumer health products.**

We think the W1 watch makes sense as part of a telemonitoring ecosystem and the Sound United products help complete that home care setting. The Stork baby monitor seems like a natural fit, given MASI's reputation in pulse ox, doctor familiarity with the brand, and parents' preference for a safe, medical-grade product. With Stork, the **Sound United consumer retail channels will be an important boost for market entry.** In our view, revenue contribution from new consumer health products (one point of revenue CAGR over the 2023-2028 period) was set conservatively."



Report published December 15, 2022

"Leading up to the meeting, management emphasized their hope that the event would help investors better-understand the strategic thinking behind both Sound United and Masimo's expanded consumer-oriented initiatives. We left the meeting feeling **encouraged that Sound United does make sense and is opening the door to an expanded array of more-sophisticated technologies for both the company's healthcare franchise and consumer business.**"



Report published December 14, 2022

# ...And Had Returned Masimo to Historical Valuation Levels

AV / NTM EBITDA<sup>(1)</sup>



Sources: Wall Street Research, Capital IQ (unaffected date of 5/1/2023)

Notes:

1. Aggregate value calculated based on basic shares outstanding
2. Reflects average of premium/discount of Masimo to Medical Device Index from 1/1/2020 to select time periods
3. Unaffected date prior to Masimo Investor Day on 12/13/2022
4. Dow Jones U.S. Select Medical Device Index

# Masimo is Comparable to Scaled, Profitable High Growth MedTech and Not Startups with Very Low Unprofitable Revenues



## Reasons for Inclusion and Exclusion (1)



**Peer Indices  
(S&P 500, NASDAQ Composite, Medical Devices Index)**

**Criteria:** Broad-based indices with exposure to both macro and sector-specific market movements

- S&P 500: commonly used metric for market performance reflecting both cyclical and macroeconomic trends
- NASDAQ Composite: market-cap weighted index with a greater exposure to tech sector
- Medical Devices Index: broad peer set with varying levels of MedTech exposure



**High Growth MedTech**

**Criteria:** MedTech focused peers with scale and financial profile closest aligned to Masimo

- Market Cap >\$5Bn
- Revenue of >\$1Bn
- Forward-revenue CAGR > 8%
- EBITDA margins >15%



**Acquired or Rumored Targets' Share Price Reflect Acquisition Premium**



Stock traded up ~10% upon acquisition rumor on 04/21/23. Remains ~11% higher than unaffected price



JNJ announced acquisition on 11/1/22 at a ~47% premium to unaffected



Announced merger with Globus on 02/09/23 at a ~25% premium to unaffected



**Non-MedTech Companies Serving Different End Markets and Customers**



Offers products primarily for the companion animal veterinary, livestock and poultry, dairy, and water testing markets



Offers containment and delivery systems for injectable drugs and healthcare products serving pharmaceutical, diagnostic, and medical device companies



Contract manufacturer serving medical device providers as well as energy, military, and environmental markets

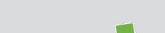


Provides virtual healthcare services to employers, health plans, hospitals and health systems, and insurance and financial services companies, as well as individual members



**Financially Different MedTech Companies**

**Small-Mid Market Cap, Sub-Scale Revenue or EBITDA Negative**



**Highly Diversified**



All TSR information is as of the unaffected date May 1<sup>st</sup>, the day before Politan filed its preliminary proxy materials and it became certain that Quentin Koffey would be a nominee. We believe the subsequent decline reflects the market's concern about Mr. Koffey's plans for the Company and the risks of his agenda with respect to Mr. Kiani.



# Analysts Remain Excited About the Masimo Story

## Continued Outperformance and Promising Outlook

"Masimo's solid 1Q23 results, continued hospital contracting wins, and multiple compelling 2023 product launches on tap, all further reinforced our positive view that **the company is heading in the right direction** and that we could see "**more-of-the-same**" outperformance as the year progresses."

**STIFEL**

Report published May 9, 2023

"We believe that Masimo's Sound United acquisition provides it with **strong consumer brands and a distribution channel** for its nascent consumer health business including its W1 smartwatch. We expect high-single digit (or better) revenue growth, combined with product mix, cost-reduction efforts, and accretion from the Sound United deal, to drive mid-teens (or better) earnings growth."

**Needham**

Report published May 10, 2023

"On the non-Healthcare business, we believe the number of new products unveiled and planned for launch next year is impressive and that there may be **upside to revenue estimates**. We think the W1 watch makes sense as part of a telemonitoring ecosystem, and the Sound United products help complete that home care setting. The long-range targets map a **sustainable outlook that appropriately balances revenue growth and spending**."

**BTIG**

Report published May 9, 2023

## Sound United Acquisition Strategy is Resonating

"We... continue to believe now, that **Masimo is differentially positioned to operationalize a vision inspired by two mega healthcare themes**: (1) the future of healthcare is in the home and (2) connected sensors are powerful widgets that can help prevent, manage, and monitor disease and promote wellness. While the playing field is littered with consumer brands aspiring to be healthcare platforms, **with Masimo you have a hospital-focused medical specialist now leveraging its platform to improve (1) in-hospital care, (2) out-of-hospital care, and (3) consumer experience with wearable wellness devices**

**WOLFE**  
RESEARCH

Report published December 14, 2022

"We found the event beneficial in providing a **hands-on experience** with the company's full Healthcare and Consumer pipelines, as well as in **showcasing insights on how MASI plans to attack the many new end markets that it's targeting** - at-home smart baby monitoring, wearables, hearables, and telemonitoring."

**PIPER | Sandler**

Report published December 14, 2022

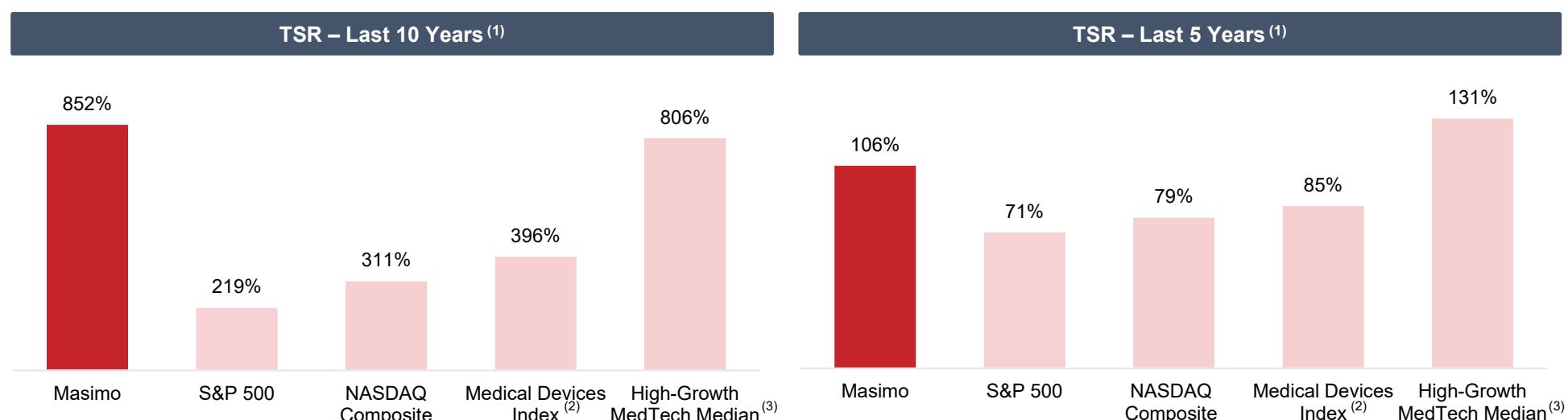
**6 of 7 Brokers Have a Buy Rating With a Median Analyst Price Target of \$200/share**



