

Masimo Urgently Needs A Truly Independent Board

June 2024

 Politan Capital Management

 **ADVANCE MASIMO**
www.advancemasimo.com

Disclaimer



This presentation and any of the information contained herein (this “Presentation”) is for discussion and general informational purposes only and is not complete. This Presentation does not have regard for the specific investment objective, financial situation, suitability, or the particular need of any specific person who may receive this Presentation, and should not be taken as advice on the merits of any investment decision. This Presentation is not an offer to sell or the solicitation of an offer to buy interests in any fund, account or investment vehicle managed by Politan Capital Management (together with its affiliates, “Politan”) and is being provided to you for informational purposes only. The views expressed herein represent the opinions of Politan, and are based on publicly available information with respect to Masimo Corp. (“Masimo”, “MASI”, or the “Company”). Certain financial information and data used herein have been derived or obtained from public filings, including filings made by the Company with the Securities and Exchange Commission (“SEC”) and other sources.

Certain statements and information included herein have been sourced from third parties. Politan does not make any representations regarding the accuracy, completeness or timeliness of such third party statements or information. Except as may be expressly set forth herein, permission to cite such statements or information has neither been sought nor obtained from such third parties. Any such statements or information should not be viewed as an indication of support from such third parties for the views expressed herein. No warranty is made that data or information, whether derived or obtained from filings made with the SEC or from any third party, are accurate. No contract, agreement, arrangement, commitment, relationship or understanding exists or shall be deemed to exist between or among Politan and any third party or parties by virtue of furnishing this Presentation.

Except for historical information contained herein, the matters addressed in this Presentation are forward-looking statements that involve certain risks and uncertainties. Specific forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts and include, without limitation, words such as “may”, “will”, “expects”, “believes”, “anticipates”, “plans”, “estimates”, “projects”, “targets”, “forecasts”, “seeks”, “could”, “should”, or the negative of such terms or other variations on such terms or comparable terminology. Similarly, statements that describe our objectives, plans or goals are forward-looking. Forward-looking statements are subject to various risks and uncertainties and assumptions. There can be no assurance that any idea or assumption herein is, or will be proven, correct. If one or more of the risks or uncertainties material, or if Politan’s underlying assumptions prove to be incorrect, the actual results may vary materially from outcomes indicated by these statements. Accordingly, forward-looking statements should not be regarded as a representation by Politan that the future plans, estimates or expectations contemplated will ever be achieved. There is no assurance or guarantee with respect to the prices at which any securities of the Company will trade, and such securities may not trade at prices that may be implied herein. This Presentation does not recommend the purchase or sale of any security.

Politan reserves the right to change any of its opinions expressed herein at any time as it deems appropriate. Politan disclaims any obligation to update the information or expressed opinions contained herein. Under no circumstances is this Presentation to be used or considered as an offer to sell or a solicitation of an offer to buy any security. All registered or unregistered service marks, trademarks, and trade names referred to in this Presentation are the property of their respective owners, and Politan’s use herein does not imply an affiliation with, or endorsement by, the owners of such service marks, trademarks and trade names.

Politan strongly advises all stockholders of Masimo to read the definitive proxy statement, any amendments or supplements to such proxy statement and other proxy materials filed by Politan with the SEC as they become available because they will contain important information. Such proxy materials will be available at no charge on the SEC’s website at www.sec.gov. The definitive proxy statement and other relevant documents, are also available on www.AdvanceMasimo.com and the SEC website, free of charge, or by directing a request to the Participants’ (as defined below) proxy solicitor, D.F. King & Co., Inc., 48 Wall Street, 22nd Floor, New York, New York 10005 (stockholders can call toll-free: +1 (866) 620-9554).

The Participants (the “Participants”) in the solicitation are Politan, Politan Capital Management GP LLC, Politan Capital Partners GP LLC, Politan Capital NY LLC, Politan Intermediate Ltd., Politan Capital Partners Master Fund LP, Politan Capital Partners LP, Politan Capital Offshore Partners LP, Quentin Koffey, Matthew Hall, Aaron Kapito, Darlene Solomon and William Jellison.

Majority of Truly Independent Directors Are Urgently Needed to Safeguard Shareholder Value and Realize Company's Potential

Change Is Urgently Needed

- **Masimo's broken governance continues to result in further harm** as operations, material risks, and share price have deteriorated.
- **Long recurring history of governance failures means no credible prospect for improvement:** CEO continues to select majority of the Board, resulting in bloc of directors who fail to effectively oversee management and approve egregious CEO benefits and entrenchment mechanisms.
- **Mr. Kiani refuses to simply sell Sound United.** He is pursuing a dangerous "Consumer Separation" with effectively no Board oversight and IP, trademark, and trade secret transfers that risk **impairing Masimo**. His prior separation of **Cercacor Willow cost shareholders nearly ~\$1B**.

Shareholder Nominees Can Help to Immediately Deliver Change

Refocus Company,
Drive Revenue Growth,
Expand Margins



Darlene Solomon: former CTO of Agilent, brings deep expertise in R&D strategy, a successful public board track record, and experience overseeing three different separations requiring critical expertise in the division of IP and retaining technical talent.



William (Bill) Jellison: former CFO of Stryker, brings deep medical technology executive capability, successful public board experience, and a strong track record of value-creating capital allocation including significant transaction expertise.

- **Only if both are elected**, can the Board immediately initiate reviews of strategy, product portfolio, and cost structure that can result in:
 1. Divesting the consumer audio business (Sound United) in a manner that maximizes value for shareholders, and
 2. Refocusing Masimo's core business to achieve 8-10% revenue growth and 35+% EBIT margins: worth **2-3x the current stock price**.

Politan Owns 9% of Masimo: We Are Long-Term Focused and Constructive in Our Engagement

~\$600M investment makes us one of Masimo's largest shareholders.

- We are **long-term** focused and have been Masimo shareholders for over two years.
- In 2023, Quentin Koffey, our CIO, was **overwhelmingly elected to the Masimo Board**.
- Our **extensive due diligence** utilizes operating partners, consultants, and law firms.
- We seek to **engage constructively** with management teams and Boards of Directors to unlock long-term value through strategic, operational, and governance changes.
- Our firm was started in August 2021 and the investment partners have 35+ years of experience at prior firms including Elliott Management and The D. E. Shaw Group.
- We have substantial experience engaging productively for the benefit of all shareholders, having placed ~30 directors on public boards — **primarily through cooperation agreements**.



“

Politan's style is to amicably and quietly work with management to achieve its objectives. They do not send angry public letters, and they do not seek proxy fights. However, they will also not back down from a proxy fight if their hand is forced...Koffey has created significant value for shareholders at companies like Lowe's... As board members, Politan could be very helpful to both management and shareholders in pursuing strategic projects. They will listen to management with an open mind, and if they agree with a project their support would give management cover with other shareholders to pursue it. However, at the end of the day they are economic animals and will do what is best for shareholders — if management cannot justify a project, Politan will be there to protect shareholder value.”

Ken Squire



“

[V]eteran activist... [who] prefers to work privately with management before releasing public letters critiquing companies or pursuing proxy fights.”

Presentation to Masimo on Politan, Aug 2022

Morgan Stanley

Change Is Urgently Needed Shareholder Nominees Can Help to Deliver Change Immediately

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

1 Governance Remains Broken at Masimo

Overwhelming Shareholder Support for Change At 2023 AGM...



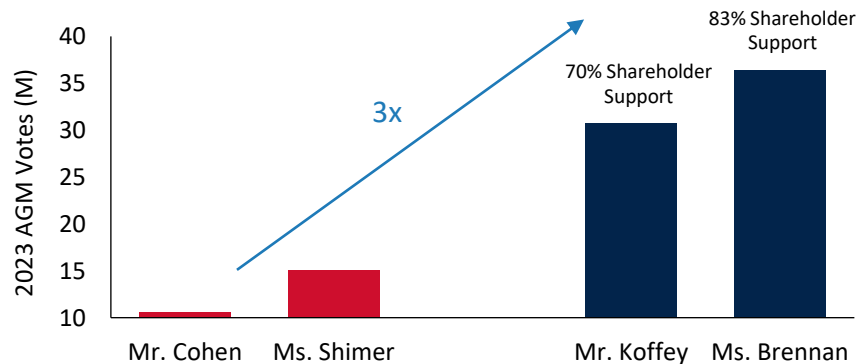
Understanding how much the activists won their seats by is important — **it was a landslide.**

June 2023
Jefferies



The **magnitude of the rout** was learned yesterday as Politan easily got both of its nominees elected to what is currently a five-person board. ...its two nominees got **more than 70% of the votes cast**. Beyond that, its slate got votes from **seventeen of MASI's 20 largest holders**. That is **pretty close to a shutout.**

June 2023
GH GORDON HASKETT
RESEARCH ADVISORS



...Was Rejected By Legacy Board, With Governance at Masimo Remaining Broken

No Effective Oversight

- Board does not even see, much less approve, a budget.
- Information flows to Board solely at the CEO's discretion.
- Kiani-selected bloc of directors denied any review of any aspect of the business or strategy.
- As a result, the Board is uninformed about basic financials and material risks like DOJ / FDA investigations, SEC investigation, whistleblower lawsuits, and CEO share pledges.

Extreme Disregard for Shareholders and the 2023 AGM

- Saturday before AGM, the legacy Board delegated to management power to run a sale of the company, resulting in CEO not substantively updating the Board for over four months.
- When unable to find a sale on terms he wanted, Mr. Kiani pivoted to a separation that could significantly impair shareholder value and inappropriately benefit him.
- Ms. Brennan and Mr. Koffey were never actually onboarded, continually denied information, blocked from meeting management, and effectively excluded from Board meetings.

No Improvement

- Company TSR, financial metrics, and material risks have only worsened.

Shareholders Spoke but Nothing Changed

1 There Was Never a Legitimate Board Expansion Process: Majority of Directors Remain Selected by Mr. Kiani



No Legitimate Expansion Process: Mr. Kiani’s Selected Directors Continue to Comprise Majority of Board

Never a Legitimate Board Expansion Process

- Mr. Chapek was selected by Mr. Kiani, not a third-party search firm — just like Mr. Reynolds.
- Legacy Board interviewed Mr. Chapek in March 2023, prior to 2023 AGM.

Majority of Directors Selected by Mr. Kiani

- Mr. Kiani and his selected directors still comprise a majority of the Board.
- Mr. Reynolds is LID and chairs all three committees, contrary to basic good governance practices.
- Mr. Reynolds and Mr. Chapek comprise a 2/3rds majority of each Board committee.



Moreover, the board has effectively **been assembled by the CEO**, which undermines independence, and creates uncertainty about where loyalties lie.”

June 2023

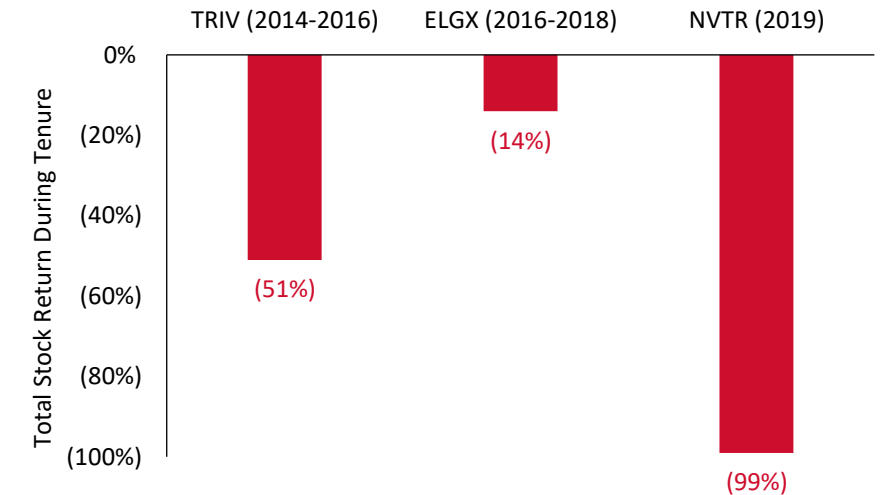


Chris Chavez: More of the Same

Has **known Mr. Kiani for 22+ years**, Masimo Foundation even invested in Mr. Chavez’s company.

Nominating Committee **never met** to discuss Mr. Chavez’s candidacy, never recommended him, and did not use search firm.

Abysmal track record over the last decade:

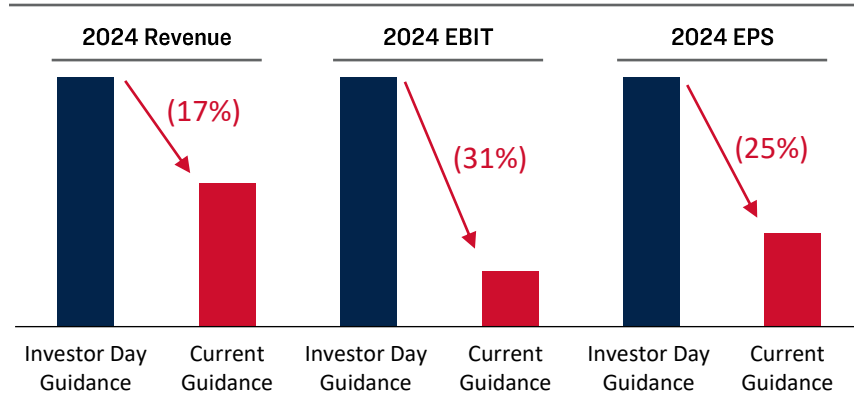


Kiani-Selected Directors Act as a Bloc to Obstruct Any Oversight

2

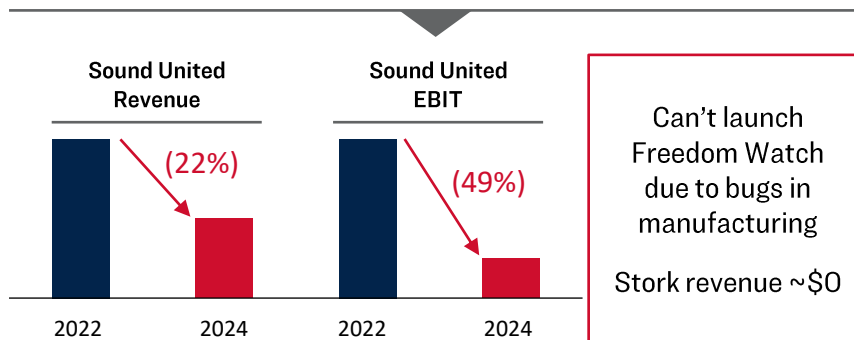
Lack of Board Oversight Results in Significant Harms

Consistently Misses Targets



Failed Consumer Strategy

\$1B paid for Sound United, over 1/3 of earnings spent on Consumer Healthcare



Stock Underperforms vs. Peers, Over All Times

Masimo TSR vs.	1 Year	3 Year	5 Year
Masimo's Proposed Peers	(14%)	(36%)	(98%)
Sell-Side Peers	(30%)	(62%)	(75%)
Broader Medical Device Peers	(13%)	(32%)	(36%)
Medical Devices Index	(22%)	(43%)	(55%)
Russell 3000 Index	(45%)	(74%)	(102%)

Multiple Investigations

Board receives limited information and as a result unable to provide appropriate oversight of, or direction to, management.



DOJ Investigation: Board knew nothing about recall issues for nearly six months or of DOJ's Civil Investigative Demand until five weeks after subpoena received.

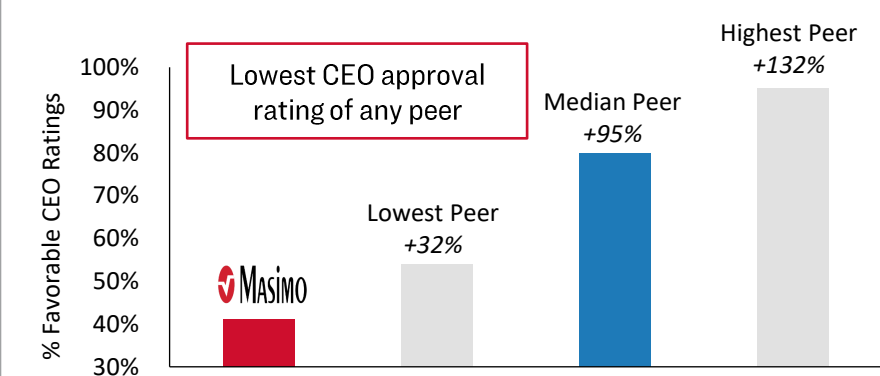


SEC Investigation: Board not notified of subpoena until five weeks after company received it.

Egregious Arrangements for Mr. Kiani

- 75% of stock pledged without informing current Board.
- Annual compensation 2x peers (despite underperforming).
- \$19M in annual payments to entity he controls and majority owns.
- \$30M+ Foundation: 50%+ of grants to CEO personal causes.
- Lavish spending on inessential items like extravagant corporate offices, ownership and misuse of corporate jet, outsized personal security and other perquisites, and pro sports sponsorships.

Beleaguered Employees View CEO Unfavorably

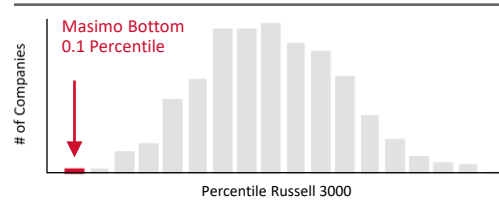


3 No Credible Prospect for Improvement Due to Long, Recurring Track Record of Broken Governance Harming the Company

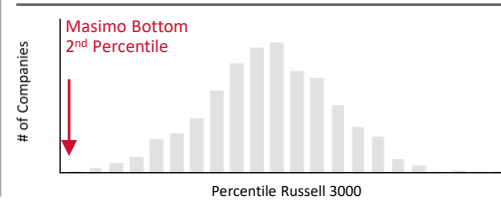


Recurring Lack of Oversight

Say-on-Pay Historical Average Percentile of Russell 3000



Director Votes Historical Average Percentile of Russell 3000



Recurring Entrenchment to Avoid Accountability

Cercacor in 2007:
Served as poison pill for a decade

Compensation agreement in 2015 (amended in 2017 and 2022):
Poison pill payment

Board composition since IPO:
Small, staggered, assembled by CEO

Bylaws in 2022:
Attempt to block shareholder nominees

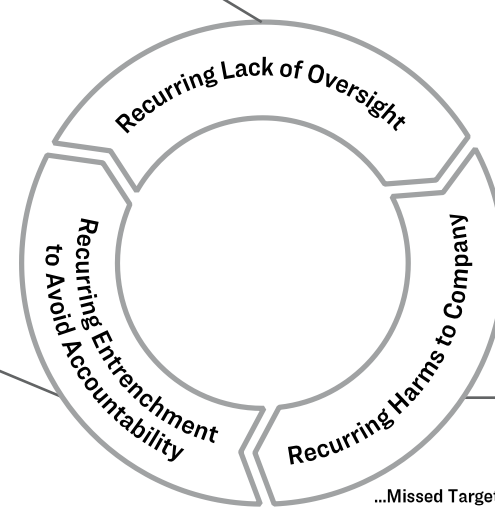
“Masimo CEO’s **employment agreement is not only counter to the best interests of the Company’s stockholders, but also sets a dangerous precedent.**”

Aeisha Mastagni, CalSTRS, Mar 2023



“...[These provisions] **preclude the board from exercising its statutory and fiduciary duties to manage the corporation in the best interests of the corporation and its stockholders, and thus amounts to abdication.**”

Delaware Vice Chancellor Nathan Cook, Court Transcript, Feb 2023



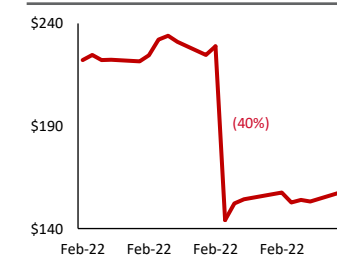
Recurring Harms to Company

TSR Underperformance ...

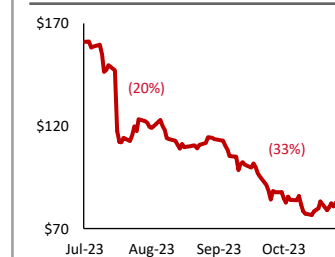
Masimo TSR vs.	1 Year	3 Year	5 Year
Masimo's Proposed Peers	(14%)	(36%)	(98%)
Sell-Side Peers	(30%)	(62%)	(75%)
Broader Medical Device Peers	(13%)	(32%)	(36%)
Medical Devices Index	(22%)	(43%)	(55%)
Russell 3000 Index	(45%)	(74%)	(102%)

...Stock Drops ...

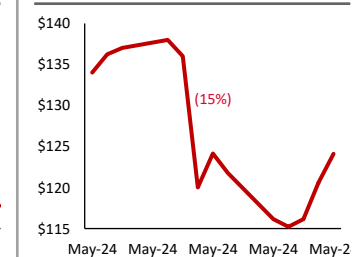
40% Decline: Sound United Acquisition



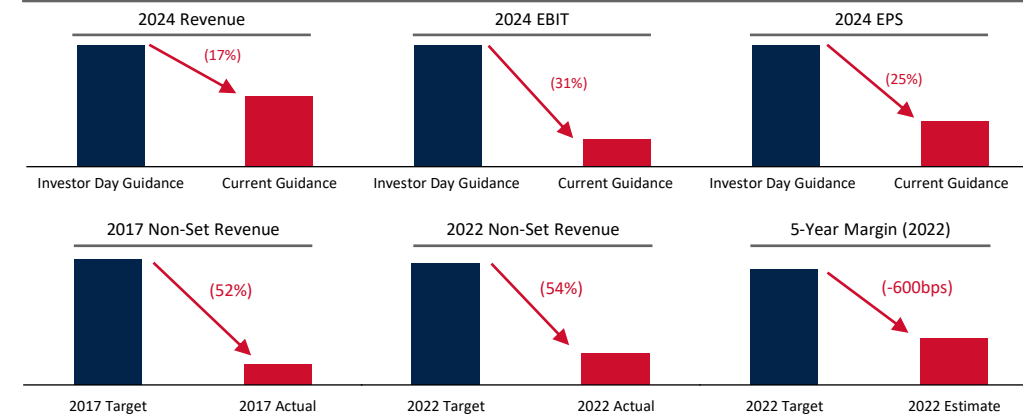
50% Decline: Concerns of Inflated #s



15% Decline: Regulatory & Deal Risk



...Missed Targets...