**Strong Track  
Record of  
Delivering  
Shareholder Value**



# Masimo Has Delivered Total Shareholder Return Among the Best in Class



Total Shareholder Return							
	From	To	Masimo	S&P 500	NASDAQ Composite	Medical Devices Index <sup>(2)</sup>	High-Growth MedTech Median <sup>(3)</sup>
<b>Various Time Periods</b>							
YTD	1/3/2023	5/1/2023	29%	10%	18%	8%	13%
From 1 Year Ago	5/2/2022	5/1/2023	59%	2%	(2%)	4%	17%
From 3 Years Ago	5/1/2020	5/1/2023	(13%)	54%	45%	38%	53%
From 5 Years Ago	5/1/2018	5/1/2023	106%	71%	79%	85%	131%
From 10 Years Ago	5/1/2013	5/1/2023	852%	219%	311%	396%	806%
<b>Key Events</b>							
Since Investor Day	12/12/2022	5/1/2023	32%	5%	10%	6%	8%
Since IPO	8/7/2007	5/1/2023	1,012%	288%	460%	568%	1,669%

All companies public at time of Masimo IPO

Source: Capital IQ (unaffected date of 5/1/2023)

Notes:

1. Total Shareholder Return includes dividends

2. Dow Jones U.S. Select Medical Device Index

3. High-Growth Medtech Peer Index includes Align, DexCom, Edwards, Insulet, Intuitive, ResMed

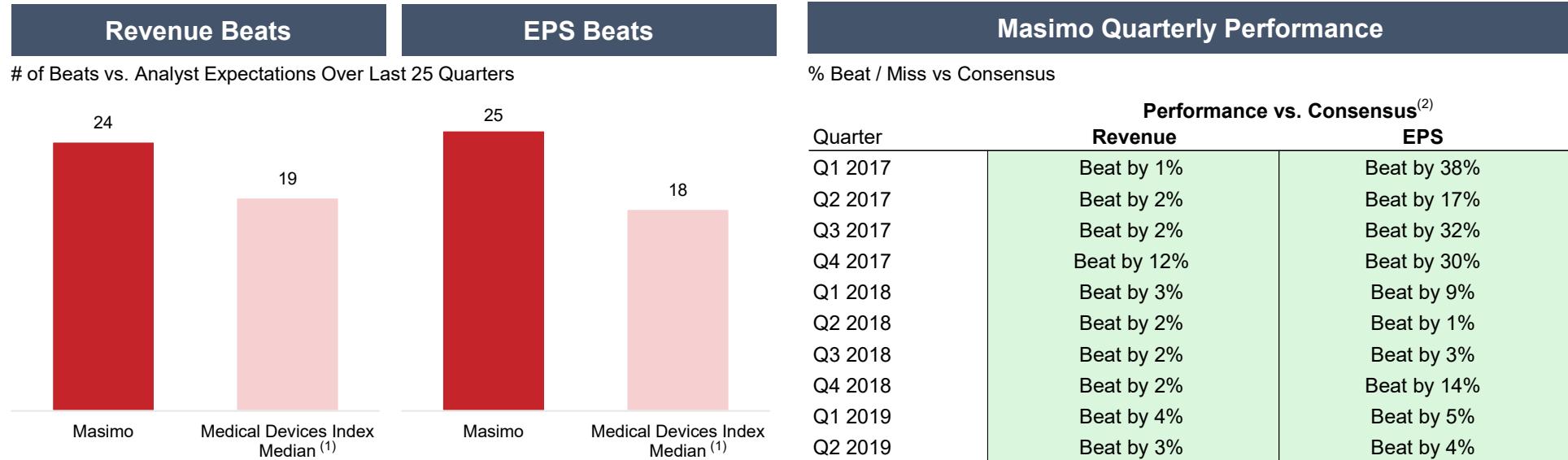
Masimo outperforms or performs in line with benchmark

Masimo underperforms relative to benchmark

# Masimo has Consistently Exceeded Analyst Expectations Over the Last 6 Years



Joe Kiani and the management team have delivered on their promises



## 10 Year Track Record of Outperforming Guidance

% Beat / Miss vs Guidance		Performance vs. Guidance <sup>(3)</sup>	
Year		EPS	
2013		Beat by 3%	
2014		Beat by 8%	
2015		Beat by 19%	
2016		Beat by 31%	
2017		Beat by 36%	
2018		Beat by 8%	
2019		Beat by 5%	
2020		Beat by 1%	
2021		Beat by 5%	
2022		Beat by 3%	
<b>Median</b>		<b>Beat by 6%</b>	

Source: Refinitiv / Thomson

Notes:

1. Dow Jones U.S. Select Medical Device Index, excluding those that were not publicly listed before Q1 2017

2. Consensus estimate based on Refinitiv (Thomson) median

3. Based on EPS guidance issued at beginning of fiscal year during prior full-year earnings call

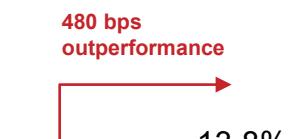
4. Q1 2022 revenue miss due to macro supply chain challenges

# History of Outperforming Long-Term Targets

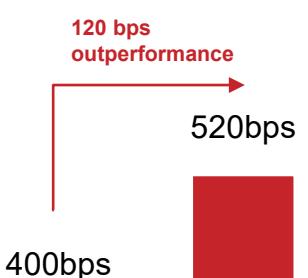
## Historical Targets vs. Actual Performance

*Actual Performance vs Long-Term Targets Presented at 2017 Investor Day*

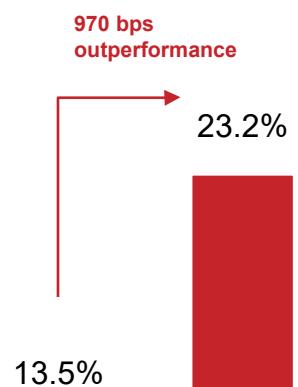
2017A-2021A  
Revenue CAGR  
(%)



2017A – 2021A  
Oper. Margin Expansion  
(bps)



2017A – 2021A  
EPS CAGR  
(%)



Exhibited prudent SG&A  
spend with 590bps  
contraction compared to  
target of 200bps

Source: Capital IQ, Company Filings and Presentations

Notes:

1. Reflects guidance provided during 2022 Investor Day (12/13/2022)

2. Reflects midpoint of target ranges provided during 2017 Investor Day (5/3/2017)

## Current Long-Term Targets <sup>(1)</sup>

**7 – 9%**

Consolidated Revenue Growth

Market Segment	Market Growth	Masimo LT Growth	Premium to Market
SET Pulse Oximetry	~3–4%	6-8%	~2x
Rainbow Pulse Co-Oximetry	N/A	10%	N/A
NomoLine Capnography	~10%	20%	~2x
SedLine & O3 Brain Monitoring	~5–7%	20%	~3x
Hospital Automation	N/A	20%	N/A
Telemonitoring / Wearables	N/A	+20%	N/A
Hearables	DD	25%	~[2x]

**10 – 12%**

Operating Profit Growth

**10 – 12%**

EPS Growth

# Masimo Has Been Prudent on Capital Allocation

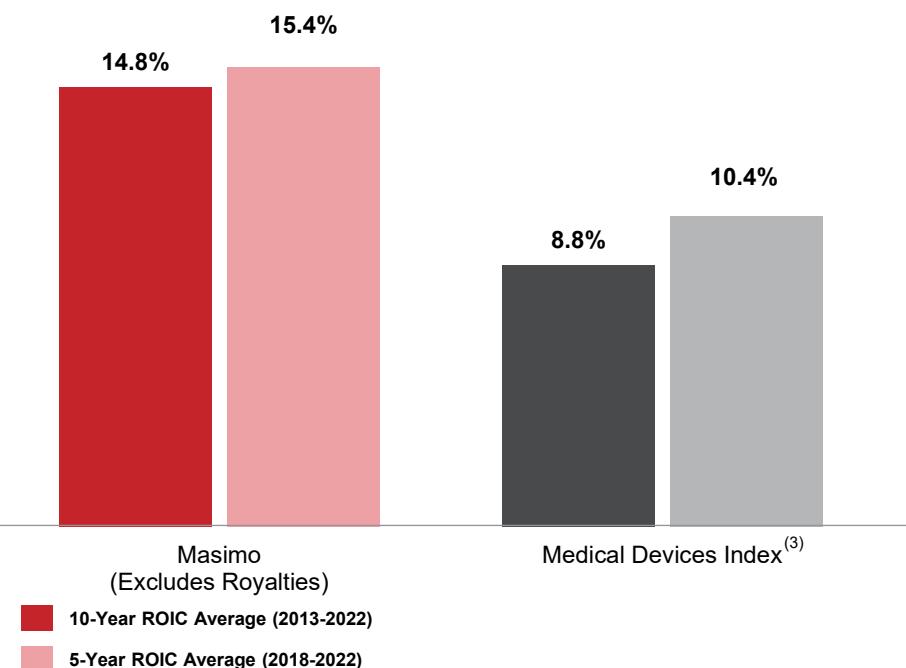
## ROIC Outpaces Industry Index<sup>(1)(2)</sup>

## R&D Spend in Line with Industry Index

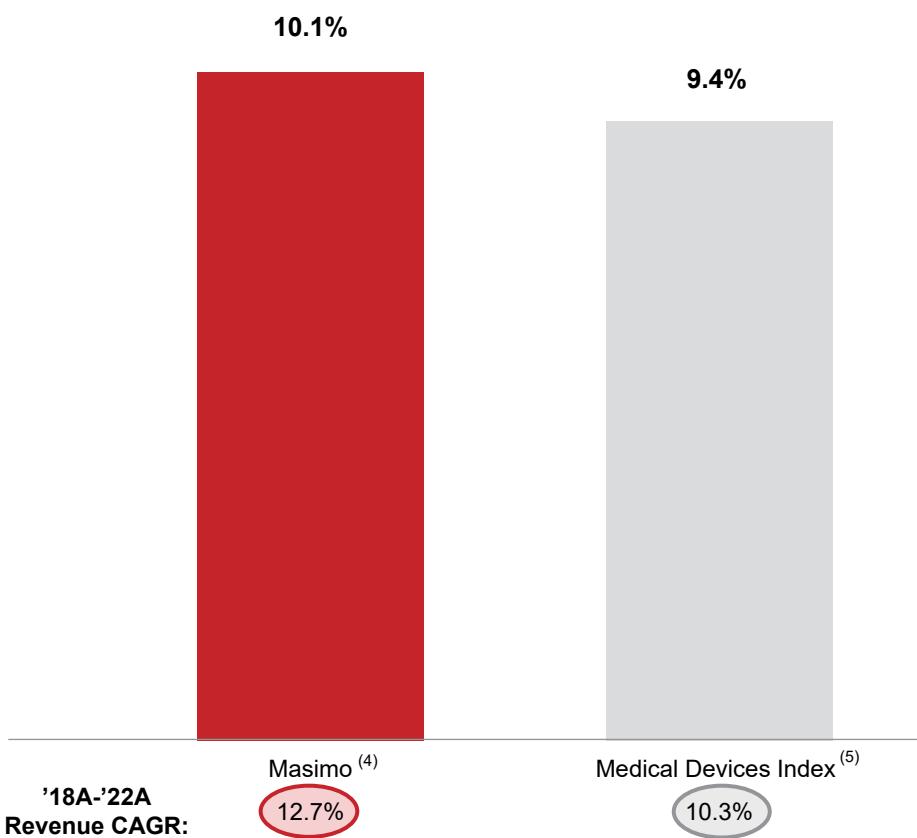
### Masimo vs. Peers:

- % Masimo Outperformed Peers' 10-Year ROIC
- % Masimo Outperformed Peers' 5-Year ROIC

ROIC expected to return to historical levels over Masimo's Long-Range Plan



L5Y Average R&D (as % of Total Sales)



Source: Company Filings

Notes:

1. ROIC = NOPAT / Average Invested Capital; Invested Capital = Debt + Shareowners' Equity + Minority Interest ; NOPAT calculated as EBIT \* (1 – Effective Tax Rate)
2. Excludes S&P 500 and NASDAQ Composite Index due to lack of exposure to sector trends and too disparate of a range of companies
3. Dow Jones U.S. Select Medical Device Index
4. Reflects organic revenue growth of Healthcare segment (excludes impact of Sound United acquisition and royalty related revenue)
5. R&D spend and revenue CAGR for peer groups not adjusted for acquisitions during period



## Commitment to Our Shareholders



# Independent, Highly Qualified Board with Diversified Experiences to Deliver Value Creation



Directors possess the expertise, skills, experience and perspectives needed to facilitate oversight and strategic direction

## Joe Kiani – Chairman and CEO

**Director since 1989**



- Founder and CEO of Masimo
- Chairman and CEO of Cercacor Laboratories
- **Prior Public Boards:** Stereotaxis
- **Skills:** CEO & Board Leadership, Technology and Innovation, Healthcare Industry and Operations, M&A, ESG

## H Michael Cohen – Lead Independent Director

**Director since 2018**



A C

- Former Global Head and Vice Chairman of Healthcare Investment Banking at Deutsche Bank
- **Skills:** Senior Leadership, Financial Expertise, Healthcare Industry and Operations, M&A, ESG

## Adam Mikkelsen

**Director since 2016**



A C N

- Partner at Camber Capital Management
- Former Lead Healthcare Analyst at Datamonitor
- **Skills:** Financial Expertise, Healthcare Industry and Operations, M&A, ESG

## Julie A. Shimer Ph.D.

**Director since 2019**



A N

- Former President and CEO of Welch Allyn
- Former President and CEO of Vocera Communications
- **Current Outside Public Boards:** Avanos Medical
- **Prior Public Boards:** Apollo Endosurgery, Windstream Holdings, NETGEAR, EarthLink Holdings Corp
- **Skills:** CEO & Board Leadership, Financial Expertise, Technology and Innovation, Healthcare Industry and Operations, Consumer, M&A, ESG