... and Investigations



4 Current “Separation” Is Not What Shareholders Asked for and Poses Significant Risk to Shareholders

Shareholders want a **Clean Exit** from Consumer Audio (Sound United).

Mr. Kiani **Refuses** to simply sell Consumer Audio (Sound United).

Mr. Kiani **Is Only Pursuing** a separation of Consumer Audio together with a transfer of Masimo’s intellectual property, trademark, and trade secrets.

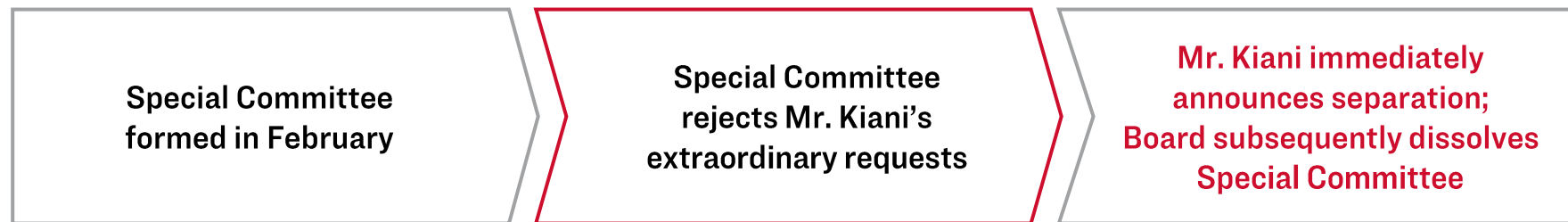
Cercacor was the last time Mr. Kiani oversaw a separation. It cost Masimo shareholders ~\$1B and put in place a decade-long poison pill entrenching him in office.

Without truly independent oversight of the transaction, Mr. Kiani’s separation risks creating a competitor and severely impairing Masimo Shareholders.

Politan supports a **Separation Done Right**.

4 No Proper Oversight of Separation: Related Party Conflicts & Risk of Significantly Impairing Valuation of Masimo

Mr. Kiani Dissolved Special Committee That Was Formed to Address Related Party Conflicts...



Trade Names <i>Despite Masimo's ubiquity in the healthcare setting</i>	Intellectual Property <i>IP transfers and licenses</i>	Control <i>Votes and Board selection</i>	\$150M <i>Over 1/3 used for expenses related to Office of Executive Chairman</i>	Corporate HQ <i>Despite 90% of employees staying at RemainCo</i>
Choice of Employees	Apple Litigation	Corporate Jet	Immediate Acceleration of Change in Control	Nevada Incorporation

Now Mr. Kiani Is Pursuing a JV / Sale That Raises the Same Concerns the Special Committee Objected To

...And Has Kept the Board in the Dark

- Mr. Kiani entered NDA with JV Partner and conducted **negotiations without ever even informing the Board**, let alone getting its approval.
- **Board only learned from WSJ / CNBC interview** of Mr. Kiani about existence of JV partner and didn't learn the name of the JV partner until after Mr. Koffey made a **Section 220 demand upon learning the CEO had already signed a term sheet**.
- Mr. Kiani **refuses to allow truly independent oversight** of IP transfers and separation.
- **Settlement offer to Politan was contingent on blocking Board oversight of any transaction**. In exchange for seating Politan nominees, Mr. Kiani wanted his preferred IP counsel to oversee IP transfers, \$400M CIC payment, sole discretion in naming Board of ConsumerCo, the corporate HQ, the corporate jet, \$150M of cash, and other items.

Mr. Kiani Demands Full Control of the Board, Shareholders Want Truly Independent Oversight

Mr. Kiani Demands Full Control...

...and Uses Extraordinary Entrenchment Mechanisms to Preserve It

- Spends money without even informing the Board, let alone getting the Board's approval.
- Benefits from egregious arrangements and related party transactions at the expense of shareholders.
- Avoids shareholder accountability through extraordinary entrenchment mechanisms:
 - Change in control provisions embedded in compensation agreement: took litigation to diminish.
 - Bylaws to block shareholder nominations: took litigation to remove.
 - Cercacor spinoff: decade-long poison pill, costs shareholders nearly \$1B.
 - Small, staggered Board with every director, other than Politan nominees, selected by Mr. Kiani.

Shareholder Nominees Are Unquestionably Independent

- Dr. Solomon and Mr. Jellison were found by search firm & had no pre-existing relationship with Politan.
- High-quality, well-known executives who are solely focused on maximizing shareholder value.

5

Mr. Kiani's Threats of Business Disruption Are Untrue and Run Counter to His Own Prior Actions



Earlier This Year, Mr. Kiani Sought to Leave Masimo and Take Significant Corporate Assets With Him

- Mr. Kiani planned to resign as CEO, drop off Masimo's Board, and become Executive Chairman of ConsumerCo. He also planned for Masimo COO Bilal Muhsin to join him at ConsumerCo.
- No business disruption concerns existed from these proposed departures, because Mr. Kiani does not run the business day to day and given the broadly diversified, steady recurring revenue nature of Masimo's healthcare business.
- He did, however, demand IP assets, Masimo's name, the corporate jet, the headquarters, \$150M in cash, voting control for free, and the immediate acceleration of his change in control payment (~\$400+M).

Today He Claims Masimo Can't Continue Without Him

- Now Mr. Kiani is claiming that if he is not re-elected to the Board, he will resign, and that as a result significant business continuity issues will arise at Masimo.

Illogical to Claim Masimo Will Suffer From Disruption Unless Mr. Kiani Can Take Corporate Assets for Himself

- In both cases, Mr. Kiani said he would leave. Masimo will not be worse off for retaining assets that Mr. Kiani wants.
- For over a year Mr. Kiani has talked of leaving. If today it really were a business continuity issue (which it is not), then it only highlights the Board's failure in succession planning and allowing Mr. Kiani to threaten the Company if he doesn't get his egregious demands.

Mr. Kiani Only Claims Disruption After Not Getting the Assets He Wants

5 Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

Ideally Qualified



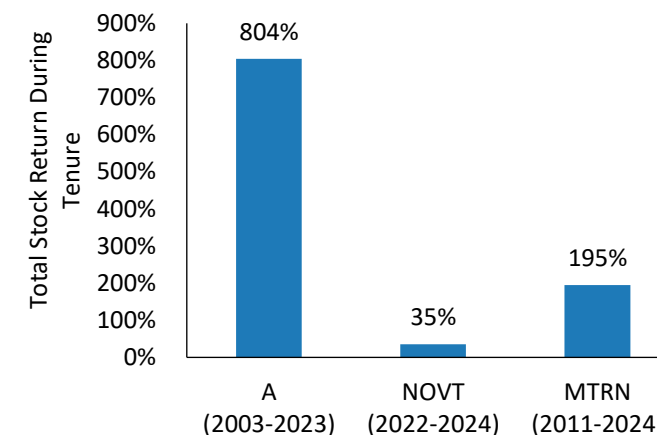
Dr. Darlene Solomon
Former Chief Technology Officer & SVP, Agilent Technologies

- **Proven expert in R&D strategy** as CTO overseeing Agilent’s technology strategy and R&D priorities under three successive CEOs across 20 years. Having helped oversee separations of Agilent, Avago, and Keysight, brings critical expertise that would inform the appropriate division of Masimo’s IP in a separation as well as how best to retain technical talent and prioritize R&D initiatives in a product portfolio review.
- **Public board experience:** Materion, Novanta. Committee experience includes Nominating & Governance, Compensation, and Audit.

Perfectly Fit Masimo’s Needs

- ✓ Independent
- ✓ Extensive experience designing, implementing and optimizing R&D processes
- ✓ Significant product portfolio review and IP separation experience

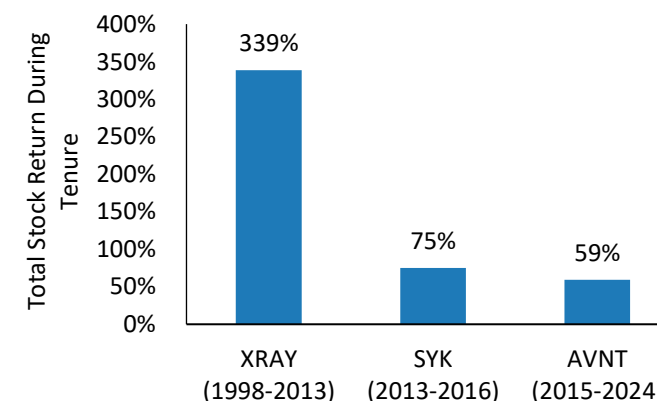
Proven Track Record of Delivering



William (Bill) Jellison
Former Chief Financial Officer, Stryker Corporation

- **Demonstrated financial oversight expertise** as the former CFO of Stryker and Dentsply Sirona as well as a former Senior Vice President with full P&L responsibilities for some of Dentsply’s operating divisions. With significant strategic and M&A expertise through billions of dollars of M&A, brings considerable experience to the evaluation of a separation transaction at Masimo as well as a natural fit to chair the Audit Committee.
- **Public board experience:** Avient, and recently Anika. Committee experience includes Chairing Audit Committee, Capital Allocation Committee, and Environmental, Health & Safety Committee.

- ✓ Independent
- ✓ Audit Chair and executive experience demonstrating financial oversight & budgeting skills
- ✓ Substantial experience optimizing cost structure and overseeing transactions



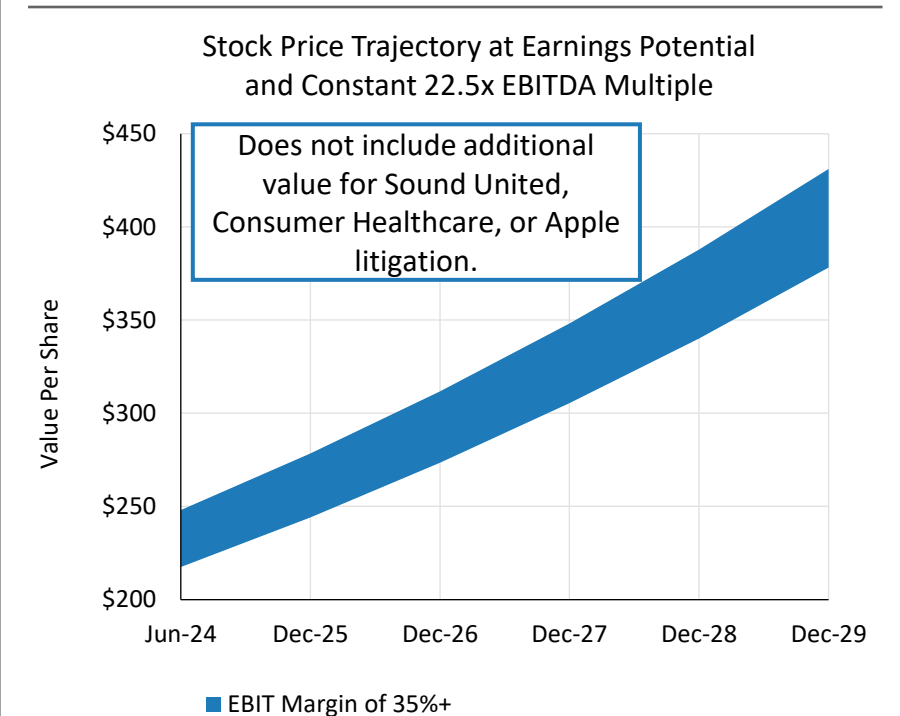
6 We Believe New Board Can Unlock ~\$10+ Billion of Value Based on Highly Defensible, Reasonable Estimates



Focused Company Delivering Returns Through Innovation-Led Growth and Margin Expansion

	Today	Board Action	Goals
Strategic Focus	Distracted	Strategic Review	<p>Focused on hospital and hospital-at-home</p> <ul style="list-style-type: none"> A company without distractions, focused on core markets. Divest consumer audio. Restructure non-core ventures.
Growth	1% CAGR since 2022	Product Portfolio Review	<p>+8-10% CAGR</p> <ul style="list-style-type: none"> Continued growth in market leading pulse oximetry franchise. Disciplined investment in key growth initiatives of noninvasive monitoring in the hospital and hospital-at-home.
Margin & Free Cash Flow	24% EBIT margin	Cost Structure Review	<p>35+% EBIT Margin</p> <ul style="list-style-type: none"> Significant margin expansion with 475+ bps improvement (to 29%) identified in year 1 alone. Capital invested in growth or returned to shareholders.

Leading to Substantial Stock Price Upside



Governance & Accountability Are Crucial to Achieve Goals

“Our understanding from dozens of investor conversations is another proxy battle is expected to ensue. This topic has been the dominating force driving shares higher over the past three months.”

Feb 2024
PIPER SANDLER

Value Creation	\$9B	\$15B
IRR to	37%	23%
MOIC to	2.2x	3.1x

6

What Happens After the July 25th AGM: Immediate Action

Immediately Establish Business Review Committee With Directly Relevant, Successful Experience⁽¹⁾



Michelle Brennan

Former J&J Global Value Creation Leader,
Group Chair of J&J's Medical Device Business in EMEA



Bill Jellison

Former Chief Financial Officer, Stryker Corporation



Darlene Solomon

Former Chief Technology Officer & SVP, Agilent Technologies

Immediately Initiate Three Reviews Overseen by Board

		Purpose	Public Communication
1	Strategic Review	Divest Consumer Audio business in 2024 (potentially include IP license for consumer applications)	Signed & closed in 2024
2	Product Portfolio Review	Set clear growth strategy: Align product portfolio and development pipeline.	Interim Update: 3 months Final Update: '25 guidance
3	Cost Structure Review	Set margin goals and cadence to achieve.	

New Board Will Determine Leadership

- As recently as April, Mr. Kiani sought to leave Masimo and lead ConsumerCo (yet today, he falsely claims disruption if he were to leave).
- Board will discuss with Mr. Kiani his preferred ongoing role and carry out appropriate follow-on steps.
- If required, interim CEO is available immediately. After expeditious search, permanent CEO candidates are available for the Board to select.
- No decisions have been made.

1. All decision-making authority would remain with the full Board and any director would be able to join the Business Review Committee.

Masimo Urgently Needs a Majority of Truly Independent Directors



Both Shareholder Nominees Must Be Elected

- Split vote would create a deadlocked Board that cannot affirmatively act—resulting in status quo continuing.
- Because CEO does not seek Board approvals, status quo means no effective oversight or accountability and significant recurring harms to shareholders including continued refusal to sell Sound United.

Mr. Kiani Can Stay or Leave, It's His Choice

- We have offered multiple times for Mr. Kiani to remain on the Board.
- Change in control not triggered by voting Mr. Kiani off the Board (as Board can offer to add him back).

Greatest Risk to Masimo Is Mr. Kiani Maintaining Control

- **Mr. Kiani's status quo is the greatest risk facing Masimo** as evidenced by multiple 40+% stock declines, multiple DOJ investigations, the SEC investigation, whistleblower lawsuits, significant operational underperformance, CEO pledging 6% of outstanding shares without informing current Board, the value destructive acquisition of Sound United, allegations of channel stuffing in advance of the 2023 proxy contest, unprecedented entrenchment tactics, egregious arrangements benefiting Mr. Kiani, and potential for permanent valuation impairment from IP transfers associated with current "Separation" plans.

Shareholders Will Not Have This Chance Again

- Immediately following 2024 AGM, Mr. Kiani has stated he will carry out a separation of the Consumer business. Without truly independent oversight, this transaction can permanently impair Masimo, cannot be undone later.
- For more than two years, Politan has navigated unprecedented impediments thrown up by Masimo's Board to allow shareholders the opportunity to seat a majority of independent directors, and we doubt any shareholder will ever try to do so again.

Change Is Urgently Needed

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

1 No Effective Oversight of Management

- Board neither approves nor has knowledge of expenditures.
- Information flow to the Board is solely at the CEO's discretion.
- As a result, Board is uninformed of material risks & basic financials.

2 Extreme Disregard for Shareholders

- Despite overwhelming shareholder support for Ms. Brennan and Mr. Koffey, legacy directors undermined impact of 2023 vote results.
- Majority of Board remains assembled by CEO — there was no legitimate expansion process, new directors provided by Mr. Kiani.
- Shareholders spoke clearly at 2023 AGM, but nothing changed at Masimo.

No Budget Oversight Exists at All – None

Masimo's Board does not review, approve **or even see a** budget — unheard of for a public company.

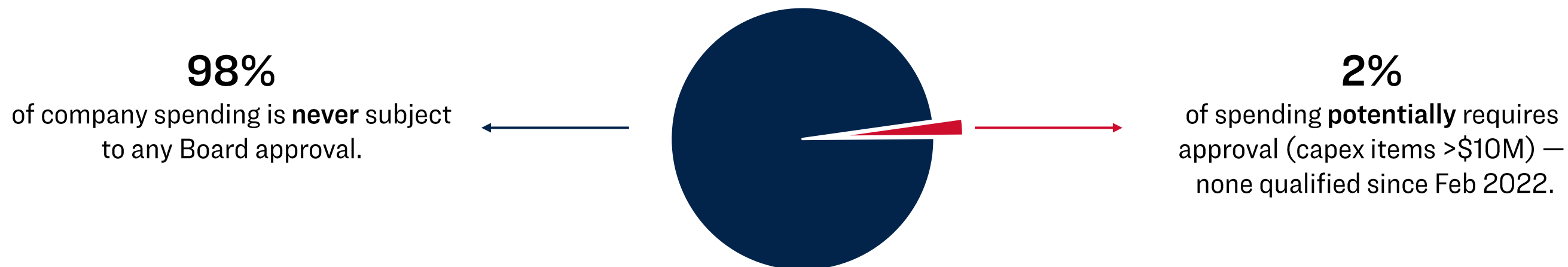
Action	Timing	Typical Public Company Board	MASIMO	Comments
Strategic Priorities Discussed and Confirmed	Early Fall	✓	✗	• No review of strategy or spending priorities
Draft Budget Circulated	Late Fall	✓	✗	• Board never sees any budget- draft or final
Robust Discussion and Comments by Directors	December	✓	✗	• No opportunity for input
Final Budget Circulated with Closing of FY	January / February	✓	✗	• Board never sees any budget- draft or final
Approval of Budget	February	✓	✗	• No approval of budget
Review and Approval of Subsequent Deviations	Throughout Year	✓	✗	• No review of deviations from budget, no approval ever required

There Has Been No Board Approval of Any Spending for Years



Legacy Board granted CEO ability to spend unlimited amounts without any Board input or approval — only CapEx items over \$10M require Board approval, of which there have been none for more than two years.

Company Expenditures⁽¹⁾



There Has Been No Board Approval of Any Spending for More Than Two Years

1. Company filings. Includes COGS, SG&A, R&D, working capital, and investments in capital expenditures and intangible items.

Board Approval Was Last Required Two Years Ago, Board Remains Uninformed

Board approval was last required in February 2022: Acquisition of Sound United and purchase of an office building in Vancouver. Board remains uninformed about decisions.

Sound United

- Board approved \$1B acquisition and major strategic pivot.
- Board even to today remains unaware of any analysis of Sound United's market, drivers for performance, or support for forecasts.
- Board even to today remains unaware of any financial analysis regarding consumer healthcare products or how they would benefit from Sound United.
- Board even to today remains unaware of alternatives, e.g., a licensing model or distribution agreement.
- Acquisition resulted in collapse in stock price and value destructive acquisition as performance deteriorated and consumer strategy failed.



Company filings.

Vancouver R&D Facility

- Board approved \$123M CAD investment (\$100M of which is due in 2025) for a 102,000 square foot office building in Vancouver.
- Board even to today remains unaware of company's facilities footprint needs, merits of a building in Vancouver vs. another market, or alternative solutions for space.
- Approval resulted in looming financial obligation for additional unneeded office space, despite substantial underutilization of current facilities footprint.



No Procedures Exist for Information to Reach the Board, CEO Provides Information Solely at His Discretion

Delaware Law Requires Directors to Establish Systems for Information to Flow to the Board and Specifically Cautions Against Reliance on Management Discretion



[Delaware law] does require that a board make a **good faith effort to put in place a reasonable system of monitoring and reporting** about the corporation's central compliance risks."

Marchand v. Barnhill (Del. 2019)



...a sitting director is **entitled to unfettered access** to the books and records of the corporation for which he sits."

Kortum v. Webasto Sunroofs, Inc. (Del. Ch. 2000)



Directors of a Delaware corporate **may not simply defer to management** for risk oversight, but must make a good faith effort to put in place a reasonable system of monitoring and reporting about the corporation's significant risks."

Website of Paul Hastings (Masimo Counsel)

Yet, CEO Controls Information as His to Distribute as He Deems Necessary

- Denied directors' requests to meet with management outside of CEO and CFO.
- Denied directors' requests for financial, compliance, and regulatory information.
- No system exists by which failed product recalls, subpoenas from regulators, or whistleblower complaints reach Board in a timely manner.
- No policy observed by which significant risks such as whistleblower complaints or regulatory investigations are overseen by independent directors. Instead, management oversees and updates Board according to CEO discretion.

Despite Repeated Requests, Company Refused Basic Information, Denied Meetings With Leadership, and Withheld Analysis



Refused Actual Onboarding...

Sole onboarding was:

- Single meeting with Mr. Kiani to hear his vision for the Company and tour of the discovery lab.
- Receipt of policies, committee charters, Board books, and partially redacted meeting minutes—barely any financial information beyond publicly posted earnings presentations.

...And Denied Requests for Basic, Critical Information

No budget information provided outside of annual guidance given to shareholders.

No information on R&D, COGS, or SG&A beyond public disclosures.

Denied onboarding sessions with management, including Sales, Operations, Engineering, Quality, Compliance, and Regulatory division leadership.

Only after majority of independent directors refused to sign 10K, was a single, brief evening session held.

Denied requests to speak with head of U.S. sales for Professional Healthcare business, despite dramatic decline in sales following discontinuation of discounting programs that Mr. Kiani claimed no knowledge of.

Refused to provide any existing market studies, product roadmaps, or business cases for any product.

Refused to provide Sound United impairment analysis (even to Audit Committee), while only taking a 1% writedown despite EBIT declining 49%.

Denied requests to speak with the head of the consumer audio division despite dramatic decline in performance since Sound United acquisition.

As a Result, Board Struggled to Approve 10K

Board Would Not Approve 10K

- Majority of independent directors **initially unwilling to sign** 10K due to **lack of information**.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

For the transition period from _____ to _____
Commission File Number 001-33642



MASIMO CORPORATION
(Exact name of registrant as specified in its charter)

Meeting to Address

- Mr. Kiani held an emergency Board meeting where brief ~5-10 minute presentations were made by the heads of Finance & Accounting, Cybersecurity, Compliance, Quality, and Supply Chain – the **first time** the full Board had heard from these groups. There was essentially **no time for questions**, after which Mr. Kiani demanded directors sign the 10K.

Last Minute Approval, Yet Disclosure Never Improves

- Ms. Brennan and Mr. Koffey refused to sign.
- Swing vote director signed 10K.
- 10K released.
- Mr. Kiani later **refused to improve information flow** to Board.

Time and again, Mr. Kiani refuses to improve governance despite concerns by shareholders and fellow directors.

As a Result, Board Lacks Basic Information About Financials



\$2B of Revenue
~\$0 Free Cash Flow

Board has essentially no better information than public shareholders.

	2023 ⁽¹⁾	Information Provided to Board
Revenue	\$2,048M	<ul style="list-style-type: none"> No meaningful detail on units by product, installed base, customer, or contracts. Therefore, no knowledge of discounting programs or bulk orders.
COGS	\$(1,045)M	<ul style="list-style-type: none"> No detail of COGS outside numbers presented in public filings. No substantive analysis regarding manufacturing move to Malaysia.
SG&A	\$(664)M	<ul style="list-style-type: none"> No breakout of SG&A spend. Therefore, no knowledge of spend on Consumer initiatives or any initiatives.
R&D	\$(175)M	<ul style="list-style-type: none"> No detail outside of R&D presented in public filings. Therefore, no knowledge of spend by product, project, or segment.
Capex & Intangibles	\$(88)M	<ul style="list-style-type: none"> No detail on capital projects; don't even know what they are. Denied access to Sound United impairment analysis (so no knowledge of why no write-down).
Working Capital Investment	\$(71)M	<ul style="list-style-type: none"> No knowledge of inventory valuation or age.
Free Cash Flow	\$6M	No Free Cash Flow

1. Company filings. For ease of presentation, excludes taxes, interest, D&A addbacks, and other items which sum to ~\$(1)m.

And as a Result, Board Is Uninformed About Material Risks



DOJ / FDA Investigations



- Board knew nothing about August 2023 recall issues until receipt of DOJ subpoena in February 2024.
- Board was not even notified of DOJ’s March 2024 Civil Investigative Demand (“CID”) until five weeks after company received it.
- CEO appears to be overseeing internal reviews and has chosen to provide minimal, verbal updates to Board.
- Ms. Brennan and Mr. Koffey requested to meet with Compliance and Quality group heads in July 2023 and repeated those requests at every Board meeting; all such onboarding requests were repeatedly denied.

SEC Investigation & Whistleblower Lawsuits



- Board not notified of SEC’s March 2024 subpoena until five weeks after company received it.
- Majority of Board only learned about existence of whistleblowers when a legal complaint was publicly filed in February 2024 that included 16 confidential informants who worked for Masimo.
- Management appears to have reviewed and contacted whistleblowers with no apparent Board direction or actual oversight.

Leverage Covenants

- Board never informed that Company was close to breaching leverage covenant.
- When, citing covenant concerns, management asked Politan to delay receipt of \$18M in legal fee reimbursement awarded by judge, Mr. Koffey notified Audit Committee at behest of multiple other directors.

Mr. Kiani Stock Pledges

- Directors only learned that CEO increased his pledged stock by 7x after draft CD&A was circulated– despite Company policy requiring Compensation Committee approval of stock pledging.
- No further information was provided other than that in 2013 the committee agreed to allow Mr. Kiani to pledge shares.

Bloc of Kiani-Selected Directors Allow Board to Remain Uninformed—Prevents Effective Oversight and Stewardship of Shareholder Resources

1 No Effective Oversight of Management

- Board neither approves nor has knowledge of expenditures.
- Information flow to the Board is solely at the CEO's discretion.
- As a result, Board is uninformed of material risks & basic financials.

2 Extreme Disregard for Shareholders

- Despite overwhelming shareholder support for Ms. Brennan and Mr. Koffey, legacy directors undermined impact of 2023 vote results.
- Majority of Board remains assembled by CEO — there was no legitimate expansion process, new directors provided by Mr. Kiani.
- Shareholders spoke clearly at 2023 AGM, but nothing changed at Masimo.

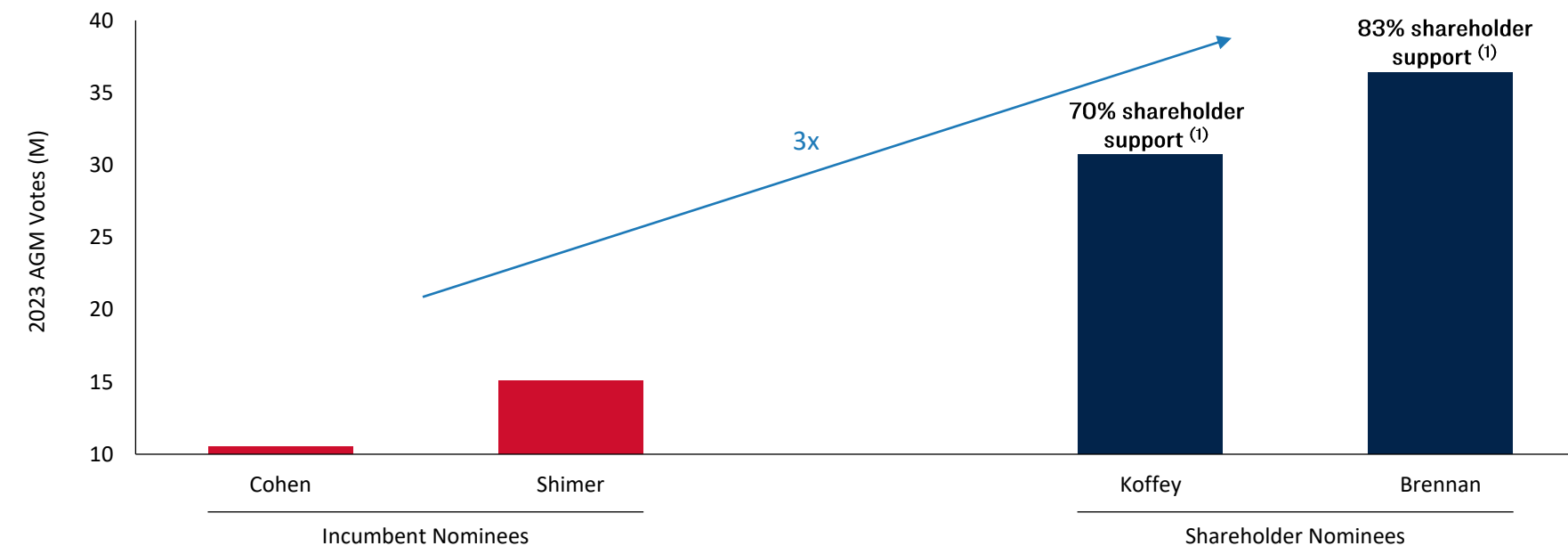
Shareholders Voted Overwhelmingly in Favor of Politan Nominees



Shareholders Overwhelmingly Voted for Change at 2023 Annual Meeting

“The magnitude of the rout was learned yesterday as Politan easily got both of its nominees elected to what is currently a five-person board. [...]ts two nominees got more than 70% of the votes cast. Beyond that, its slate got votes from seventeen of MASI’s 20 largest holders. **That is pretty close to a shutout.**”

June 2023
GH GORDON HASKETT
RESEARCH ADVISORS



Vote Results Were a Landslide...

“Understanding how much the activists won their seats by is important – **it was a landslide.**”

June 2023
Jefferies

Politan slate had **~40% more support than average** successful dissident nominee in other campaigns.⁽²⁾

Despite contested election, Politan nominees received more votes than Masimo directors elected in 2022.

Company filings.
 1. Calculated as votes in favor of candidate divided by votes cast at AGM excluding insider ownership, information per Company’s 8K filed June 28, 2023.
 2. Analysis based on campaigns at AGMs for US public companies with >\$1B market cap over last three years prior to 2023 AGM.

We Attempted Constructive Engagement, But Encountered Constant Contempt

	We Tried	Disparagement Never Stopped	Everyone Noticed
Before AGM	<p>“ [W]e look forward to constructively helping the Company... are committed to working constructively and collegially...”</p> <p>Letter from Michelle Brennan and Quentin Koffey, June 2023</p>	<p>“ Mr. Koffey is either purposely misleading or fundamentally ignorant ... unprincipled and self-serving ...”</p> <p>Company Press Release, June 2023</p>	<p>“ The board has also established a defensive and antagonistic rhetoric, which includes unsupported attacks on the dissident that are so far-fetched as to be absurd.”</p> <p>June 2023</p>
At AGM	<p>“ We are now fully focused on putting the election behind us and working constructively with the incumbent directors ...”</p> <p>June 2023</p> <p>/// Politan Capital Management</p>	<p>No acknowledgment of voting results, never welcomed new directors.</p>	<p>“ [Company] still hasn't even put out a statement, which strikes us as odd.”</p> <p>June 2023</p>
After AGM	<ul style="list-style-type: none"> • Outreach and meetings with fellow directors. • Dropped compensation lawsuit. • Attempted onboarding process. • No public comments until 2024 nomination. 	<p>“ I have an activist that's trying to do all kinds of crazy stuff.”</p> <p>Mr. Kiani on CNBC, Sept 2023</p>	<p>“ The tone of the call shouldn't be that much of a surprise, but wow. He (and his extremely friendly incumbent board members that luckily weren't up for re-election) are clearly acting like nothing has changed and the strategy that 70% of shareholders voted against will continue. He blamed his sales force for the recent issues, what a guy.”</p> <p>Aug 2023</p> <p>Jefferies</p> <p>“ ...very Kiani-like to blame Politan for his mess.”</p> <p>July 2023</p>

Directors Brennan and Koffey Were Effectively Never Onboarded, Instead They Were Essentially Blocked Every Step of the Way



Denied Actual Onboarding

- Ms. Brennan and Mr. Koffey requested customary onboarding upon joining the Board and repeated the same requests at Board meetings and in writing regularly. Requests were constantly denied and as a result we could not even sign the 10K.
- Company claims that we received onboarding are either entirely false or highly misleading.

Effectively Excluded From Meetings

- The entire Board held unofficial meetings, and frequently with advisors, without informing or including Ms. Brennan and Mr. Koffey. At subsequent official Board meetings, the Board was frequently required to vote on matters that had never appeared on the agenda and that had already been discussed at the unofficial meetings.

Blocked From Reviews of Any Aspect of Business or Strategy

- Despite multiple repeated requests by Mr. Koffey and Ms. Brennan, the Board refused to carry out any review of any aspect of Masimo's business or strategy, including a portfolio review or a cost structure review.

Refused Any Shareholder Engagement

- Facing staunch resistance to any Board review of any aspect of Masimo, Mr. Koffey and Ms. Brennan repeatedly encouraged shareholder outreach so that Board members could hear directly from shareholders. Board consistently refused.

**Only if BOTH Shareholder Nominees Are Elected Can Change Occur;
Bloc of Kiani-Selected Directors Undermined Shareholders' 2023 AGM Vote**

Board Began Undermining 2023 AGM Results Before We Joined, Facilitating Mr. Kiani's Efforts to Avoid Shareholder Accountability



Saturday Before AGM, Legacy Board Delegated Authority to Management

Friday, June 23

Preliminary vote results make clear that Politan nominees would be seated at Monday's AGM.

Saturday, June 24

Board holds emergency 8AM meeting to **delegate authority to management to carry out sale process of entire company.**

Legacy directors also decided governance matters related to committees and Lead Independent Director, undermining oversight of incoming Board.

Monday, June 26

AGM: Politan nominees elected to Board by landslide.

To Avoid Oversight, Mr. Kiani Pursued Sale Despite Depressed Stock Price

- With the legacy Board's delegation, and without any oversight from the newly elected Board, Mr. Kiani engaged financial advisors and contacted multiple financial sponsors and others in pursuit of a sale of entire company.
- Pursued sale despite Q2 preannouncement and 50%+ stock price decline in effort **to avoid working with newly seated Board and not face AGM in 2024.**
- The new Board was not substantively updated on the process for nearly four months, until the first in-person Board meeting on October 31st.
- No alternative allowed to be considered other than a sale of the entire company.
- Pursuit of sale later abandoned when Mr. Kiani was unable to find a deal on terms he considered satisfactory — such terms were never communicated to the Board.

Shareholders Voted Michael Cohen off the Board, But Mr. Kiani Immediately Hired Him Back as an Advisor



**Michael Cohen was voted off Board by
shareholders at the 2023 AGM.**

84% of shares voted against him.

**Yet, Mr. Kiani immediately hired Mr. Cohen
back as a paid advisor.**

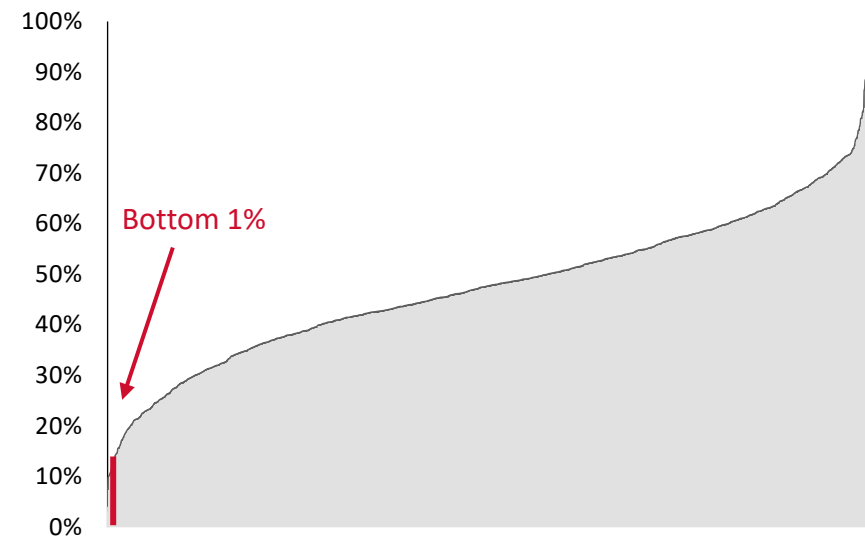
**Mr. Cohen even attended the
October 2023 Board meeting.**

Mr. Reynolds Was Nearly Voted off the Board in 2022, But Today He Occupies All Board Leadership Positions



Mr. Reynolds Was Nearly Voted off the Board

Director Votes Historical Average Percentile Over Past Decade⁽¹⁾



Bottom 1st percentile voting support of any director over tenure (almost voted off Board in 2022)

Yet Today He Is Lead Independent Director and Chair of Every Single Committee

Director Name	Audit	Comp	Nom Gov
Reynolds	Lead Independent	Chair	Chair
Chapek	Member	Member	Member
Brennan		Member	Member
Koffey	Member		

As a Kiani-Selected Director, Mr. Reynolds Uses His Board Positions to Block Oversight of Management

1. Company filings and ISS Corporate Solutions voting data. Percentile of Russell 3000. Calculations exclude Mr. Kiani's stake, as provided by company's annual proxy statement. If Mr. Kiani's stake were included, votes against Mr. Reynolds would instead be in the bottom 2nd percentile.

All Committees Are Controlled by Kiani-Selected Directors



Mr. Reynolds and Mr. Chapek Are **2/3rds of Every Board Committee**

Director Name	Audit	Comp	Nom Gov
Reynolds	Lead Independent	Chair	Chair
Chapek	Member	Member	Member
Brennan		Member	Member
Koffey	Member		

Despite, Mr. Reynolds being nearly voted off the Board in 2022...

...and Mr. Chapek having never even been voted on by shareholders (and not even up for election until 2026),

...they control all Board committees.

Meanwhile, Ms. Brennan and Mr. Koffey are **not allowed to even attend other committee meetings as observers unless invited by Mr. Reynolds.**

Mr. Kiani Selected Every Single Director on the Board (Majority) Except Those Nominated by Politan



Publicly Cite Use of Search Firm For Veneer of Independence...



Our Embrace of Positive Shareholder-Driven Change: ...expand the size of the Board... with the support of an **external advisory firm**, to identify two new, highly qualified and complementary **independent directors**.

Letter to Shareholders
May 2023

Yet, Reality Is Mr. Kiani Referred Mr. Chapek to the Search Firm. Majority of Board Remains Selected by Mr. Kiani and Identified Based on Pre-existing Relationships.

Kiani	Chairman & CEO	
Reynolds	Lead Independent	Mr. Kiani knew Mr. Reynolds and added him to Board a decade ago.
Chapek		Mr. Kiani knew Mr. Chapek and referred him to the search firm. Legacy board interviewed him in March 2023.
Brennan		
Koffey		

There Was Never a Legitimate Board Expansion Process, Legacy Directors Forced Through Preselected Board Additions

Legacy Board Selects Directors Before 2023 AGM

- **Mr. Kiani referred Bob Chapek** in March 2023; Mr. Chapek was **not identified by a search firm**.
- Board interviewed Mr. Chapek and Mr. Classon in March 2023 before 2023 AGM in June.

No Legitimate Search Process by New Board

- Following the June 2023 AGM, Ms. Brennan and Mr. Koffey repeatedly asked to begin search for new directors but repeatedly told the search was on hold.
- **Search firm was officially placed on hold and not reaching out to new candidates.**
- Nominating committee didn't hold first meeting until three months after the 2023 AGM (in September).

Preselected Directors Pushed Through

- In September became clear that company was going to miss Q3 earnings.
- Pro forma, window-dressing search process commenced and quickly resulted in adding Mr. Classon at same time as 3Q earnings reported and Mr. Chapek in January 2024.
- Ms. Brennan and Mr. Koffey voted against both new directors and cited lack of any genuine process.



...the **board has effectively been assembled by the CEO**, which undermines independence, and creates uncertainty about where loyalties lie.”

ISS, June 2023



Meanwhile, Management Consistently Made Misleading Statements to Shareholders About the Director Search

Company Claim



The chairman of our Nominating committee is working on [expanding the Board]. Unfortunately, due to the loss of our prior chairman of the Nominating committee, **we're kind of starting a little bit from scratch.**"

Mr. Kiani
Aug 2023



Well, the Board has a new head of the Nominating Committee, that's Craig Reynolds, one of the legacy Board members. And it also has a new member on that committee, Michelle Brennan, one of the people elected back in June. That committee **is now engaged in evaluation and screening of potential new members.** And as Joe Kiani said in our second quarter earnings call, they're working to get seats #6 and #7 filled as soon as possible."

Eli Kammerman
Sept 2023



Reality

- At time both of these statements were made, the Nominating & Governance committee had **never met, not even once**, since the 2023 AGM, and the **search firm was placed on hold** and not reaching out to candidates.
- **There was no starting from scratch:** the legacy Board had already interviewed Mr. Chapek and Mr. Classon in March prior to the June AGM.

Management Nominee Chris Chavez Is More of the Same: Acquaintance of Mr. Kiani, No Search Firm, No Board Process



Longtime Acquaintance of Mr. Kiani

22+ years

Mr. Chavez has known Mr. Kiani since at least 2002.

Masimo Foundation invested in Mr. Chavez's company.

Never Recommended by Search Firm

Mr. Chavez never appeared on any list ever provided by a search firm.

Nominating & Governance Committee Never Discussed His Candidacy or Considered Others

Nominating Committee never recommended Mr. Chavez, never met to discuss his candidacy, and never even considered other candidates.

More of the same:



...the **board has effectively been assembled by the CEO**, which undermines independence, and creates uncertainty about where loyalties lie.”