## Craig Reynolds

**Director since 2014**



C N

- Former President and CEO of Cerêve
- Former COO of Philips-Respironics Home Health Solutions
- Former COO of Respiration
- Former CEO of Healthdyne
- **Prior Public Boards:** Vapotherm, Symmetry Surgical, Symmetry Medical, Respiration, Healthdyne Technologies
- **Skills:** CEO & Board Leadership, Financial Expertise, Technology and Innovation, Healthcare Industry and Operations, M&A, ESG

## Legend:

Independent

Compensation Committee

Committee Chair

Audit Committee

Appointed since 2018

Nominating, Compliance and Corporate Governance Committee

All directors other than our CEO are independent

Average tenure of independent directors is 5.3 years; no independent director has tenure beyond 10 years

Committed to further near-term refreshment

# Our Refreshed Corporate Governance Demonstrates Our Commitment to Acting on Shareholder Feedback



Since our 2022 annual meeting, our Chairman & three of our independent directors engaged with stockholders representing more than 50% of shares outstanding, culminating in significant changes to our governance policies



**H Michael Cohen**  
*Lead Independent Director,  
Audit Chair*



**Craig Reynolds**  
*Compensation Chair*



**Julie Shimer, Ph.D.**  
*Nominating, Compliance and  
Corporate Governance Chair*

Matters Discussed	Actions Taken as a Result
<b>Board Declassification</b>	<b><u>Submission to Stockholders of Proposal to Declassify Board</u></b> Approved, and recommended that stockholders vote in favor of, a proposal to amend the charter to declassify the Board over four years, beginning with directors up for election at the 2024 annual meeting of stockholders
<b>Board Expansion</b>	<b><u>Planned Expansion of the Board to Add Two New Independent Directors</u></b> Announced intention to expand the Board from five to seven members and initiation of search process, with support of an external advisory firm, for two new, highly qualified and complementary independent directors
<b>Lead Independent Director</b>	<b><u>Appointment of H Michael Cohen as Lead Independent Director</u></b> H Michael Cohen was unanimously chosen by his fellow independent directors to serve as LID
<b>Stockholders' Rights Agreement</b>	<b><u>Elimination of our Stockholder Rights Plan</u></b> The Board does not currently intend to adopt another rights plan. If a new rights plan were to be adopted in the future, the Board has agreed to seek stockholder approval of the rights plan within 12 months of its adoption unless the rights plan is terminated prior to such time
<b>Executive Compensation</b>	<b><u>Enhancements to our Executive Compensation Program</u></b> Made certain changes to our executive compensation program to better align compensation with stockholder returns, including moving to multi-year performance goals for equity-based incentive awards and adding market-based performance conditions

Prior to the 2022 Annual Meeting, we also amended our Corporate Governance Guidelines to **implement a Board Diversity policy** providing that our Nominating, Compliance and Corporate Governance Committee will ensure that the initial list of director candidates from which new Board nominees are chosen includes qualified women and diverse candidates

# Our Key Corporate Governance Policies

The corporate governance policies we've adopted are reflective of shareholder feedback

## Board Independence and Structure

- ✓ Appointment of a Lead Independent Director
- ✓ Company seeking to declassify the Board to provide for annual elections through a management-sponsored proposal
- ✓ Formal diversity policy for director nominees
- ✓ All of our non-employee directors are independent
- ✓ Maintain fully independent Board committees
- ✓ Directors may contact any employees of our Company directly for transparent engagement

## Board Effectiveness

- ✓ Commitment to Board refreshment with two new independent directors since 2018 and announced plans to expand the Board to add two new independent directors within the near-term
- ✓ Diverse mix of viewpoints, experience, skills, tenure and age represented on the Board
- ✓ Director nominee selection process aligned with our long-term strategic plans
- ✓ Annual evaluation of Board and committee performance
- ✓ All directors attended more than 75% of the meetings of the Board and its committees in 2022

## Policies and Practices

- ✓ Robust stock ownership policy for executives and Board members
- ✓ Annual compensation-related risk assessment and compensation review
- ✓ Compensation recovery (“Clawback”) policy
- ✓ No hedging; pledging requires pre-approval

## Stockholder Rights

- ✓ No stockholder rights plan
- ✓ Stockholder engagement that includes the Chairs of each of our committees and our Lead Independent Director
- ✓ Annual Say-on-Pay Vote
- ✓ Stockholder right to proxy access
- ✓ Single class of outstanding shares with equal voting rights

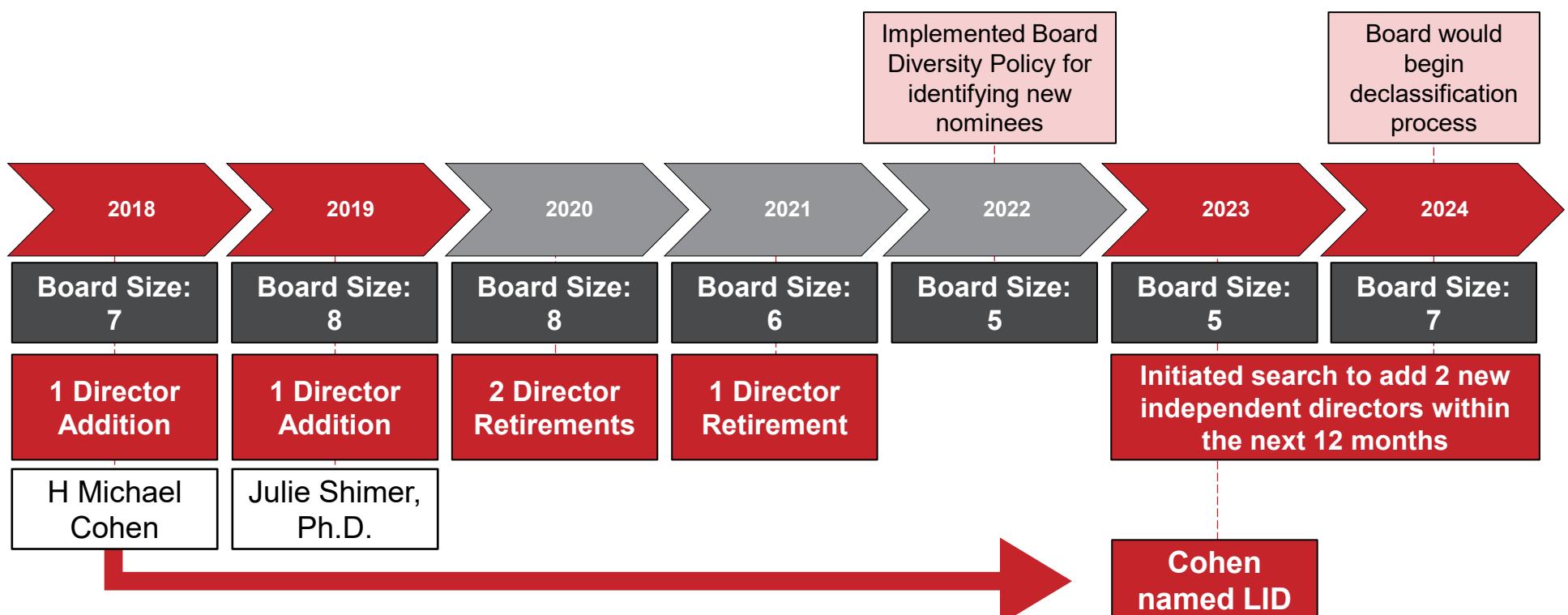
 **Newly Adopted Practices during 2022 and 2023**