ISS, June 2023



Company Nearly Failed Say-On-Pay Vote at 2023 AGM, Yet Board Did Nothing and Issued Misleading Statements



Nearly Failed Say-On-Pay at 2023 AGM⁽¹⁾

49%

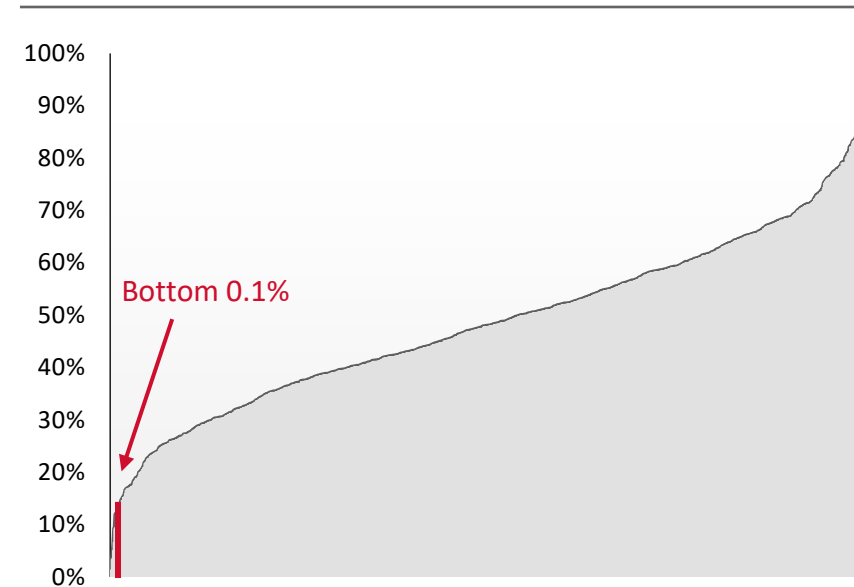
Votes against
2023 Say-On-Pay

Bottom 2nd Percentile

2023 Say-On-Pay
Percentile of Russell 3000

Has Failed Six of Last 13 Years

Say-on-Pay Historical Average Percentile of Russell 3000 Since 2011⁽²⁾



Yet, Board Misleadingly Claims It Engaged with Shareholders



In the months preceding and **since the 2023 Annual Meeting** of Stockholders...certain of our independent directors engaged in **extensive outreach efforts** to understand our stockholders' concerns regarding our compensation practices.”

Company CD&A in 10K/A, May 2024



0

Number of shareholders Board had actually met since 2023 AGM at time of May 2024 Statement above.

Company filings, ISS Corporate Solutions voting data.

1. Calculations exclude Mr. Kiani's stake, as provided by company's annual proxy statement. If Mr. Kiani's stake were included in 2023, votes against Say-on-Pay would instead be in the bottom 3rd percentile with 45% Votes against.

2. Date first required by SEC

As a Result, 2023 AGM Results Had No Impact: Board Thoroughly Disregarded Overwhelming Shareholder Vote



No Changes to Governance Practices or Oversight

- No improvement in Board information or oversight.
- Majority of Board remains assembled by the CEO.

No Repairing Relationship With Shareholders

- Continues to run Masimo as if owned solely by Mr. Kiani.
- Kiani-selected directors refuse to listen to shareholders.

No Change in Capital Allocation or Portfolio Review

- Refused any efforts at reviews of portfolio, cost structure, or strategy.
- Separation announcement is not the sale of Sound United that shareholders want.

No Improvement

- Company TSR, financial metrics, and material risks have only worsened.

Shareholders Spoke but Nothing Improved and Mr. Kiani Only Took Further Steps to Entrench From Accountability

Change Is Urgently Needed

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

Broken Governance Leads Directly to Significant Harms for Company Stakeholders

1 Severely Impacted Company's Performance

- Share price has underperformed peers by 90%+.
- EBIT and margins are significantly below targets set in December 2022.
- Consumer strategy has failed: no revenue from Stork or Freedom, while Sound United has significantly deteriorated.

2 Poses Broader Risk to the Enterprise


- CEO promotes culture of absolute loyalty and intolerance of dissent.
- Result is material risk to enterprise with SEC and DOJ subpoenas related to whistleblowers.

3 Related Party Conflicts and Misuse of Shareholder Resources

- CEO has pledged 75% of his stock but maintains voting power.
- Compensation arrangements 2x to 25x peers, tens of millions of payments to related party entities, and personal use of corporate assets.

Total Shareholder Return Has Underperformed Against Any Peer Set Over Any Time Period



	1 Year	3 Year	5 Year
 Masimo As of June 21, 2024 Total Shareholder Return Performance vs.			
Masimo's Proposed Peers ⁽¹⁾	(14%)	(36%)	(98%)
Sell-Side Peers ⁽²⁾	(30%)	(62%)	(75%)
Broader Medical Device Peers ⁽³⁾	(13%)	(32%)	(36%)
Medical Devices Index ⁽⁴⁾	(22%)	(43%)	(55%)
Russell 3000 Index	(45%)	(74%)	(102%)

Duration and Extent of Underperformance Demonstrates Kiani-Selected Directors Have No Credible Prospect for Implementing Positive Change

Bloomberg data as of June 21, 2024, Friday prior to filing of presentation.

1. As per Masimo Letter to Shareholders on June 17, 2024. Masimo presents itself as a scaled growth company and its peers include: ALGN, DXCM, EW, ISRG, PODD, RMD.

2. Sell-Side Peers are peers used for Wolfe Research healthcare segment valuation and include: ABT, BSX, EW, RMD, STE.

3. As per Masimo Letter to Shareholders on June 17, 2024. Broader Medical Device Peers include: ABT, ALGN, BAX, BDX, BSX, CNMD, DXCM, EW, GEHC, GETTIB SS, HAE, IART, ICUI, ISRG, JNJ, LIVN, LMAT, MDT, MMSI, OMCL, PHG, PODD, RMD, SYK, TFX, ZBH.

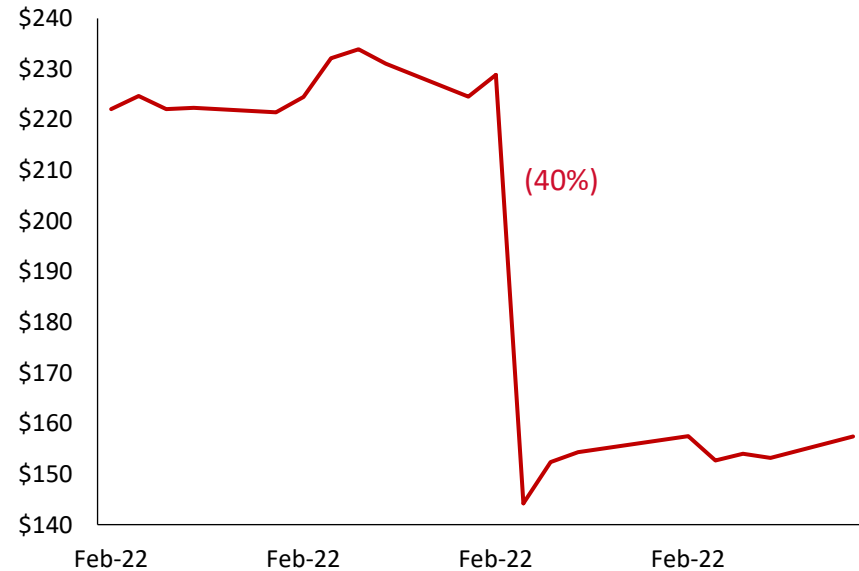
4. Dow Jones US Medical Equipment Index (selected by Masimo historically in their proxy statement).

Lack of Oversight Results In Constant Surprises and Shaken Investor Confidence



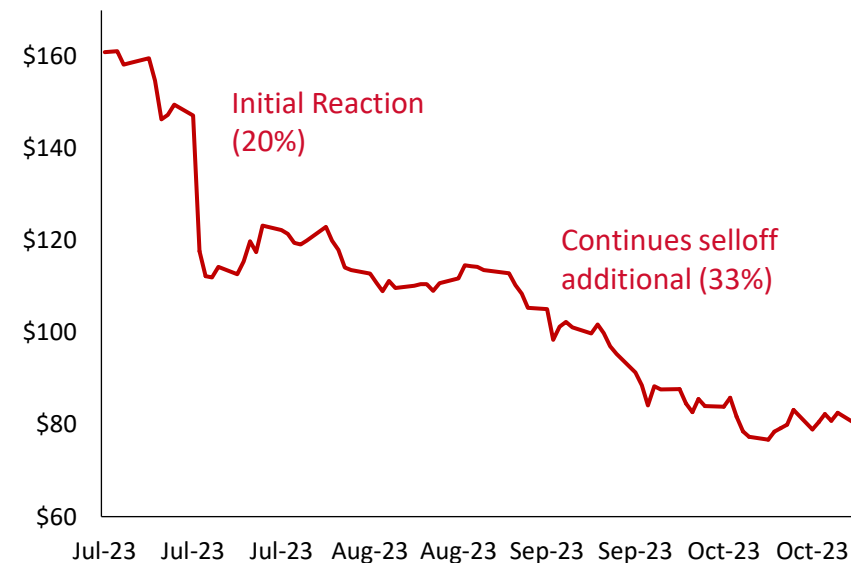
40% Decline After Sound United Acquisition

40% decline (5x purchase price) is a 19x standard deviation move and unprecedented.⁽¹⁾



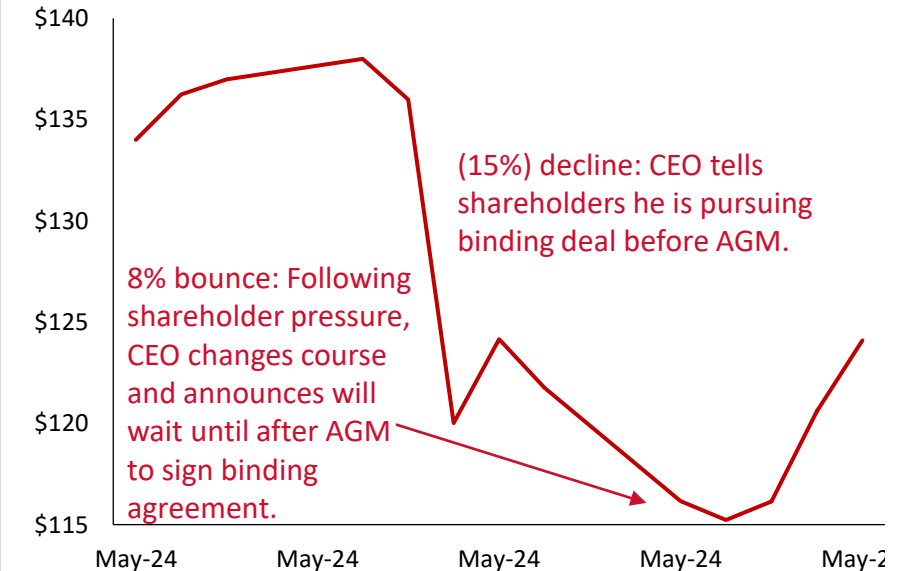
50% Decline After Concerns of Inflated Numbers

Stock collapses as shareholders fear management has inflated numbers and the unraveling of channel stuffing caused first YoY sales decline in history of company.



15% Decline Following SEC Subpoena & CEO Calls

Despite good earnings, concern CEO would sign binding agreement to sell consumer business before AGM as well as announced SEC investigation resulted in 15% decline.



“Once there’s a precedent, people believe that...the thing may repeat...”

Eli Kammerman, IR, Deposition, Jan 2023



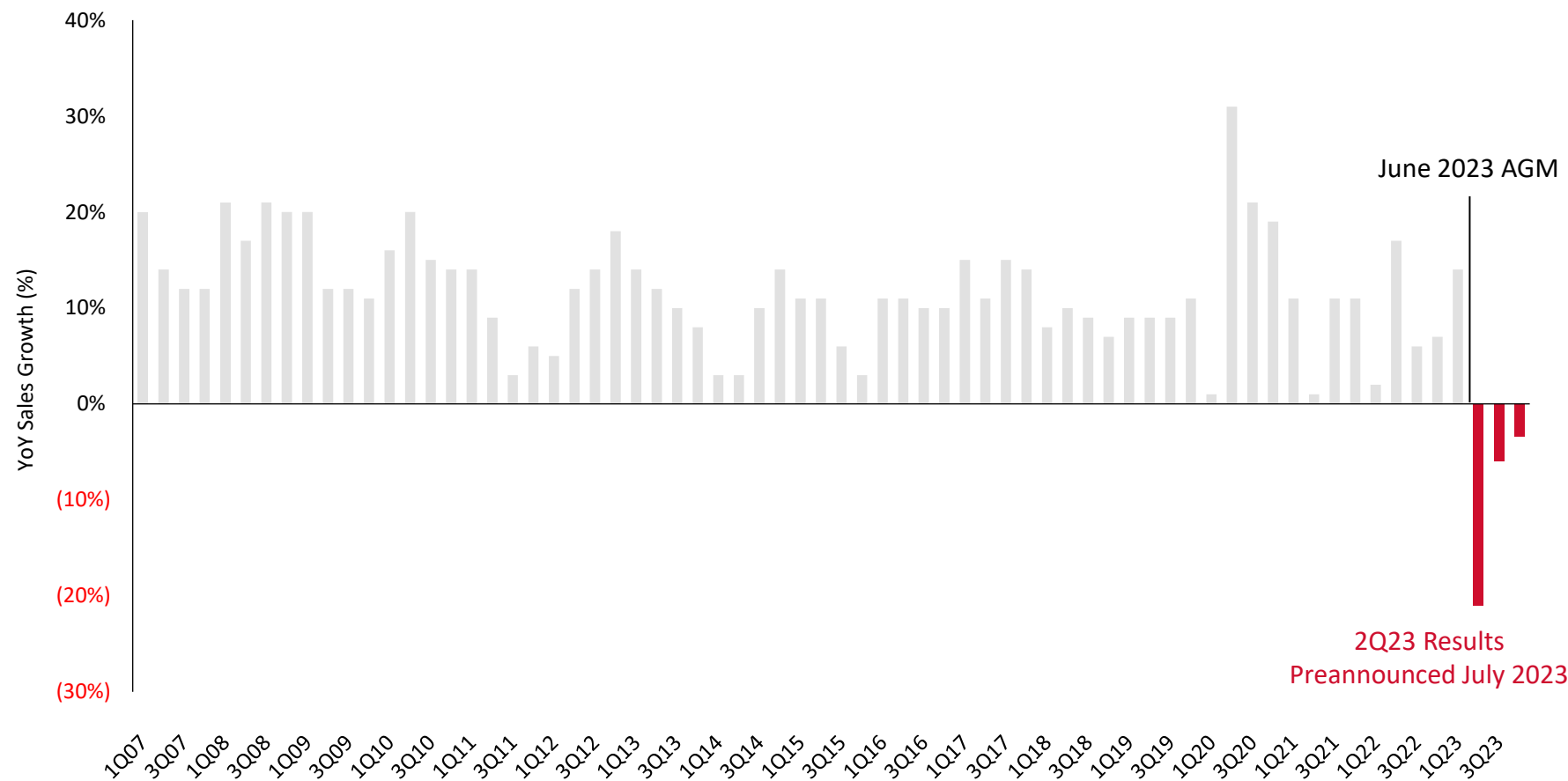
Company filings, Bloomberg

1. Stock declining by 5x the purchase price of announced acquisition is a 19x standard deviation move. Data includes all acquisitions since 2012 (10 years prior to Sound United deal) by US public companies with market cap greater than \$1B as per Bloomberg. Excludes SPACs.

Unprecedented Sales Decline Sparked Investor Fears That Masimo Stuffed Channel to Inflate Numbers Prior to the 2023 AGM



Unprecedented Sales Decline Starting in 2Q23 Unmatched Across Masimo History: Since IPO Masimo Has Never Had a Quarter With Negative YoY Growth



The healthcare crowd (and our analyst) all say the **results just don't make any sense** for what is supposed to be a stable company. They haven't missed a sales number in 10+ years. And they are in complete contrast to everything the company was saying recently. So **something "odd" occurred — maybe they were doing everything they possibly could to make numbers look good during the year long activist campaign (stuffing the channel/ discounting/ hoping a big order would come in and setting too aggressive guidance) and it all came to roost.**

July 2023
Jefferies



Inconceivably bad 2Q pre-announcement...Just about every possible excuse in Healthcare....Let us be very clear — **this update strains credulity**. It does not jive with most of what we are hearing from the rest of the space...**makes you wonder.**

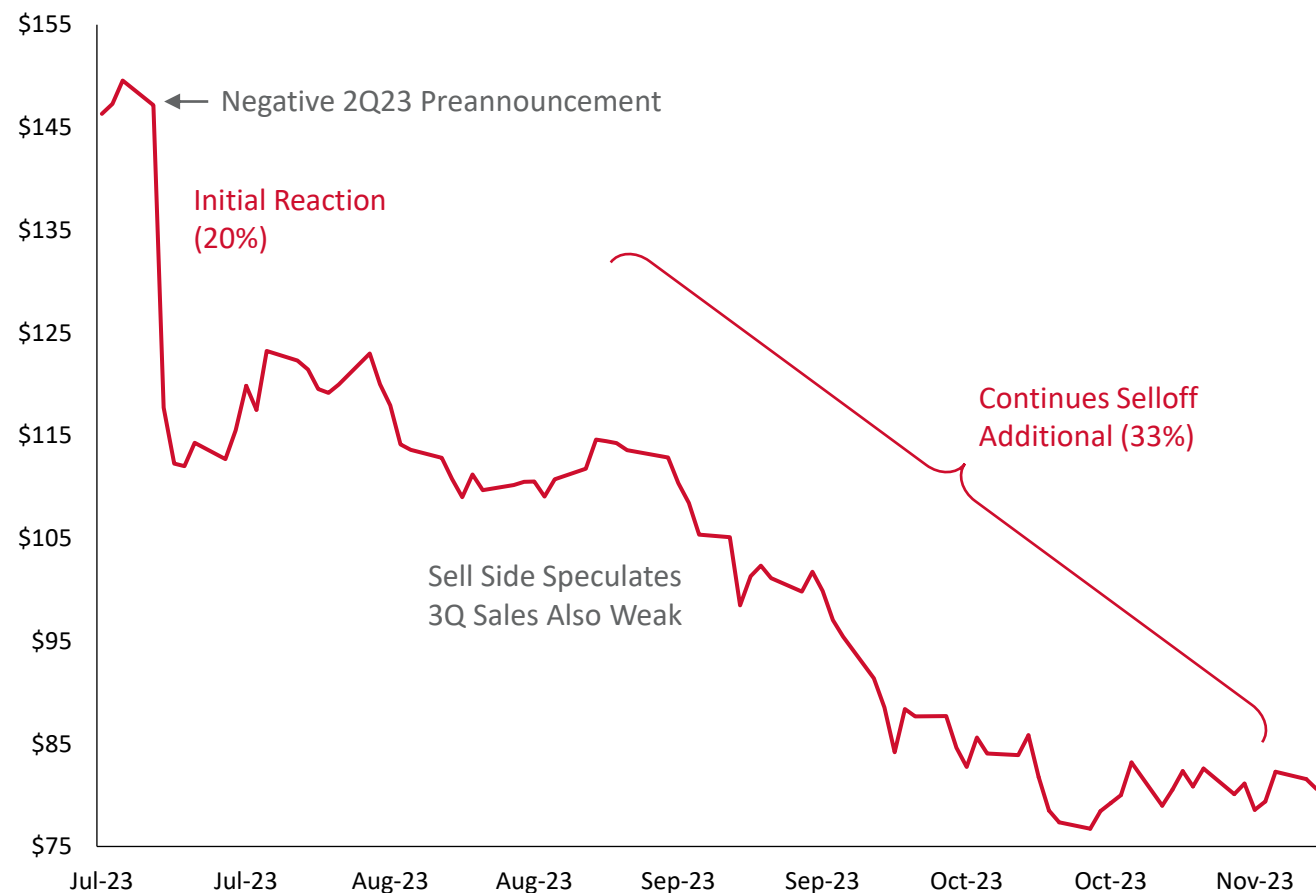
July 2023
WOLFE RESEARCH

Company filings, Bloomberg

Fears of Channel Stuffing Unwind Resulted in Stock Collapse and Crisis of Confidence in Oversight



Sales Collapse Led to 50% Drop in Stock Price



Company filings, Bloomberg

Pull Forward of Sales From Discounting and Bulk Orders Pointed to as Cause

“During the second quarter 2023, we discontinued certain **discounting** programs...”

2Q23 10Q, Aug 2023

“CW-2 relayed that Masimo was **“100% discounting”** and... Masimo had **directed its sales force to offer discounts** to hospital customers at the end of each quarter in order to meet sales goals...[and] directed the sales personnel...to offer **additional free sensors, as an example, if the customers took their next order three months early.**”

Class Action Lawsuit, Feb 2024

“Destock of sensor inventory for certain customers — discounting in prior quarters the culprit — these offers now discontinued.”

July 2023

Management Tried to Blame Inpatient Census, Despite Inpatient Census Growth Being Positive



Company Claimed the Shortfall Was Due to Soft Inpatient Census

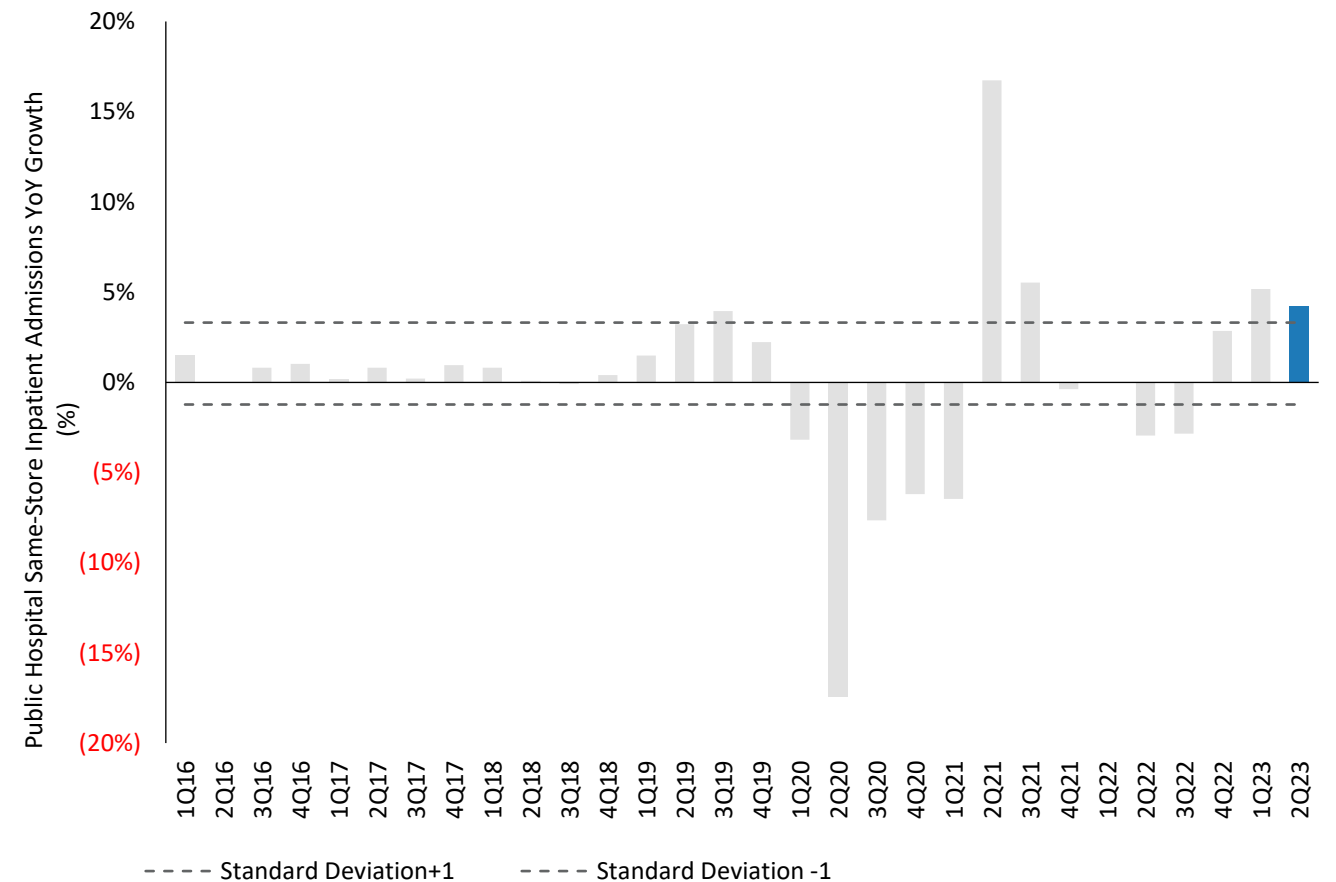


...[W]e believe inpatient volumes this year remain close to flat relative to 2019, while our original 2023 guidance contemplated a step up in inpatient volumes ...Unfortunately, we did not see the inpatient census growth...Census and inpatient went down...Outpatient census did increase, and we said that, but **inpatient reduced, went down, decreased**, and that hurt us.”

Mr. Kiani, Aug 2023



Yet Inpatient Census Growth Was Strong and Actually Above Normal Range⁽¹⁾



Company filings, Bloomberg

1. Inpatient census growth calculated as the average of same-store inpatient admissions growth for the four large public hospital companies (THC, HCA, CYH and UHS Acute Care). StrataSphere's National Patient and Procedure Volume Tracker also shows growth in inpatient volumes.

Now Management Tries to Blame COVID, But Peer in Duopoly Market Didn't See Any Impact



Company Blames COVID for Poor Performance



After a period of robust growth during **COVID and the wake of volatility that followed**, it seems the market has stabilized..."

Mr. Kiani, May 2024



We're happy to see the business stabilize. And we went through this incredible period during COVID where I think we grew 20% revenue. Our drivers went up from 240,000 to 480,000, and Pulse Oximetry became a household name...Then afterwards, it was a little weird, right, because I think a lot of customers have hoarded products and there was these gyrations in the market. We're feeling that we're finally in a steady-state situation."

Mr. Kiani, May 2024



Despite Previously Claiming Post-COVID Tailwinds



I think **we're more of a post-Covid play**... our sensor volumes track with overall patient and hospital admissions...There's a lot of throughput that comes through with elective procedures versus a Covid admission, where you've got a patient sitting in a bed for two to three weeks. So you get a lot more throughput of volume of sensors related to elective. **So that will be a tailwind** as we move into next year."

Micah Young, CFO, Nov 2021



I think anything tied to elective procedures will be a tailwind opportunity as we go into next year as well because if you think about our products...those have been compressed... during the pandemic. And **as procedures get back to pre-Covid levels, that's going to be a tailwind for us** moving forward."

Micah Young, CFO, Nov 2021

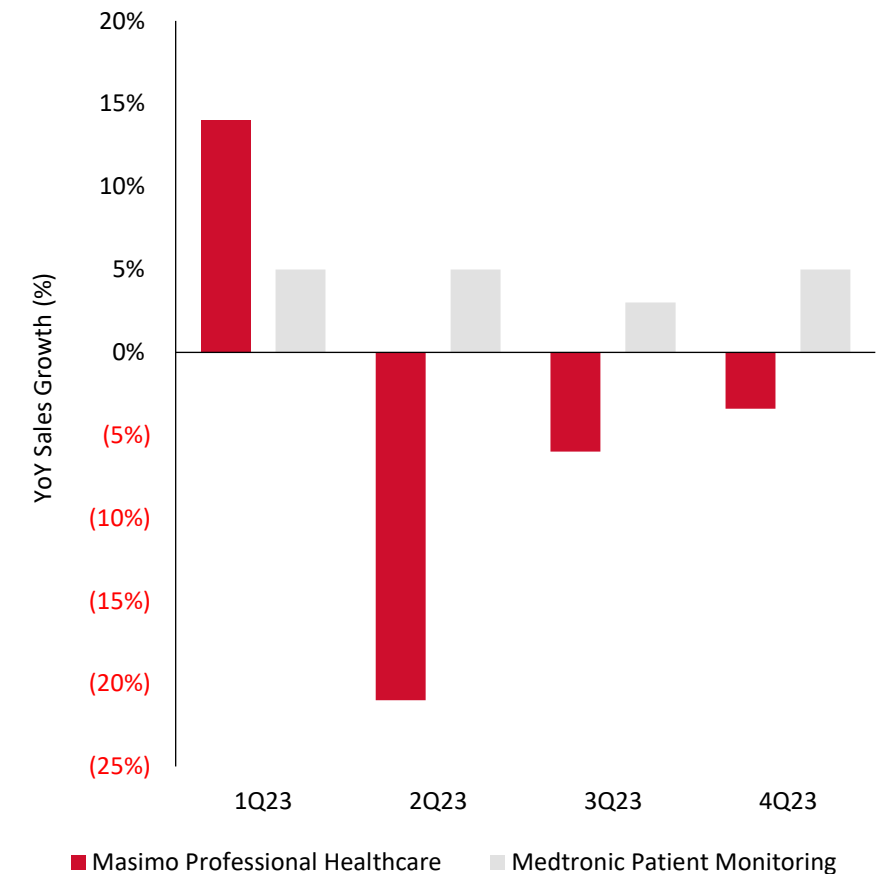


Sensors were down during the pandemic as hospitals were delaying elective procedures and also there wasn't the same level of volume coming in for Covid hospitalizations, we saw a lot of pressure on our sensor volumes last year [2020]."

Micah Young, CFO, Sept 2021



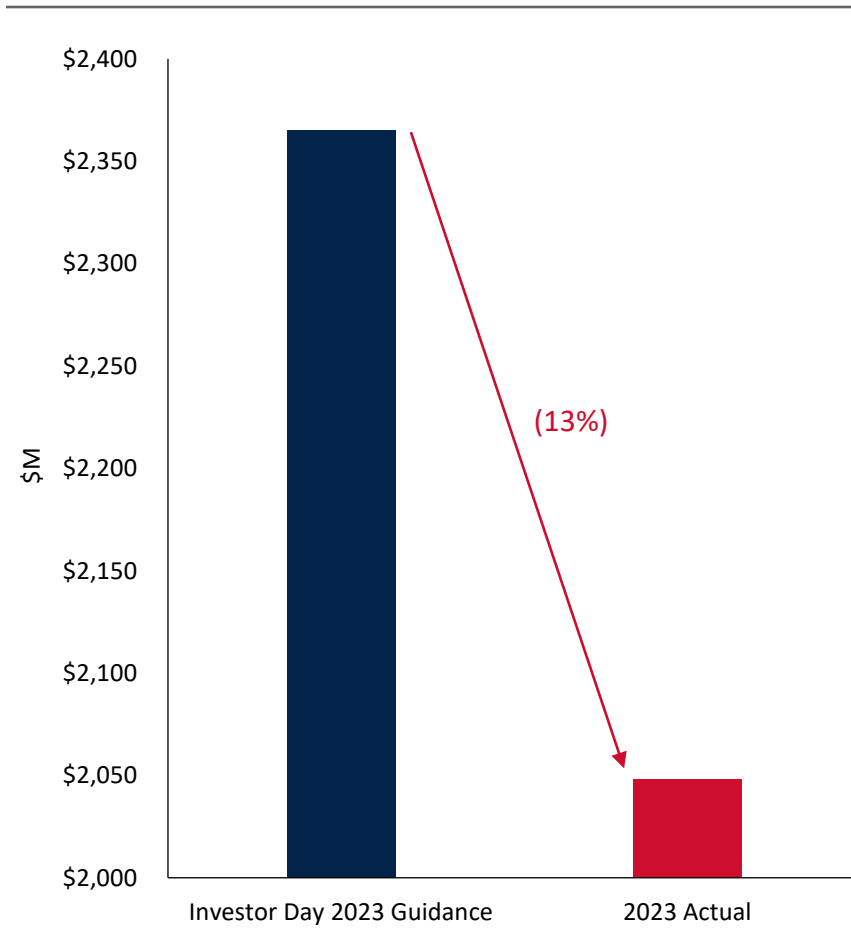
Peer in Duopoly Market Did Not See Any Impact



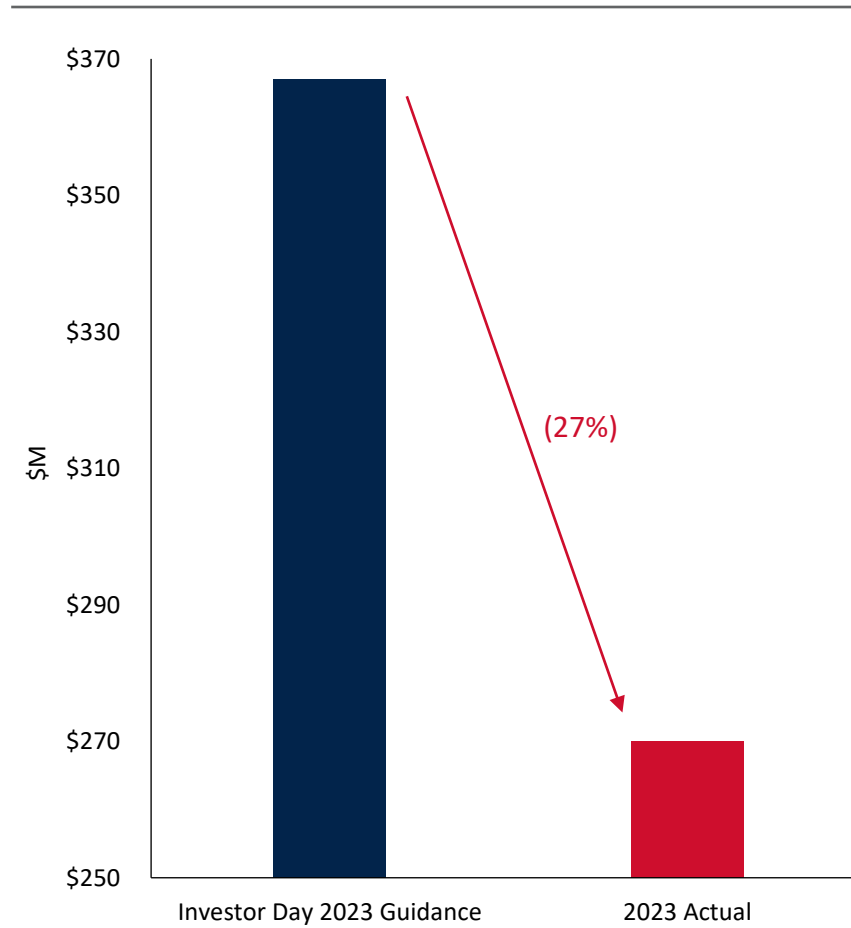
Company Missed Every Analyst Day Target for 2023



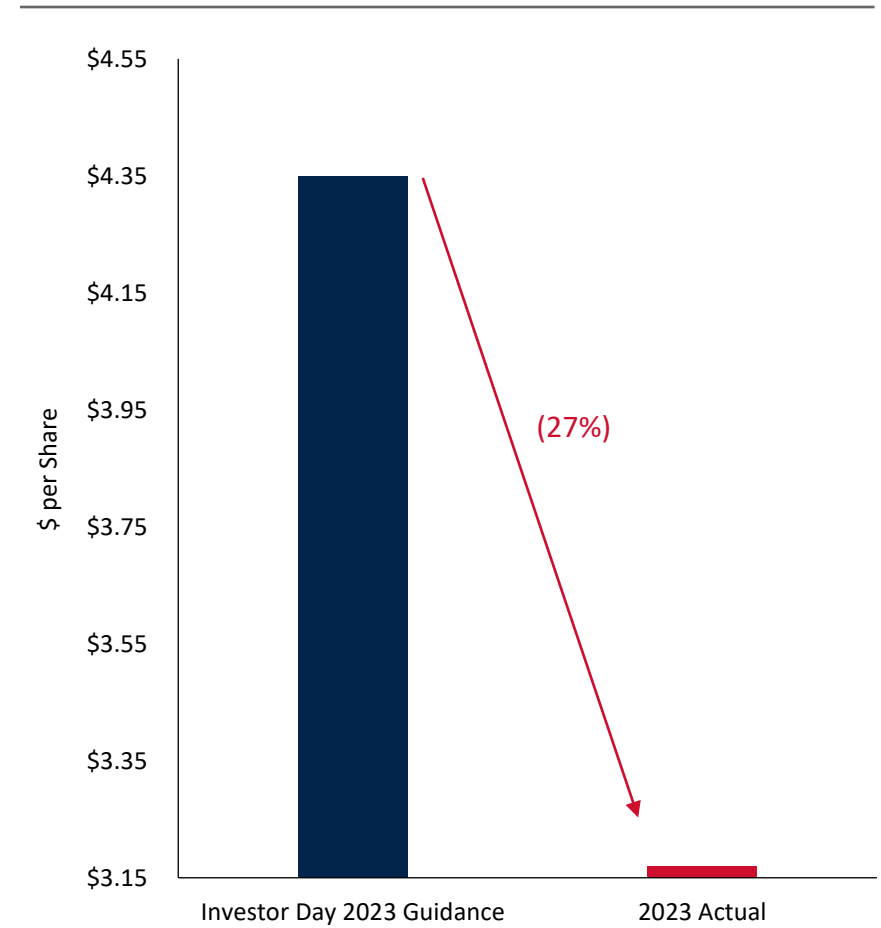
Miss Revenue by 13%



Miss EBIT by 27%



Miss EPS by 27%

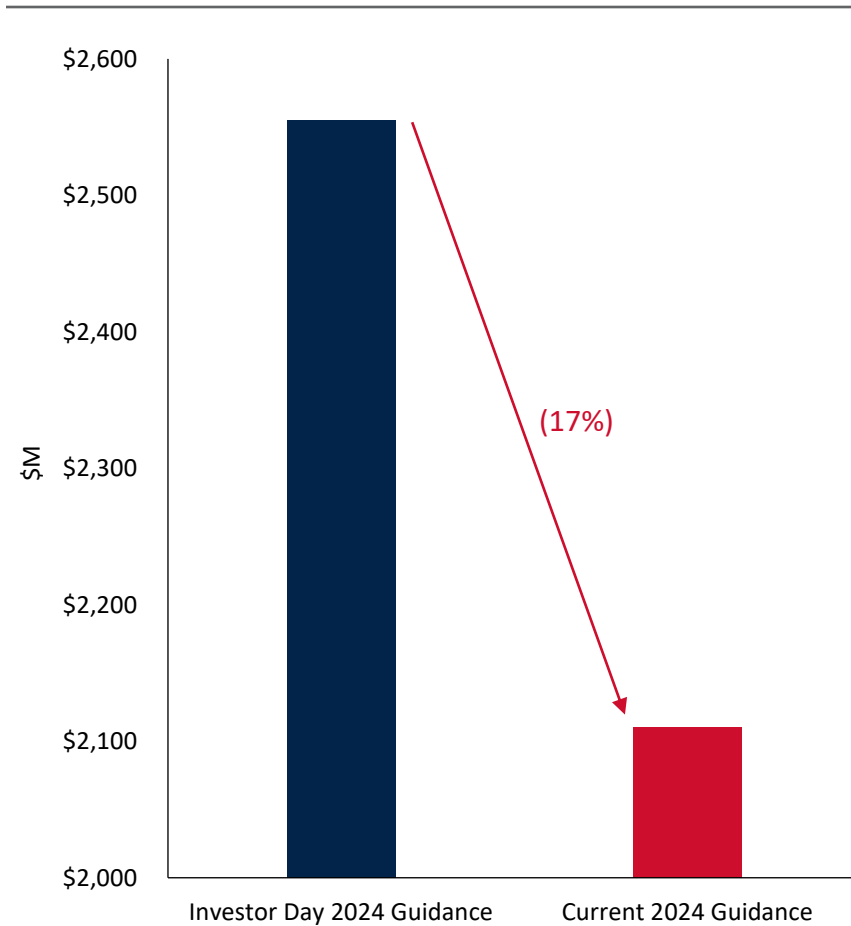


Company filings, Bloomberg

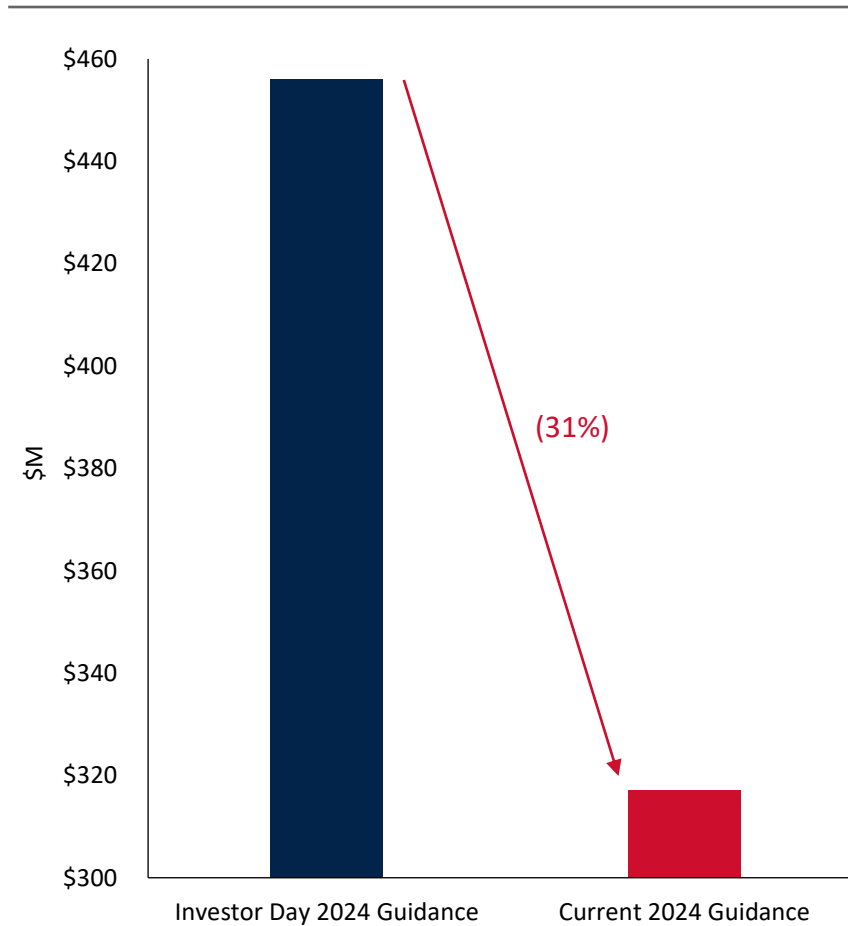
Company Expects to Miss Every Analyst Day Target for 2024 by Even Larger Margin