# Commitment to Ongoing Board Refreshment

Our Board is comprised of individuals with expertise in fields that align with Masimo's business and long-term strategy, and reflects a blend of tenure that allows for both new perspectives and continuity

After receiving feedback from our shareholders, our Nominating, Compliance and Corporate Governance Committee initiated a search process in 2023 for two new, highly qualified and complementary independent directors to add to the Board

- This search requires independent and experienced directors with either consumer, payor/provider and/or government experience
- Since 2018, we have added two exceptionally qualified and independent directors bringing us consumer and M&A expertise
- If stockholders approve the declassification proposal at the 2023 Annual Meeting, the declassification process would commence at our 2024 Annual Meeting

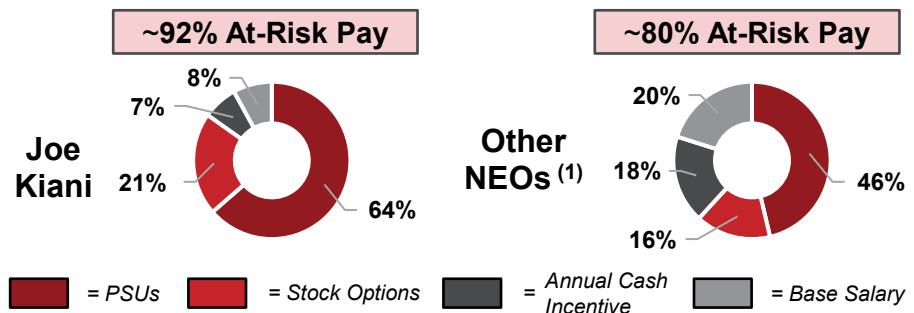


# Commitment to Aligning Compensation with Performance

We have enhanced our executive compensation program to better align with stockholder returns

Enhancements to Compensation Plan in Response to Extensive Outreach Efforts		Compensation Best Practices
Key Investor Feedback	Our Responses	
Consider adding a relative TSR metric to the long-term incentive award	For 2023, we added a relative TSR metric to performance share units (requiring 55 <sup>th</sup> percentile outperformance relative to Nasdaq Composite for target payout over a three-year cumulative performance period); if absolute TSR is negative, funding percentage capped at 100%	<span style="color: green;">✓</span> Robust stock ownership policy for executive and Board members
Consider moving to three-year cumulative financial metrics rather than annual metrics in the long-term incentive plan	For 2023, we incorporated three-year cumulative Adjusted Product Revenue and Operating Margin into performance share units	<span style="color: green;">✓</span> Annual compensation risk assessment and review of executive compensation
Continue to enhance disclosure on executive compensation program	We have improved disclosure transparency and details in the 2023 proxy statement	<span style="color: green;">✓</span> Compensation recovery ("Clawback") policy
Preference to only include double trigger change-in-control cash severance provisions in future executive employment agreements	Going forward, the Compensation Committee has committed that any new employment agreements will only include double-trigger change-in-control provisions	<span style="color: green;">✓</span> Independent Compensation Committee
<i>In connection with the Board's unanimous selection of H Michael Cohen as Lead Independent Director, Joe Kiani has voluntarily irrevocably and permanently waived his right to treat the appointment of any Lead Independent Director as "Good Reason" under his employment agreement with the Company, to terminate employment, and to receive contractual separation payments on this basis</i>		<span style="color: green;">✓</span> Annual stockholder advisory Say-on-Pay vote
		<span style="color: green;">✓</span> Multi-year vesting requirements and performance periods
		<span style="color: red;">✗</span> No guaranteed bonuses or upward discretion
		<span style="color: red;">✗</span> No new single-trigger change-in-control provisions
		<span style="color: red;">✗</span> No hedging; pledging requires pre-approval
		<span style="color: red;">✗</span> No special executive retirement plans
		<span style="color: red;">✗</span> No tax payments on perquisites
		<span style="color: red;">✗</span> No stock option repricing
		<span style="color: red;">✗</span> No evergreen provision
		<span style="color: red;">✗</span> No tax gross-up payments on post-employment compensation agreements

Total Target Compensation  
(FY2022 Program)



Note:

1. Average of Total Target Compensation of Other Named Executive Officers

# The Facts of Our CEO Employment Agreement

- Mr. Kiani's November 2015 Agreement should be considered in context. As the founder of the Company, Mr. Kiani's prior employment agreements beginning in 1994 (5 years after starting Masimo and when investors went over 50% ownership) with the Company entitled him to benefits and rights that were unique to Mr. Kiani, considering the value he provided to the Company. In 2013, the Compensation Committee asked that Mr. Kiani agree to eliminate a number of these benefits and rights
- Mr. Kiani's employment agreement was **amended and restated in 2015 at the behest of the Board after years of negotiation between Mr. Kiani and the independent Compensation Committee**, which was initiated in **response to stockholder feedback**, with the objective of eliminating certain tax gross-ups, guaranteed annual stock option grants, and certain other benefits that Mr. Kiani was entitled to under his earlier employment agreements, some of which dated back to the 1990s, before Masimo's stock was publicly-traded
- The Compensation Committee carefully considered the available alternatives, with **advice from two leading law firms and a nationally recognized compensation consultant**
- Subsequently after we entered into the Restated CEO Employment Agreement, **Compensation Committee members held calls with stockholders collectively representing over 50% of our outstanding shares of common stock**. The response from stockholders was positive, and many acknowledged that, while the process had taken much longer than many anticipated, the amended agreement removed many of the elements they had previously considered problematic
- The new agreement also had the important benefit of incentivizing Mr. Kiani to stay and continue to lead Masimo as the CEO who founded Masimo and has led it through an **incredible period of growth (>365%)<sup>(1)</sup> since 2015**; the Compensation Committee continues to firmly believe that **retaining Mr. Kiani is critically important to Masimo's continued growth and success**

# Politan's Misleading Complaint Regarding the CEO Employment Agreement



In October 2022, Politan demanded the Board rescind or disable the director change-in-control provision in the CEO Employee agreement, despite the fact that:

- 1 The amended **agreement was entered into and fully disclosed in 2015** and Politan was aware of it when it purchased Masimo stock seven years later
- 2 The amended agreement was the product of **extensive arms-length negotiations** between the Board's independent Compensation Committee and Mr. Kiani
- 3 The employment agreement is a contract and, as such, the Company's independent directors have **no legal authority to unilaterally disable such provisions**

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After meeting with Shareholders, in March 2023, Mr. Kiani **permanently and irrevocably waived his right to treat the appointment of any Lead Independent Director as "Good Reason"** under his employment agreement, and with the rest of the Board amended the governances of Masimo in order to protect Masimo shareholders from the risk that Quentin Koffey poses