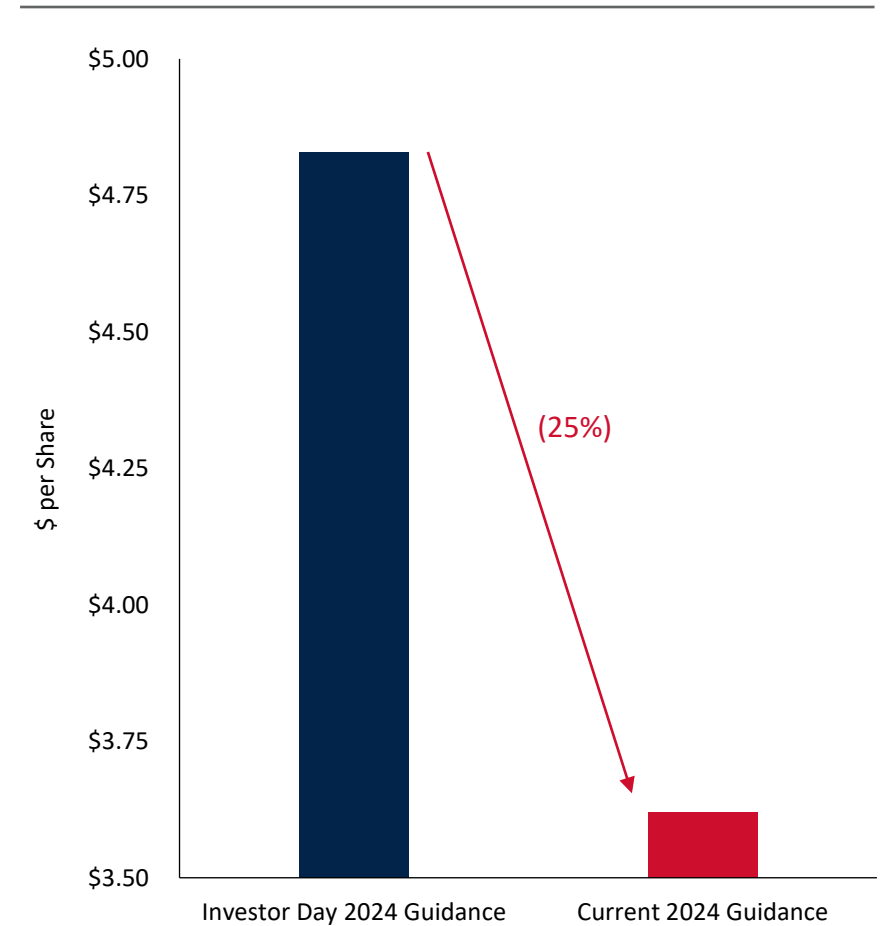
Miss Revenue by 17%



Miss EBIT by 31%



Miss EPS by 25%

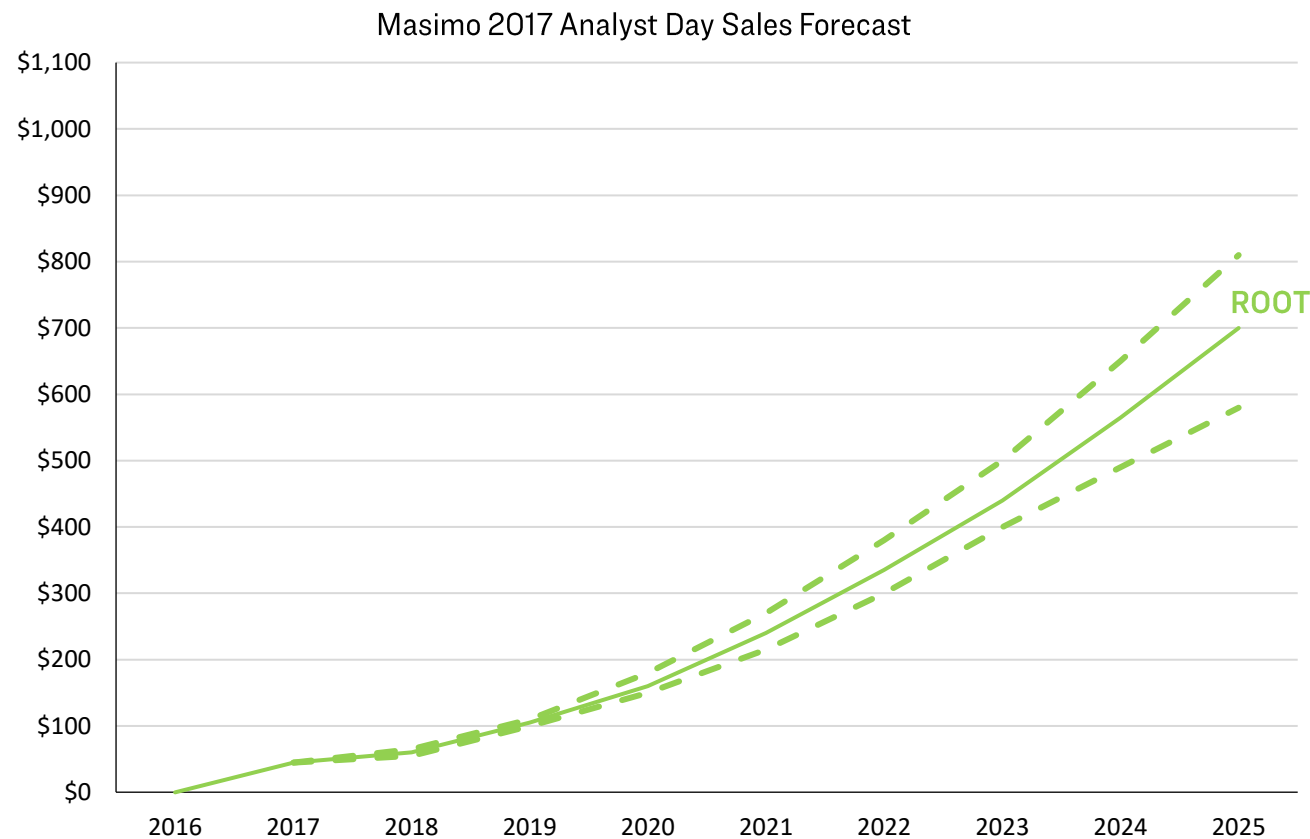


Company filings, Bloomberg

Growth Outside of Core (SET+Rainbow) Perpetually Falls Short of Estimates



Last Time Company Gave Segment Targets:
Expected Root to Be \$575M in 2024⁽¹⁾



Today, Company Discloses It As, at Most, 12% of Revenues⁽²⁾

2024 Target	\$500M to \$650M
2024 Guidance	\$164M
Less: M&A	\$18M
2024 Adjusted Guidance	\$146M

Beat / Miss (\$354M) to (\$504M)
(71%) to (78%)

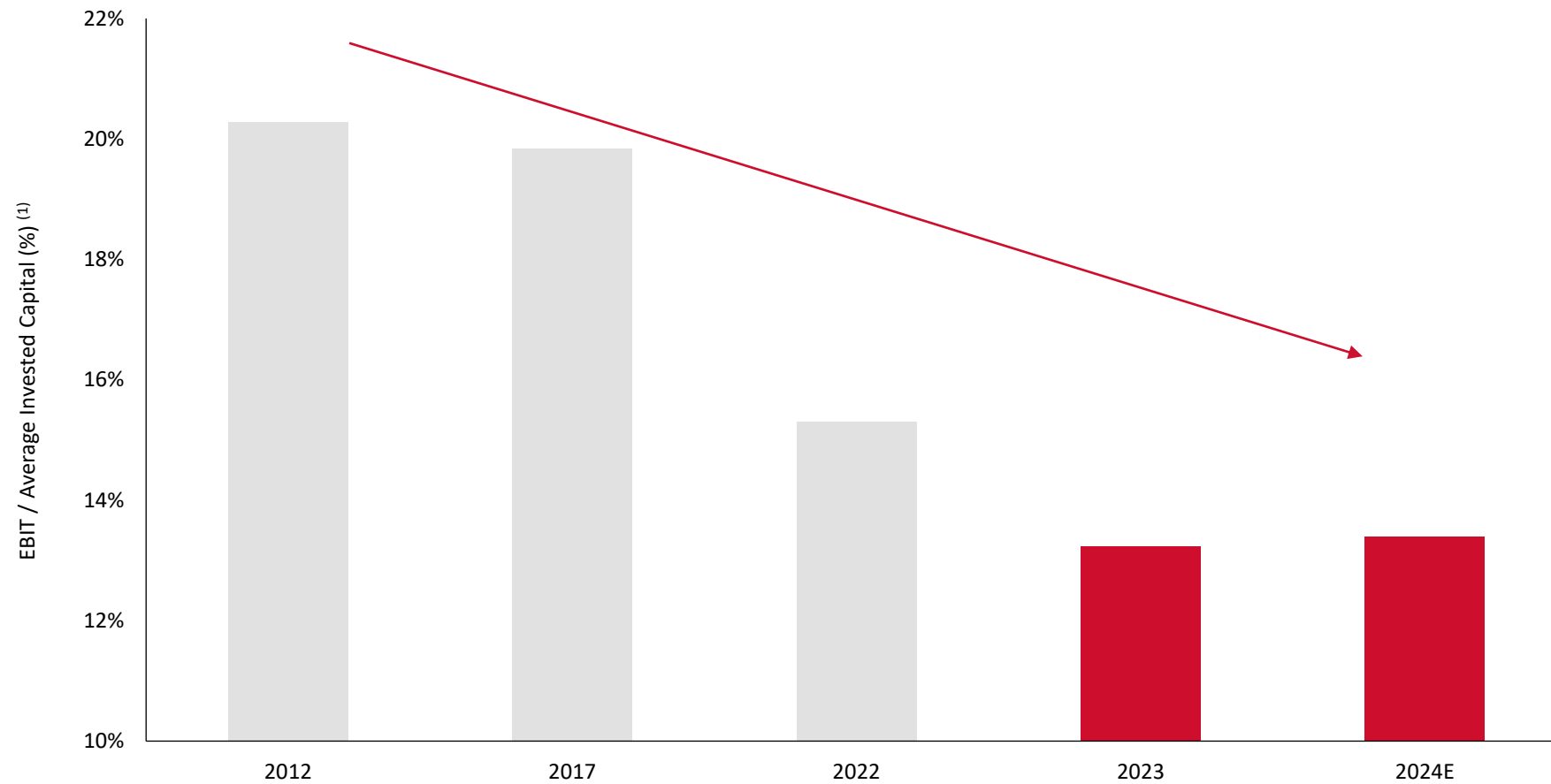
Company filings, presentations, transcripts, Politan estimates.

1. 2017 Analyst Day presentation, page 10.

2. 2024 target from 2017 Analyst Day presentation, page 10. 2024 guidance based on Masimo Investor Presentation on June 20, 2024, page 8. Root includes Hospital Automation and other advanced parameters (SedLine, NomoLine, O3).

ROIC Remains Depressed

ROIC Has Consistently Declined as Unsuccessful Investments in Adjacent Markets Underperform



Despite Company Claiming Otherwise



Masimo's focused and disciplined capital allocation has ensured that the rapid pace of innovation has delivered consistently strong returns on invested capital."

Press Release, June 2023



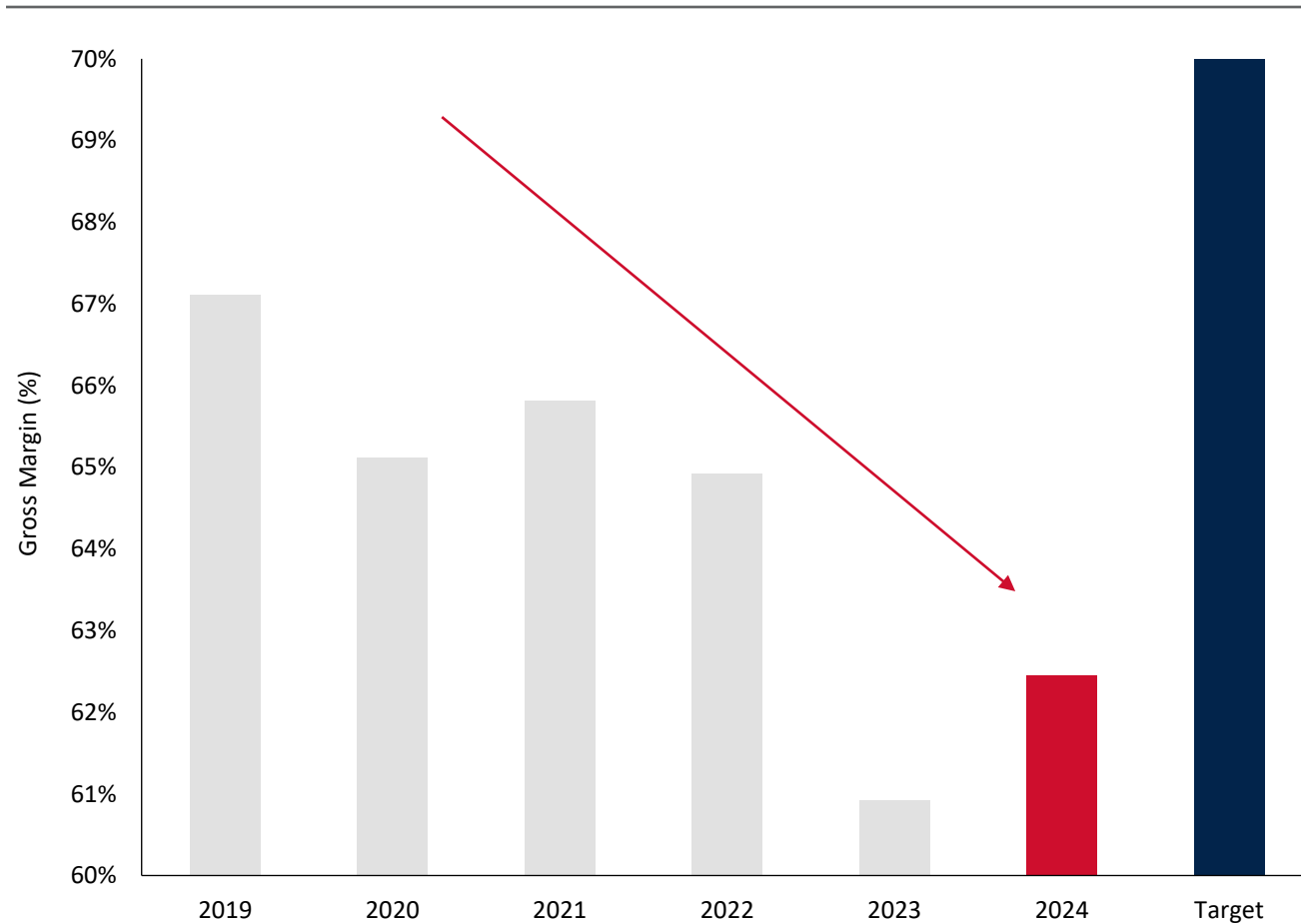
Company filings, Bloomberg

1. Historical EBIT excludes royalty payments. 2022 EBIT and invested capital pro forma for full year of Sound United.

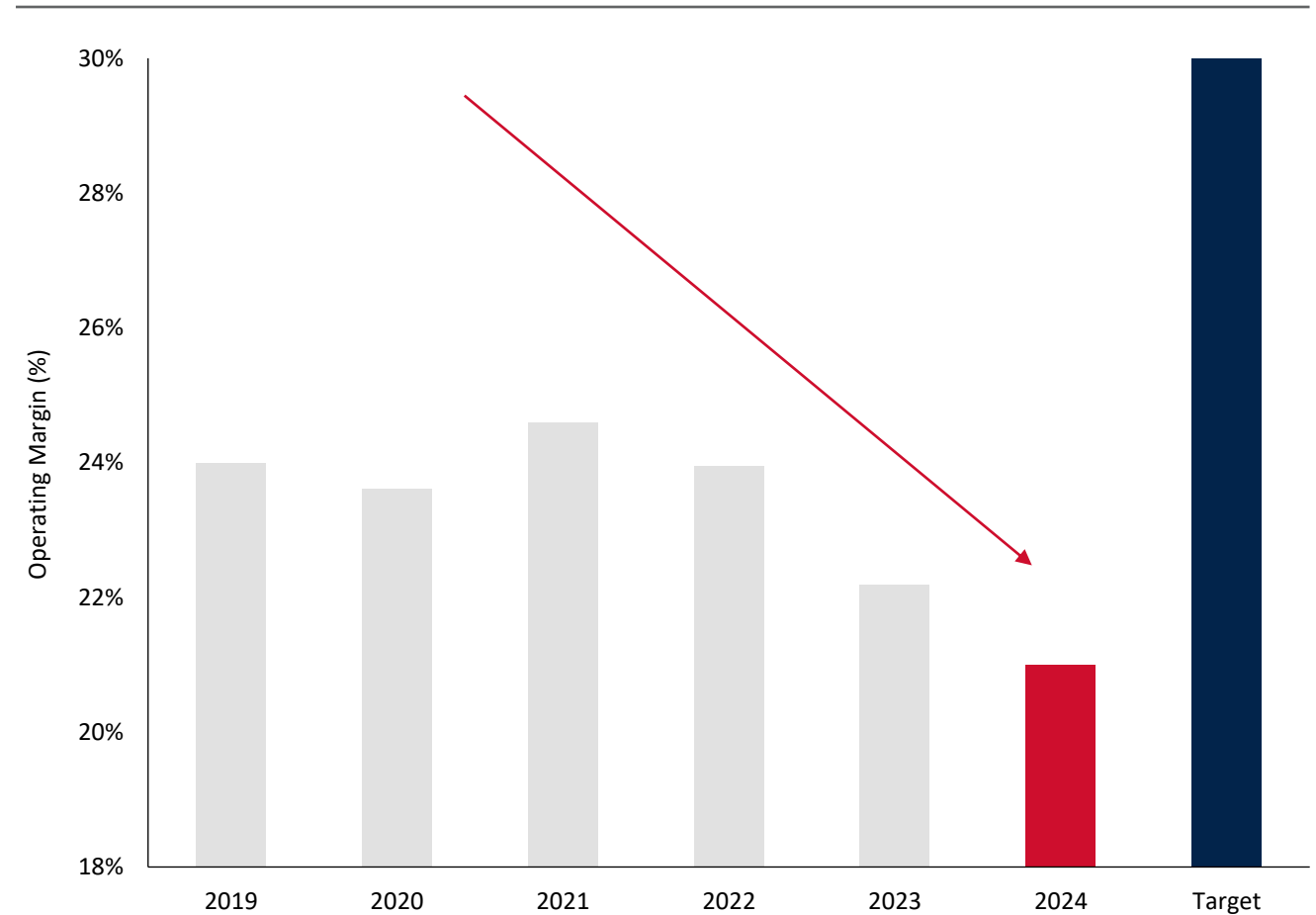
Company Has Continued to Fall Far Short of the Margin Targets Set In 2017 and Consistently Reiterated Ever Since



Gross Margins Are **Well Below** and Moving Away From 70% Target



Operating Margins Are **Well Below** and Moving Away From 30% Target⁽¹⁾



Company filings, Bloomberg, Politan estimates.

1. Gross and operating margins for full healthcare segment to match original 70% gross margin and 30% operating margin targets.

Today Management Promises 30% Margins, But Has Been Targeting 30% Regularly for Years and Never Met



Company Promises 30% EBIT Margins, With 100bps per Year...



We're targeting now 30% operating margin within 5 years..."

Mr. Kiani, June 2024



If you look at the 30% operating margin...we've always kind of delivered a very strong operating margin expansion about 100 basis points per year."

Micah Young, CFO, June 2024



...Just Like Prior Promises That Were Never Achieved



We're also expecting to reach **30% operating margin** over the next few years...[and] 70% of product gross margin."

Analyst Day, May 2017



...and a long-term goal of **30% operating profit margins.**"

Mr. Kiani, Feb 2018



We've always said 100 basis points of improvement per year as we try to drive towards this 30% margins."

Micah Young, CFO, Feb 2019



You've also heard about our **30% operating margin target**... We expect to get... about a **100 basis points a year**..."

Analyst Day, May 2019



We've said that we're going to be trying to average **100 basis points per year** as we march towards that **long-term operating margin goal of 30%**. So that's what we laid out and that's kind of where we're sticking to."

Micah Young, CFO, Oct 2019



in terms of getting **the 30% operating margins** over our long-term plan, we still look at that as committing to **100 basis points per year.**"

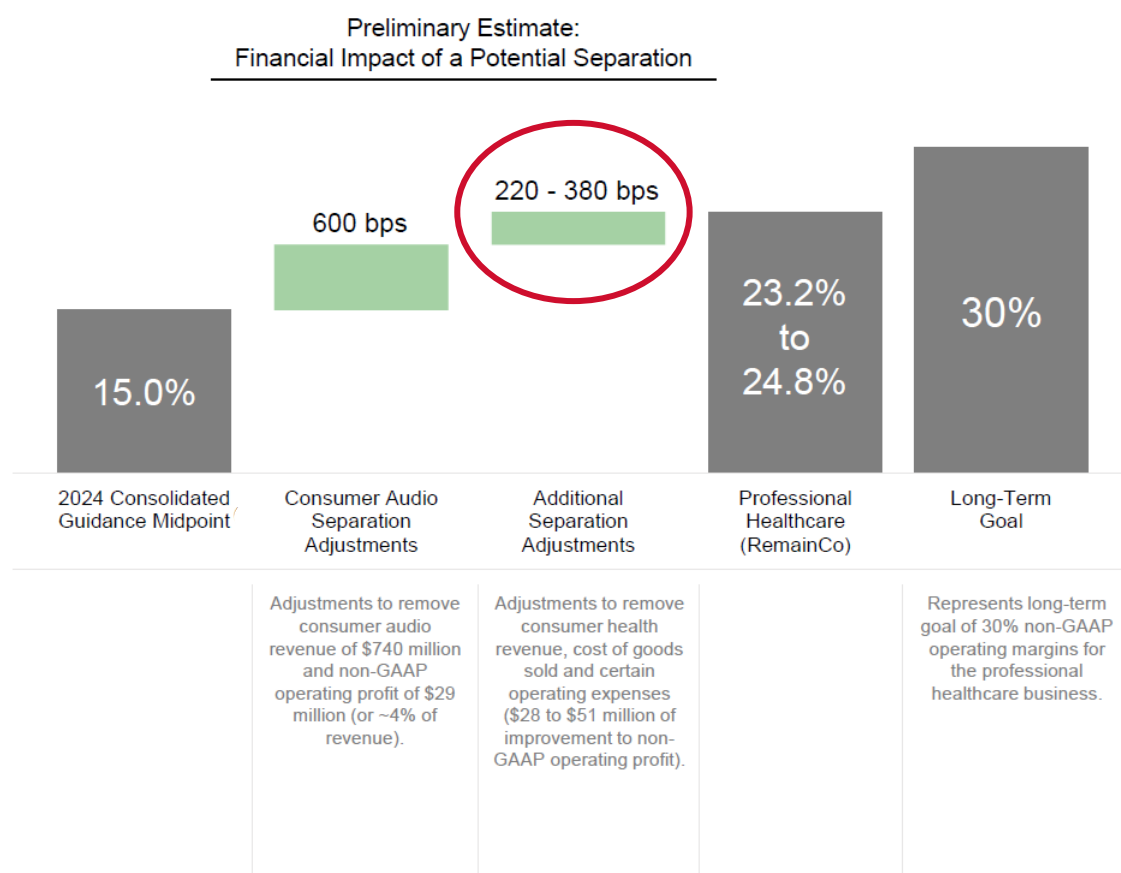
Micah Young, CFO, Feb 2020



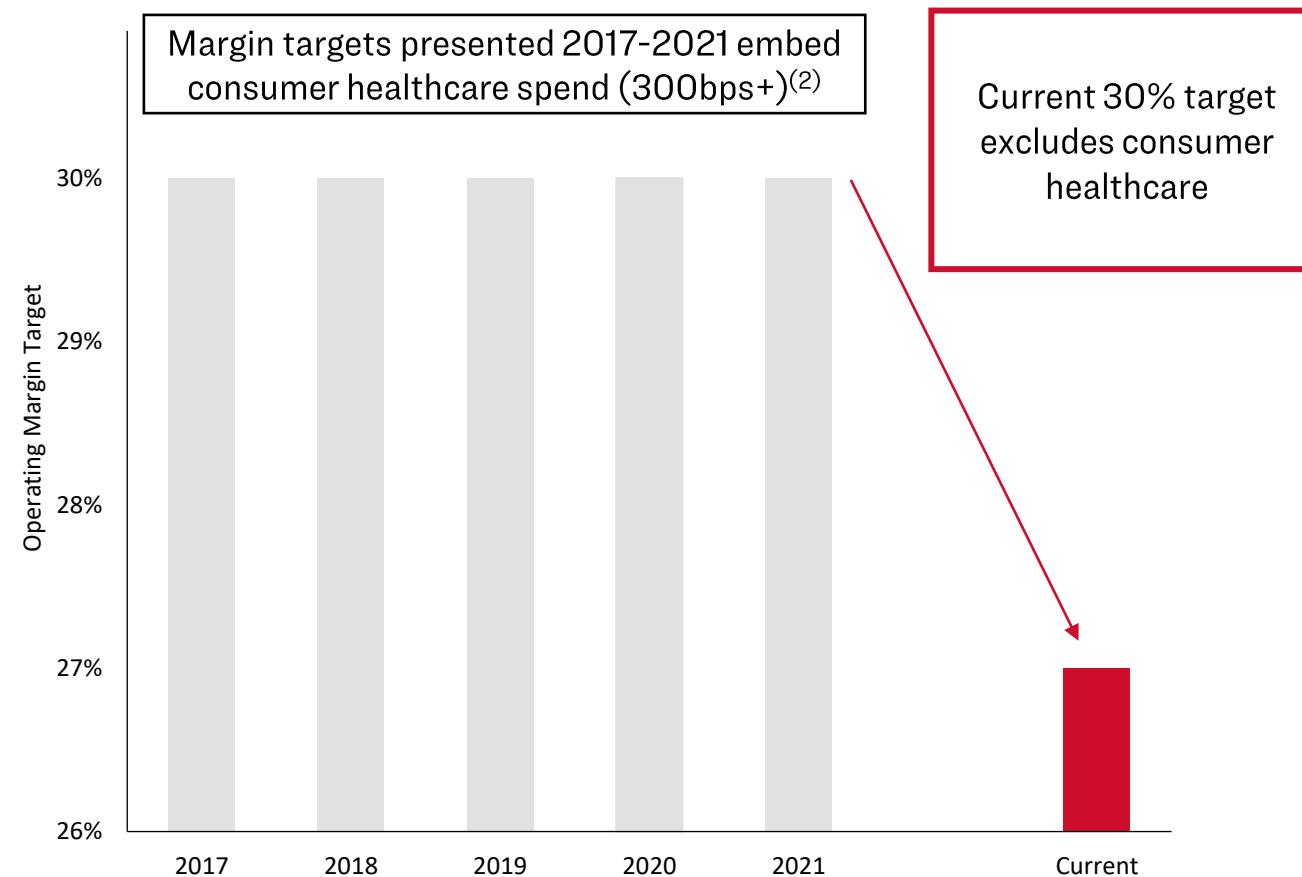
And Now They Are Lowering the Bar: Current 30% Target Is Actually a ~300bps Reduction From Prior Target



Management Claims Separating Consumer Healthcare Is 300bp Benefit⁽¹⁾



...Therefore, on Comparable Basis, Company's New Margin Target Is 27%



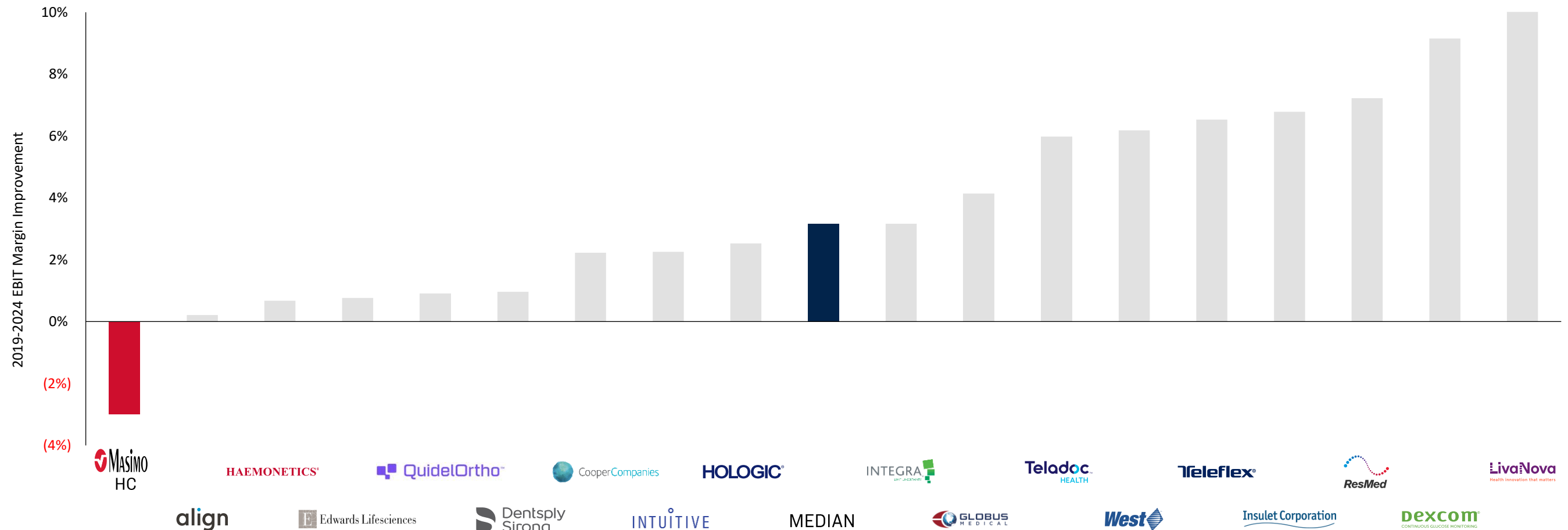
Company filings, transcripts, Politan estimates.

1) Masimo 1Q24 earnings presentation page 8. Chart bridges from 2024 consolidated EBIT margin guidance of 15% (includes consumer audio, consumer healthcare and professional healthcare) to healthcare guidance of 21% (includes consumer healthcare and professional healthcare) to professional healthcare guidance of 24%. Professional healthcare 2024 guidance of 24% is then further bridged to long-term goal of 30% (professional healthcare only). Historical 30% margin targets were for healthcare (consumer healthcare and professional healthcare).
 2) See previous page for quotes on margin targets in previous years.

While Masimo's Margins Have Declined, Peers Have Continued to Improve



Margin Improvement by Peer (2019 to 2024)

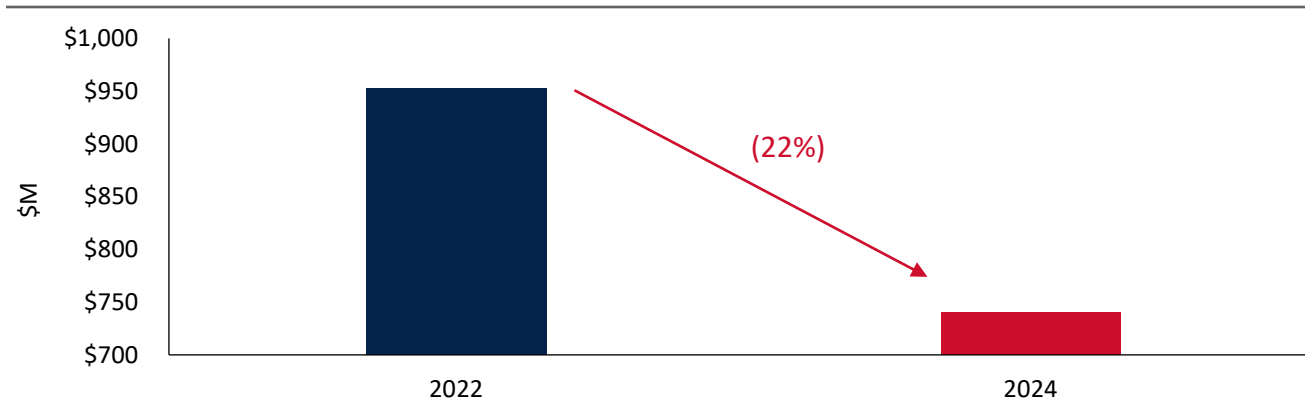


Company filings, Bloomberg. Peer set includes Proxy Peers as well as Scaled High-Growth MedTech peers as per Masimo's June 17, 2024 letter to shareholders, with more than four estimates.

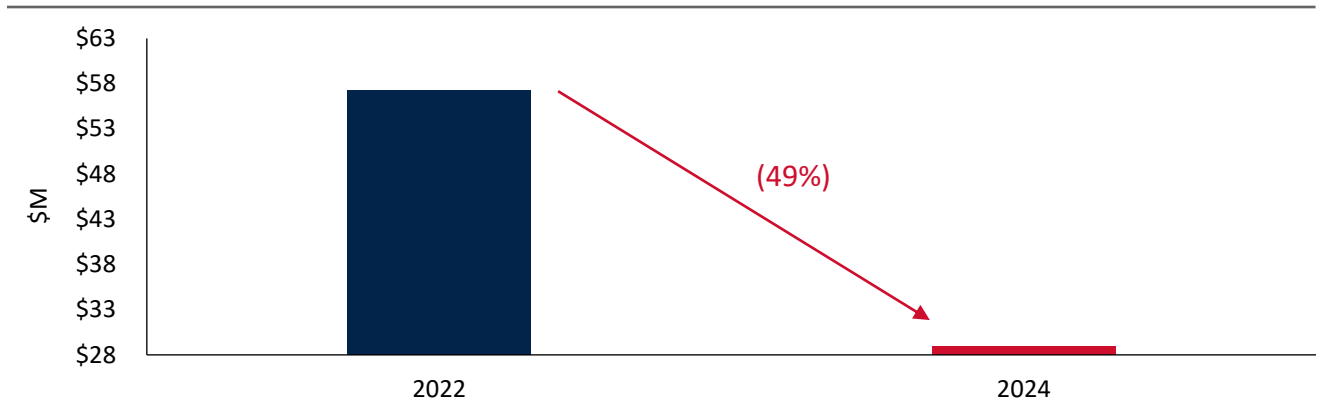
Sound United Performance Has Significantly Deteriorated Since Acquisition



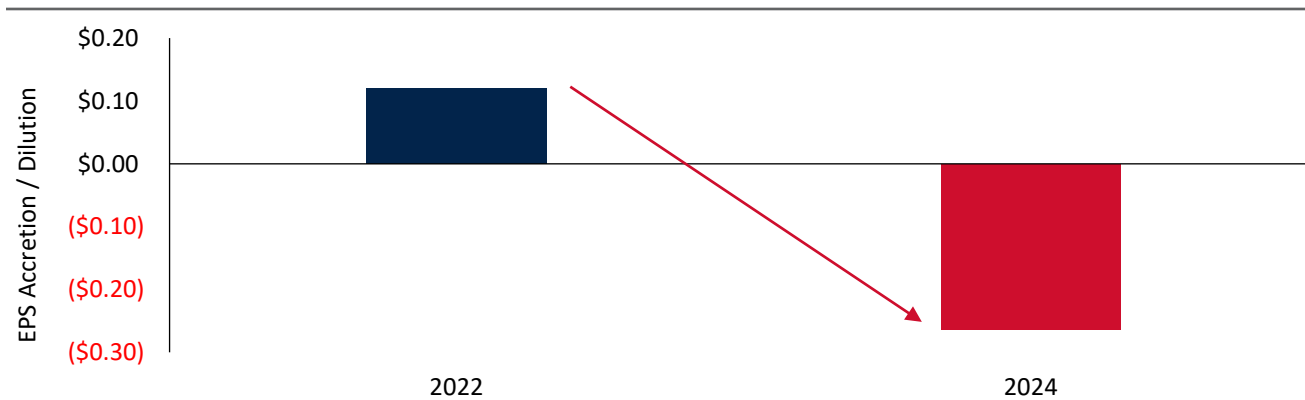
Revenue Is **Down 22%**



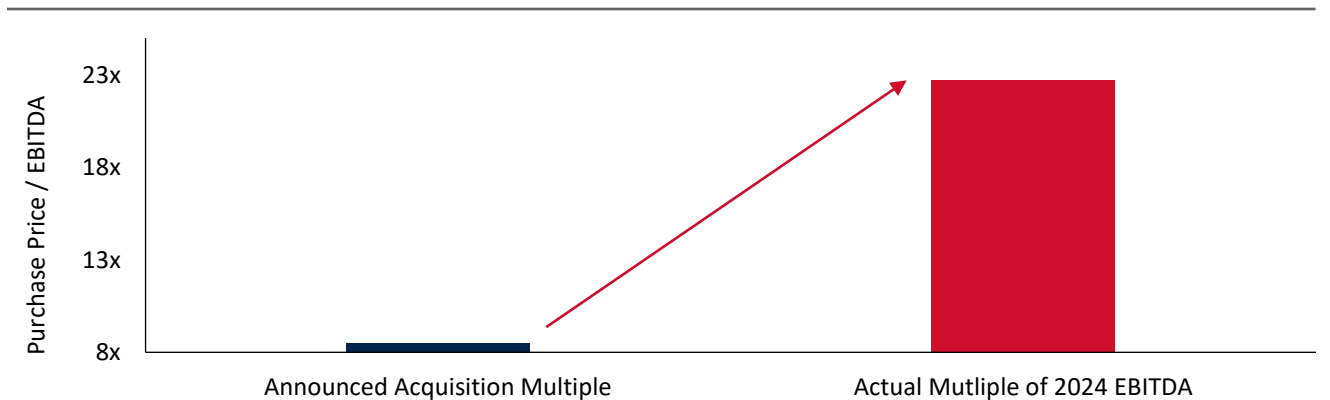
EBIT Is **Down 49%**



Acquisition Is Now **Dilutive**



Acquisition Multiple Is **150% Higher Than Claimed**



Company filings, Bloomberg, Politan estimates.

Consumer Healthcare Strategy Is Failing: Despite Significant Investment and Management Focus



Despite Significant Marketing and R&D Spend

~33%+ of Earnings

2023-2024 direct spending on Consumer Healthcare

Despite Acquiring Sound United for Over \$1B

\$1B+

Price paid for Sound United

Freedom Watch Has Failed to Even Launch

**Unable to launch
Freedom Watch
due to manufacturing bugs**

Stork Launch Has Failed

Company Projects \$200M to \$1B of Stork Sales



So we are feeling that Stork could become a business that should be **a couple hundred million a year**. We know the **potential might be \$1 billion, but let's see if once we get to \$200 million**, we can now plan for the rest.”

Mr. Kiani, Aug 2023



So, and then I think the next part of your question was what do we think success maybe with STORK looks like?...it **should reach \$100 million, \$200 million of revenue** over the next few years.”

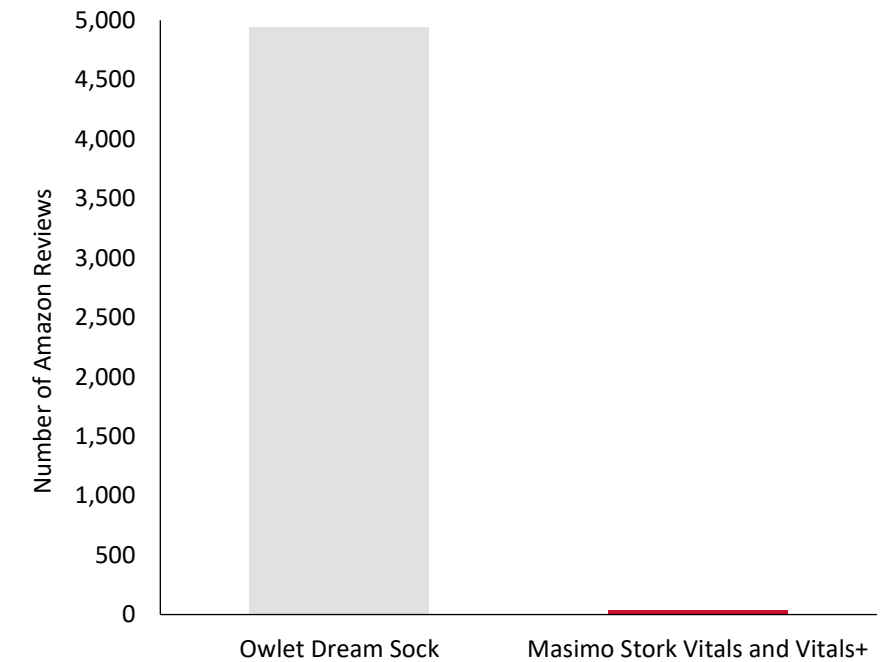
Mr. Kiani, Feb 2023



Actual Sales Are Negligible

Stork sales are approximately **zero**

There Are Only 29 Total Reviews on Amazon



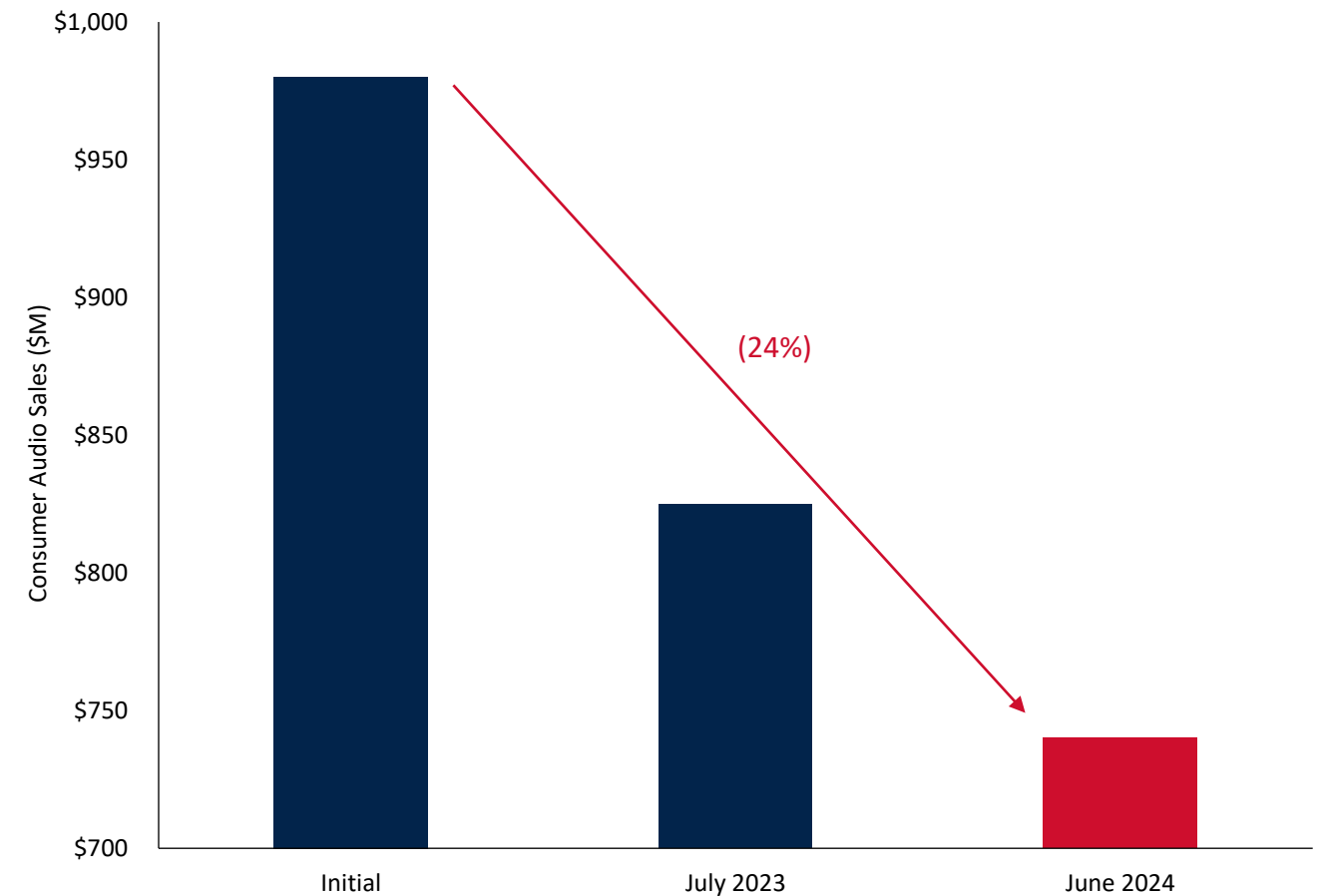
Yet, Management Refuses to Acknowledge Mistakes

Repeatedly Defending Consumer Business...