## Our Experience with Politan and Views on Its Nominees



# Our Independent Director Nominees Have Highly Relevant Qualifications; By Contrast, Mr. Koffey is Woefully Unqualified



Masimo Nominees		Politan Nominees	
	Julie Shimer, Ph.D.	H Michael Cohen	Michelle Brennan
	<p><b>Tenure:</b> Independent Director since April 2019</p> <p><b>2020 AGM Result:</b> 97.9% "FOR"</p>	<p><b>Tenure:</b> Independent Director since August 2018</p> <p><b>2020 AGM Result:</b> 96.4% "FOR"</p>	<p><i>If shareholders approve the expansion of the Board, we will consider Ms. Brennan along with the other candidates; Politan has not cooperated with the Company's repeated attempts to arrange interviews for Ms. Brennan</i></p>
<b>Professional Experience</b>	<b>Former President and CEO of Welch Allyn</b>	<b>Former Global Head and Vice Chairman of Healthcare Investment Banking at Deutsche Bank</b>	<b>A Former Global Value Creation Leader of Johnson &amp; Johnson's Medical Device Division</b>
<b>Specific Qualifications, Experiences and Attributes</b>	<ul style="list-style-type: none"> <li>✓ 15+ years of medical technology leadership and directorship experience, most recently as President and CEO of Welch Allyn</li> <li>✓ 30+ years of product development experience related to medical devices and consumer facing products</li> <li>✓ Extensive technical understanding of physics and electrical engineering</li> <li>✓ M.S. and Ph.D. degrees in Electrical Engineering</li> </ul>	<ul style="list-style-type: none"> <li>✓ 30+ years of experience in the healthcare industry</li> <li>✓ Significant expertise in healthcare investment banking, advisory and M&amp;A</li> <li>✓ Senior banking leadership experience and a deep understanding of domestic and international economic indicators</li> </ul>	<ul style="list-style-type: none"> <li>✓ 30+ years of experience in the healthcare and medical device industry</li> <li>✗ No CEO, CFO, senior executive experience</li> </ul>
<b>Public Board Experiences</b>	<ul style="list-style-type: none"> <li>• Avanos Medical (2014 – Present)</li> <li>• Apollo Endosurgery (2018 – 2023)</li> <li>• Windstream Holdings (2017 – 2020)</li> <li>• NETGEAR (2007 – 2019)</li> <li>• EarthLink Holdings (2013 – 2017)</li> </ul>	<ul style="list-style-type: none"> <li>• Masimo (2018 – Present)</li> </ul>	<ul style="list-style-type: none"> <li>• Recent Public Experience via Activists <ul style="list-style-type: none"> <li>▪ Cardinal Health (2022 – Present): Distributor of hospital supplies</li> <li>▪ Coupa Software (2020 – 2023)</li> </ul> </li> <li>• None</li> </ul>

# Politan Has Shown No Interest in a Constructive Partnership and Has Demonstrated a Poor Understanding of Our Business



- Despite its stated interest in Masimo, Politan has **repeatedly refused to engage with management to learn more about the Company** and its business strategies
  - Unlike most activist investors, Politan did not come to the table with business ideas or even a point of view
  - In our engagements, Mr. Koffey has proved to be **largely ignorant of the Company's technology, raised no questions about the Company's business or plans, and could not identify a single business strategy** he would want the Company to pursue
  - Mr. Koffey congratulated Joe Kiani for Masimo, said he thought the market vastly overreacted to the Sound United acquisition and that if given 2 Board seats, he would become our “biggest cheerleader”, get the “Joe Kiani multiple” again and protect Masimo from other activists and shareholders
  - We invited Mr. Koffey to seek additional information about the Company and management’s business strategies by accepting a non-disclosure agreement, but he declined
- Mr. Koffey’s commentary since launching his proxy contest reflects a **fundamental lack of understanding of Masimo’s business, industry and history:**
  - The idea that Mr. Kiani and Masimo’s management believe they have “immunity from market realities” is absurd given Masimo’s battles to break into the pulse oximetry market. The barriers that Masimo had to break included an ecosystem locked up by Nellcor/Covidien/Medtronic and anticompetitive agreements with GPO and OEMS. Masimo worked with press, government and courts to break down the anti-competitive practices of the monopoly and today is the leading pulse oximetry company in the world. The continued profitable growth of both SET and Masimo is the product of a focused, disciplined strategy informed by “market realities” and including the development of innovative adjacent products. **Mr. Koffey’s eagerness to “fix innovation” at Masimo is arrogance at display, but unfortunately severely risks killing the goose that lays the golden egg**
  - **The “consistent” declines in ROIC that Mr. Koffey purports to identify are in fact a mirage created by the gradual, required cessation of the royalties won by Masimo’s successful defense of its intellectual property**
  - The products that Mr. Koffey cites as “further and further afield from [Masimo’s] core competencies” all directly rely on our core technology of adaptive signal processing – the same technology Mr. Kiani used to revolutionize pulse oximetry and for which he and Masimo hold more than 500 patents. **Rather than stray from its core competencies, Masimo is leveraging its existing technology platform and clinical expertise by building the infrastructure to efficiently commercialize new use cases**
  - **Not only is the Company “cognizant of the need to build a repeatable and successful market entry process” in consumer health, the primary rationale for the Sound United acquisition was to accelerate just that**

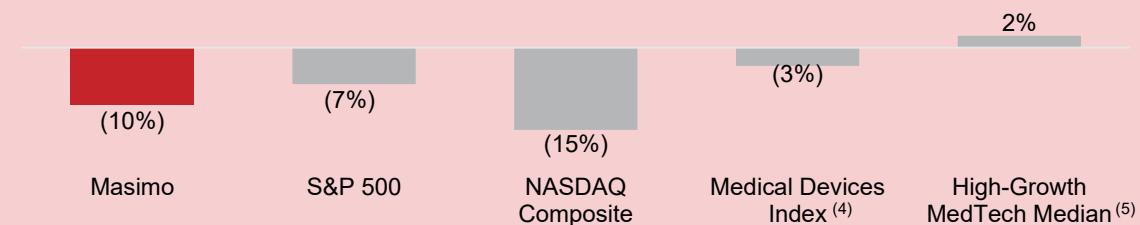
# Politan Has Shown No Interest in a Constructive Partnership and Has Demonstrated a Poor Understanding of Our Business (cont'd)



- Despite the lack of any business ideas from Politan prior to launching its proxy contest, **we gave Mr. Koffey multiple opportunities to work with us in identifying two mutually agreed-upon directors** independent of both Masimo and Politan to add to the Board
  - Instead of accepting this clear path to strengthening the Board as Politan claims to desire, **Politan has refused to engage unless we acquiesce to its self-serving demand that Mr. Koffey be added to the Board**
- Yet the rationale for why Mr. Koffey would create shareholder value as a director remains deeply unclear
  - When asked about his demand to be installed as a Board member during his first meeting with the Company in September 2022 and in subsequent meetings, **Mr. Koffey offered no rationale beyond Politan's standing as a large stockholder**; he even predicated his views about the Company on its response, stating he would be management's "biggest cheerleader" if added to the Board and would wage a proxy contest if not
  - Mr. Koffey lacks relevant industry experience, prior public company board service and understanding of the business and threatens to mire the boardroom in dysfunction and chaos

**Mr. Koffey's lack of ideas prior to launching a proxy contest has been directly reflected in the market's negative response to Politan's entry into Masimo's stock:**

**TSR<sup>(1)</sup> - From Politan Filing<sup>(2)</sup> to Investor Day<sup>(3)</sup>:**



## Notes:

1. Total Shareholder Return includes dividends
2. Politan 13D filed 8/16/2022
3. Investor Day held on 12/13/2022
4. Dow Jones U.S. Select Medical Device Index
5. High-Growth Medtech Peer Index includes Align, DexCom, Edwards, Insulet, Intuitive, ResMed

# Politan Is Short-Term Focused and Concealing Its True Agenda



***Politan's lack of ideas prior to launching a public proxy contest and unwillingness to cooperate when invited to do so clearly demonstrate that its focus is on getting Mr. Koffey his first public Board seat and his short-term agenda, including choking off our future investments and replacing our CEO***

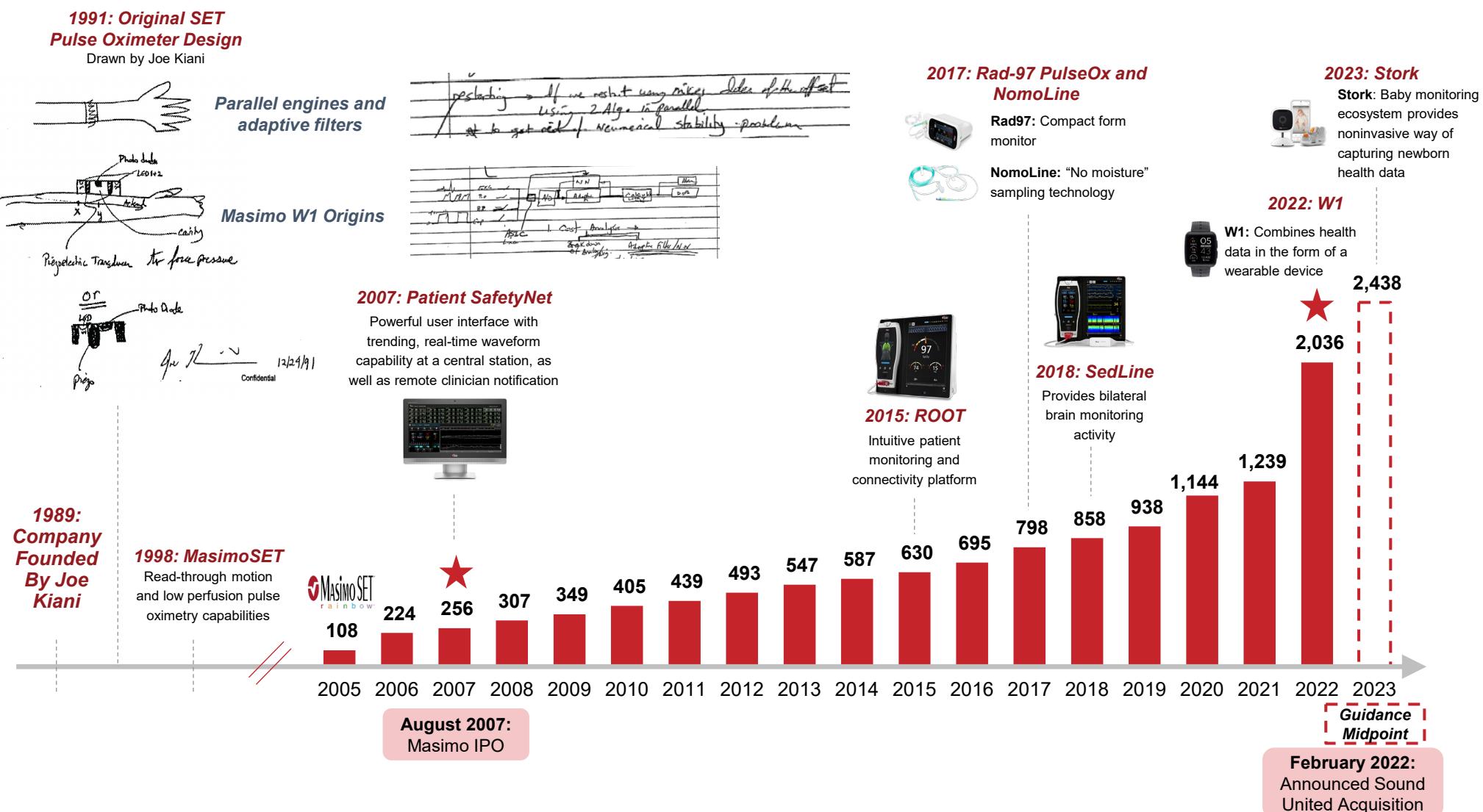
- Despite months of engagement and our offers to collaborate on Board refreshment, put away the expensive proxy fight and only fight about Mr. Kiani's agreement, Politan rejected our offer and has made it clear that there is no acceptable path other than aggressively pursuing a proxy fight to appoint Mr. Koffey personally, despite his hurtful actions, lack of qualifications and failure to articulate how he would benefit stockholders as a director
- The criticisms presented during Mr. Koffey's proxy contest suggest all he wants is to distort the truth and evident success of Masimo's history
- Mr. Koffey has an exclusively short-term focus and wants to cut off our investments for the future legs of growth in order to achieve a short-term pop in the stock at the expense of significant long-term value, even if such cuts will hurt patient care and our ailing healthcare
- In addition, 5 of 6 past campaigns led by Mr. Koffey in his career as an activist, resulted in CEO replacement <sup>(1)</sup> with mixed results; Mr. Koffey has tried to downplay his long track record of driving CEO replacement, disingenuously claiming he would be Masimo founder and CEO Joe Kiani's "biggest cheerleader" if added to the Board, despite his attacks on the validity of the entirety of Mr. Kiani's employment agreement that has kept Mr. Kiani at Masimo
- One Politan investor even stated that Politan pitched the investment with intent to remove Mr. Kiani unless he would be willing to abide by the activist's plans
- When told that the Board was concerned that Masimo would lose Joe Kiani because of Politan's actions, Politan's lawyers responded, "Who says Mr. Koffey wants Joe Kiani to stay?"
- We believe Mr. Koffey intends to target Mr. Kiani but doesn't want to say as much given he fears shareholders may not agree it is a risk worth taking; replacing Joe Kiani, who is critical to our continued development and growth, risks significant value destruction for stockholders

**Note:**

1. Includes past campaigns publicly associated with Quentin Koffey at Politan, D.E. Shaw and Senator Investment Group; excludes Masimo and hostile bid campaigns

# Joe Kiani Has Been Instrumental Since Inception...

## Total Revenue (\$MM)



# ...and Remains Critical to Masimo's Continued Long Term Success



## Instrumental to Selling & Executing Masimo's Vision

### Importance to Market-Leading Positioning

- Email correspondence among Apple executives referred to Kiani as “**the Steve Jobs**” of the MedTech space
  - Worth buying Masimo for over \$1.2B for Joe Kiani
  - Apple discussed acquiring Masimo and installing Kiani as VP of Medical Technologies
- Expanded TAM from \$3Bn to \$171Bn
- Long **history of gaining market share** from competitors
- Ideas and innovations have been **critical to nearly every Masimo product**
- Widely recognized by hospital customers as market leader and innovator
- Positioned company as primary competitor in hospital automation and hospital to home markets

### Importance to Masimo's Culture

- Created and maintained **start-up culture that fosters teamwork, dedication and innovation**
- **Holds the core engineering and management teams together**, many of whom have worked for Masimo for many years and are deeply loyal to Joe
- During the COVID pandemic:
  - Core team remained in office
  - Delivered Masimo SafetyNet, which allowed remote monitoring of COVID patients at home
  - Did not over-hire ever or lay off employees ever, including during and after COVID

## Patient Safety Thought Leader



Named 2012 E&Y Entrepreneur of the Year in Life Sciences



Winner of the Intellectual Property Champion Award by the U.S. Chamber of Commerce in 2015

**500+**

Patents and patent applications on advanced signal processing, optical sensors, wearable technologies and other breakthrough technologies

**25%**

Named inventor on 25% of all Masimo patent filings (approx. 694 patent files)

**78**

Patent filings where Joe Kiani is the sole inventor, i.e. there is no innovation without Joe

**2nd**

Joe Kiani is the 2<sup>nd</sup> most common named inventor with roughly 2.5x more patents than the current 3<sup>rd</sup> place inventor

***Under Joe Kiani's leadership, Masimo has beat EPS guidance for 10 consecutive years***



## Concluding Remarks

# Executive Summary

## Masimo Has and Continues to Deliver Outsized Returns for Investors

- Since its 2007 IPO, **Masimo's stock delivered a >1,000% return, >2x Nasdaq Composite Index and ~2x Dow Jones U.S. Select Medical Equipment Index** (the "Medical Devices Index") returns during the same period
- **Politan's entry in the Masimo stock has created substantial value loss for shareholders, resulting in a 10% decline in Masimo** vs a 3% decline for the Medical Device Index for the period between Politan's 13D filing and before Masimo's Investor Day
- At the December 2022 Investor Day, management unveiled its strategy for continued value creation
  - **Masimo's stock has since returned 32% vs. a 6% increase for the Medical Devices Index** and a 10% increase for the NASDAQ Composite Index
  - **This outperformance has substantially closed the valuation gap between Masimo and its peers that opened following the Sound United acquisition**
  - Strong market response demonstrates the growing market conviction that this strategy maximizes the long-term shareholder value
- We believe the TSR decline following May 1<sup>st</sup>, the closing price on the day before Politan filed its preliminary proxy materials and nominated Quentin Koffey, reflects the market's concern about Mr. Koffey's plans for the Company and the risks of his agenda with respect to Mr. Kiani

## Strong Track Record of Execution Provides Visibility to Future Performance

- The Company has delivered strong returns for shareholders through sustained improvement in operating performance that drove consistent profitable, above-market growth
- From 2017 through 2021, under the current Board's tenure, Masimo delivered results that significantly exceeded targets set under its previous strategic plan:
  - **Revenue grew at a 14% CAGR vs. the 8-10% target set in 2017**
  - **Operating margins expanded >500 basis points vs. the 400 basis-point target**
  - **EPS grew at a 23% CAGR vs. the 12-15% target**
- Masimo has **delivered EPS beats over consensus estimates for the past 25 quarters straight**, despite macro disruptions which have impacted many of its peers
- The Company has maintained rigorous capital allocation and **sustained ROIC at levels well above the medical device industry**, while expanding into new and adjacent markets
- Execution history provides conviction in the current management team and board to deliver continued outperformance

## Governance Changes in Response to Robust Investor Engagement by the Board

- During the past year, management has engaged with Masimo's shareholders extensively, **speaking directly with the holders of more than 50% of outstanding shares**
- In response to this feedback, the current Board took a series of actions, including:
  - **Continued refreshment to the Board of Directors through expansion of the Board from five to seven directors**
  - **Appointment of H. Michael Cohen as Lead Independent Director**
  - **Proposal to amend Masimo's charter to declassify the Board**
  - **Termination of the Company's rights agreement**
  - **Certain executive compensation enhancements, including adding a relative TSR metric to incentive awards**

# Executive Summary (cont'd)

**Politan Is Either Purposely Misleading or Fundamentally Ignorant of Masimo's Business and Appears to Be Pursuing a Short-Term Agenda**

- **Despite months of engagement and our offers to collaborate on Board refreshment, Mr. Koffey has rejected jointly appointing independent Directors and has rejected our invitations to understand Masimo's business:**
  - We gave Mr. Koffey multiple opportunities to work with us in identifying two mutually agreed-upon directors independent of both Masimo and Politan to add to the Board, which Politan has refused, unless he, himself, is elected to the Board
  - In our limited interactions, has proved to be largely ignorant of the Company's technology & customer needs
  - Declined our invitation, under NDA, for full access to additional information about the Company and management's business strategies
- **Mr. Koffey's commentary since launching his proxy contest reflects either an intent to mislead our shareholders or a fundamental lack of understanding of Masimo's business, industry and history**
  - Mr. Koffey's eagerness to "fix innovation" at Masimo not only exposes his hubris, but more importantly, severely risks killing the goose that lays the golden egg
  - The "consistent" declines in ROIC that Mr. Koffey purports to identify are in fact a mirage created by the gradual, and known cessation of the royalties won by Masimo's successful defense of its intellectual property
  - Not only is Masimo "cognizant of the need to build a repeatable and successful market entry process" in consumer health, the primary rationale for the Sound United acquisition was to accelerate just that
- **Politan's apparent lack of ideas prior to launching a public proxy contest and unwillingness to cooperate when invited to do so clearly demonstrate that its focus is on getting Mr. Koffey his first public Board seat and his short-term agenda, including choking off our future investments and replacing our CEO**
- **Replacing Joe Kiani, who is critical to our continued development and growth, risks significant value destruction for stockholders; this is a risk too grave for stockholders to take**
  - Joe engenders a start-up culture and is deeply engaged with our engineers to drive the product pipeline as seen by 25% of all Masimo patents listing Joe as a named inventor

**Quentin Koffey is Not Additive & If Elected to the Board Will Likely be Value Destructive To Shareholders**

- Mr. Koffey's unprincipled willingness to distort the truth in pursuit of his agenda will foster dysfunction and chaos at Masimo
- Politan has also not cooperated with the Company's repeated attempts to arrange interviews for Ms. Brennan and Mr. Koffey with the Nominating, Compliance and Corporate Governance Committee
- Mr. Koffey has none of the skills, background, or experience that other shareholders and the Board's Nominating, Compliance and Corporate Governance Committee have identified as valuable:
  - No industry experience
  - No experience leading an investment in a publicly traded medical device company and has not overseen capital allocation in the industry
  - Has not brought forth a single strategic or operational idea since Politan invested in Masimo, nor did he suggest any of the governance changes the Board recently adopted
- Electing Mr. Koffey to the Board threatens Masimo's mission, principles and strategy and jeopardizes the long-term potential of Masimo to continue to deliver outsized returns for shareholders