- “ ...Since then, [Sound United] has been **constantly reminding us that what a good thing we did to acquire it...So no, I more than ever believe in it...**”
Mr. Kiani, Nov 2023
- “ So no, I'm sorry, you still feel like I should get rid of [Sound United], but we don't. **We still think it was the right decision.**”
Mr. Kiani, Aug 2023
- “ Well, 2024 should be a strong year for us maybe even stronger than normal, because of the availability of some of the new products and our push into telehealth and also the consumer health. **We see that as a very promising business.**”
Mr. Kiani, Aug 2023
- “ **...Stork is creating a great template** for how our teams can leverage our integrated global brand and marketing framework...”
Mr. Kiani, May 2023
- “ We've launched Stork...sales to-date have been modest, but we're still excited about this product, and believe it **will achieve great success...**”
Micah Young, CFO, Nov 2023
- “ We think there's a very savvy sales and marketing team at Sound United...they've been instrumental in helping us to generate **successful launches of products like STORK...**”
Eli Kammerman, IR, Mar 2024

Company filings, Bloomberg

...While Repeatedly Reducing Guidance



And Continues to Always Claim That Success Is Just Around the Corner...



Results Are Always Just a Few Years Away...



So, we're really expecting after 15 years...**2023 and beyond** will be...the 5 years to 10 years for rainbow to take off and others to follow it."

Mr. Kiani, Nov 2022



Freedom...I actually believe, there is a high likelihood that this will resonate with people over 40, as well as, because of all the other things we've done, hopefully with younger people as well."

Mr. Kiani, Sept 2023



So we think [Stork] is a very essential product...should reach \$100M, \$200M of revenue **over the next few years.**"

Mr. Kiani, Feb 2023

Results are always just a few years away...



So sales to-date have been modest, but we're still excited about this product, and believe it will achieve great success, especially when we get the regulatory clearance..."

Micah. Young, Nov 2023



The marketing team at Masimo consumer is doing an excellent job of gaining attention for Stork... These efforts should accelerate adoption of the product **in the second half of this year.**"

Mr. Kiani, May 2023



With products such as Stork..., W1 and Pearl with AAT along with other new product introductions, we expect to see significant growth in this category in **2024 and beyond.**"

Mr. Kiani, Feb 2024



...**2024 should be a strong year** for us maybe even stronger than normal, because of... some of the new products and our push into telehealth and also the consumer health."

Mr. Kiani, Aug 2023



...we are developing what I hope will be a revolutionary hearing aid. And we call that H1 for now, that might stick as the final name, but I think H1 **should be available for sale this year.**"

Mr. Kiani, Feb 2024

2 Broken Governance Leads Directly to Significant Harms for Company Stakeholders

1 Severely Impacted Company's Performance

- Share price has underperformed peers by 90%+.
- EBIT and margins are significantly below targets set in December 2022.
- Consumer strategy has failed: no revenue from Stork or Freedom, while Sound United has significantly deteriorated.

2 Poses Broader Risk to the Enterprise

- CEO promotes culture of absolute loyalty and intolerance of dissent.
- Result is material risk to enterprise with SEC and DOJ subpoenas related to whistleblowers.

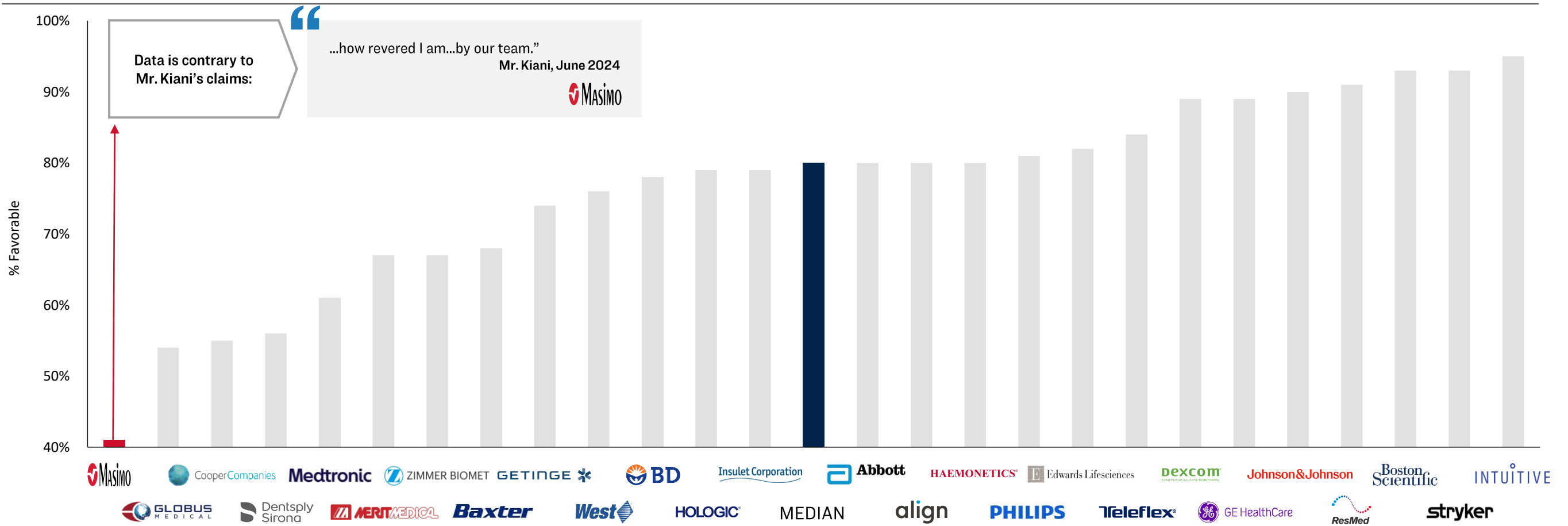
3 Related Party Conflicts and Misuse of Shareholder Resources

- CEO has pledged 75% of his stock but maintains voting power.
- Compensation arrangements 2x to 25x peers, tens of millions of payments to related party entities, and personal use of corporate assets

CEO Has Lowest Employee Approval Rating of Any Peer, Evidencing Beleaguered Employee Culture



Masimo CEO Approval Rating is 50% Below Peer Median



Glassdoor as of June 21, 2024. Proxy peers and broader peer set used by Masimo in June 17, 2024 letter to shareholders with market capitalization greater than \$3B and CEO tenure greater than 1 year.

Scathing Comments by Employees Highlight CEO Values Loyalty and Doesn't Tolerate Dissent



Unusually Scathing Employee Commentary

“It a shame that Joe Kiani ruined such a good thing.”	Glassdoor, Jan 2024
“CEO is a Narcissist, thinks he is infallible....surrounded by yes men...[N]eeds new CEO and a return to focus on core business.”	Glassdoor, Dec 2023
“For those of us that have been at the company for many years, it is heartbreaking to watch how you are ruining it.”	Glassdoor, Sept 2023
“CEO is delusional, unhinged and unchecked and running the company that was once great, into the ground.... his ego is so huge at this point I don't know how he fits into the building.”	Glassdoor, Sept 2023
“It's evident that the CEO does not care about the employees.”	Glassdoor, Sept 2023
“He thinks he can do no wrong ... The reality is that people can't stand him anymore and every time he speaks at a team meetings the real Joe shines through and he digs his grave deeper and deeper.”	Glassdoor, Sept 2023
“The CEO pulled us all in for a town hall and basically told the team “if you don't like it, Masimo isn't for you!” Refuses to evolve with changing work environment and actively sabotages any potential to attract and retain talented engineers.”	Glassdoor, July 2023
“This is a good company with good products and abysmal leadership.”	Glassdoor, July 2023
“Nothing can change with the massively narcissistic CEO. The culture is absolutely horrible.”	Glassdoor, Mar 2023
“Joe values loyalty above everything. If you want to succeed at Masimo, you can't disagree with him.”	Former Senior Executive, Mar 2023

Glassdoor as of June 21, 2024.

Further Supported By

- Firing of Sound United leadership:

“We also see their incredible team... led by Kevin Duffy...”
 Mr. Kiani, Feb 2022

“On July 11, 2022, the Company sent Mr. Duffy a notice of termination without cause...”
 8K, July 2022

- Comments at town hall following 2Q2023 stock decline:

“When the stock price collapsed it really impacted us given our stock comp, but at the town hall he told all of us to “get over it” and that “I lost more money than you.”
 Current employee, Dec 2023

Not Tolerating Dissent Creates Environment Where Problems Are More Likely to Be Covered Up Than Addressed

Problems unlikely to get elevated and addressed, despite operating in a highly regulated environment with potential consequences for patient outcomes.

Today, We See Whistleblower Investigations and Lawsuits

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

SERGIO VAZQUEZ, Individually and
on Behalf of All Others Similarly
Situated,

Plaintiff,

v.

MASIMO CORPORATION, JOSEPH
KIANI, MICAH YOUNG, BILAL
MUHSIN, and ELI KAMMERMAN

Defendants.

Case No. 3:23-cv-01546-L-DEB

CLASS ACTION

**LEAD PLAINTIFFS' FIRST
AMENDED COMPLAINT FOR
VIOLATIONS OF THE FEDERAL
SECURITIES LAWS**

DEMAND FOR JURY TRIAL

**SEC
whistleblower investigation**

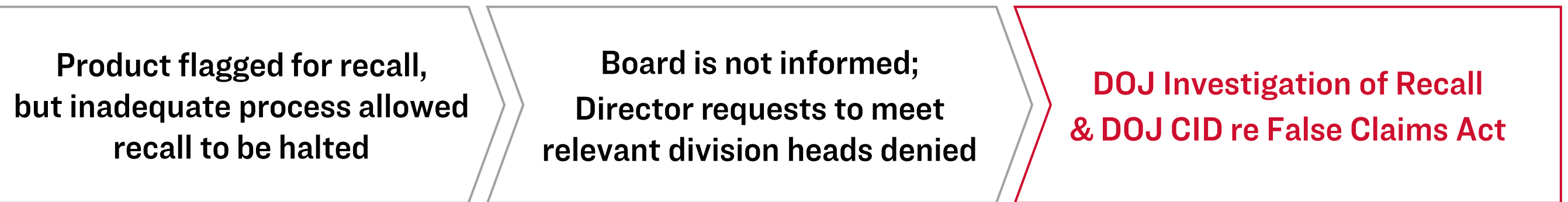


The Company received **a subpoena from the Securities and Exchange Commission** dated March 26, 2024 seeking documents and information relating to allegations of potential accounting irregularities and internal control deficiencies from **employees** within the Company's accounting department."

1Q24 10Q, May 2024



And Process Failures Requiring Investigations by Regulators



The Company received a **subpoena from the Department of Justice** (DOJ) dated February 21, 2024 seeking documents and information related to the Company's Rad-G® and Rad-97® products, including information relating to complaints surrounding the products and the Company's decision to recall select Rad-G® products in 2024.

The Company received a **civil investigative demand from the DOJ** pursuant to the False Claims Act, 31 U.S.C. §§ 3729-3733, dated March 25, 2024, seeking documents and information related to customer returns of the Company's Rad-G® and Rad-97® products, including returns related to the Company's recall of select Rad-G® products in 2024."

1Q24 10Q, May 2024



Yet Again, Management Refuses to Properly Acknowledge Issues

Downplays Scope of Failure...



They decided to recall it. And then it was given to one of the individuals to do the recall. That individual...did not immediately do the recallBottom line... **no patient was harmed.**

Mr. Kiani, May 2024



On the recall and the DoJ investigation...In the U.S., we sold a **very small number** of units and the recall is a Class II voluntary recall... It's **less than 100 units.**

Eli Kammerman, IR, June 2024



On the SEC side, I've been very close with this. We had **an employee**...raise some issues...."

Micah Young, CFO, June 2024



...Contrary to Public Record (and Forcing Need to Correct Remarks)



Masimo recently issued an urgent medical device recall notice for some Rad-G pulse oximeters...Masimo has received 529 complaints related to this issue, with an occurrence rate of 3%. **Two patient deaths have been reported** while being monitored with the Rad-G devices."

May 2024



...Masimo made certain statements about the product recall. Masimo is **hereby correcting the statements** by clarifying that approximately **7,350 Rad-G units** sold in the U.S. are subject to the recall, and approximately **20,250 Rad-G units** sold outside the U.S. are subject to the recall."

8K, June 2024



...a subpoena from the Securities and Exchange Commission... **allegations** of potential accounting irregularities and internal control deficiencies **from employees** [**more than one employee**] within the Company's accounting department."

1Q24 10Q, May 2024



2 Broken Governance Leads Directly to Significant Harms for Company Stakeholders

1 Severely Impacted Company's Performance

- Share price has underperformed peers by 90%+.
- EBIT and margins are significantly below targets set in December 2022.
- Consumer strategy has failed: no revenue from Stork or Freedom, while Sound United has significantly deteriorated.

2 Poses Broader Risk to the Enterprise

- CEO promotes culture of absolute loyalty and intolerance of dissent.
- Result is material risk to enterprise with SEC and DOJ subpoenas related to whistleblowers.

3 Related Party Conflicts and Misuse of Shareholder Resources

- CEO has pledged 75% of his stock but maintains voting power.
- Compensation arrangements 2x to 25x peers, tens of millions of payments to related party entities, and personal use of corporate assets.

CEO Pledges Shares as Collateral: Voting Power Disproportionate to Economic Ownership



Pledged ~3M Shares as Collateral for Personal Loans

75%

CEO's stock ownership
pledged as collateral

\$400M+

pledged as collateral against
personal loans

6%

Common Stock Outstanding
pledged as collateral

Peer Companies Don't Allow It

0

proxy peers reporting
NEO share pledges

CEO Still Votes Those Shares



Masimo's Billionaire CEO put shares on margin to get cash while keeping ownership ahead of proxy fight

...The move allows Kiani, the company's CEO and chairman, to **maintain his stake and voting power while also getting money** he says he needs for family reasons. **Many medical-tech peers bar such moves...**

May 2024

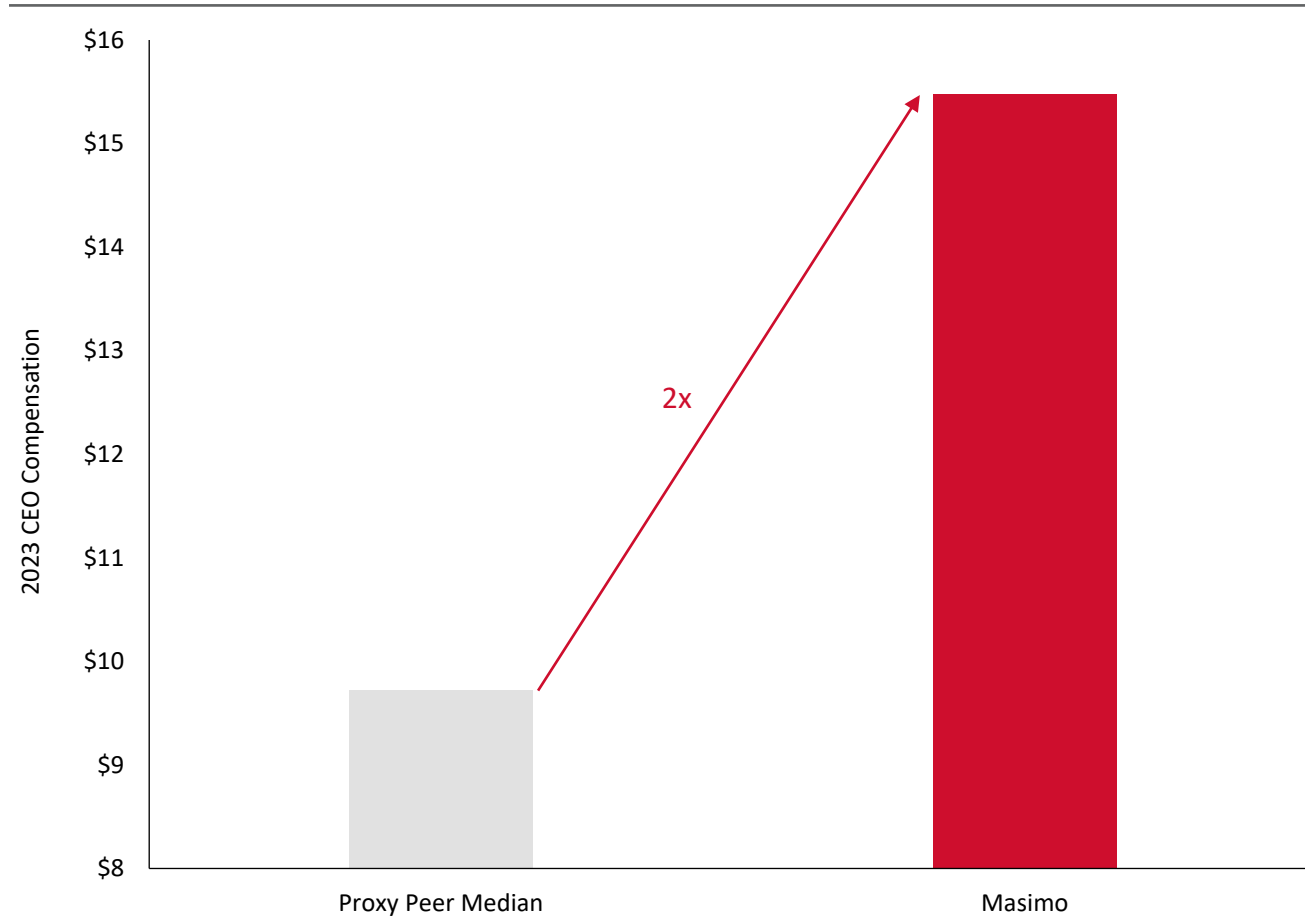


Company filings. CEO's pledged stock ownership as of April 29, 2024 as per CD&A filed as amendment to 10K. Based on subsequent filing (May 23, 2024), the amount of pledged shares was 2,447,778 amounting to 62% of CEO's stock ownership, 5% of common stock outstanding and \$320M+ of value at June 21, 2024, Friday before presentation filed publicly.

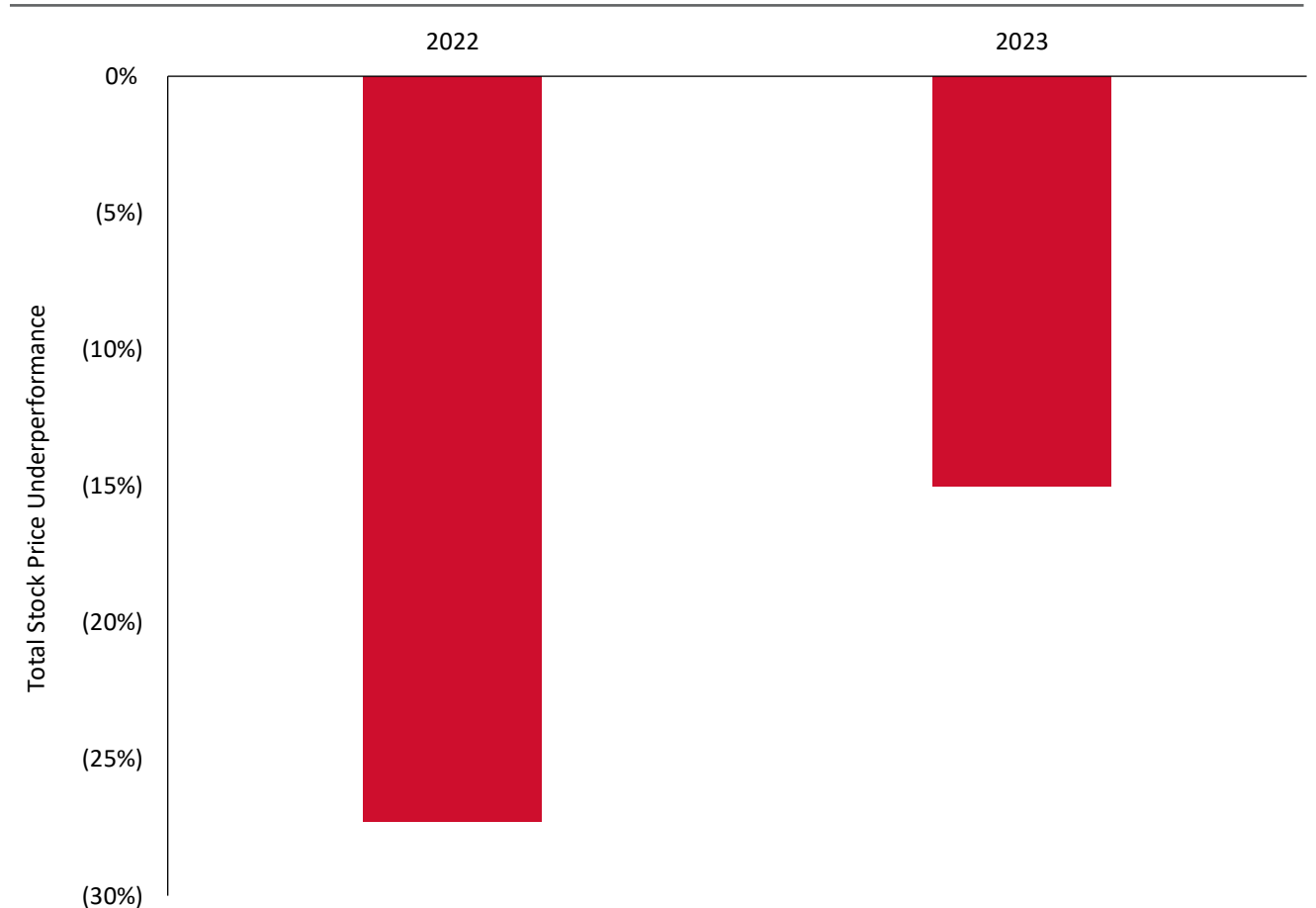
Annual Compensation Is Well Above Peers Yet Performance Is Well Below Peers



Annual Compensation 2x Peer Median...



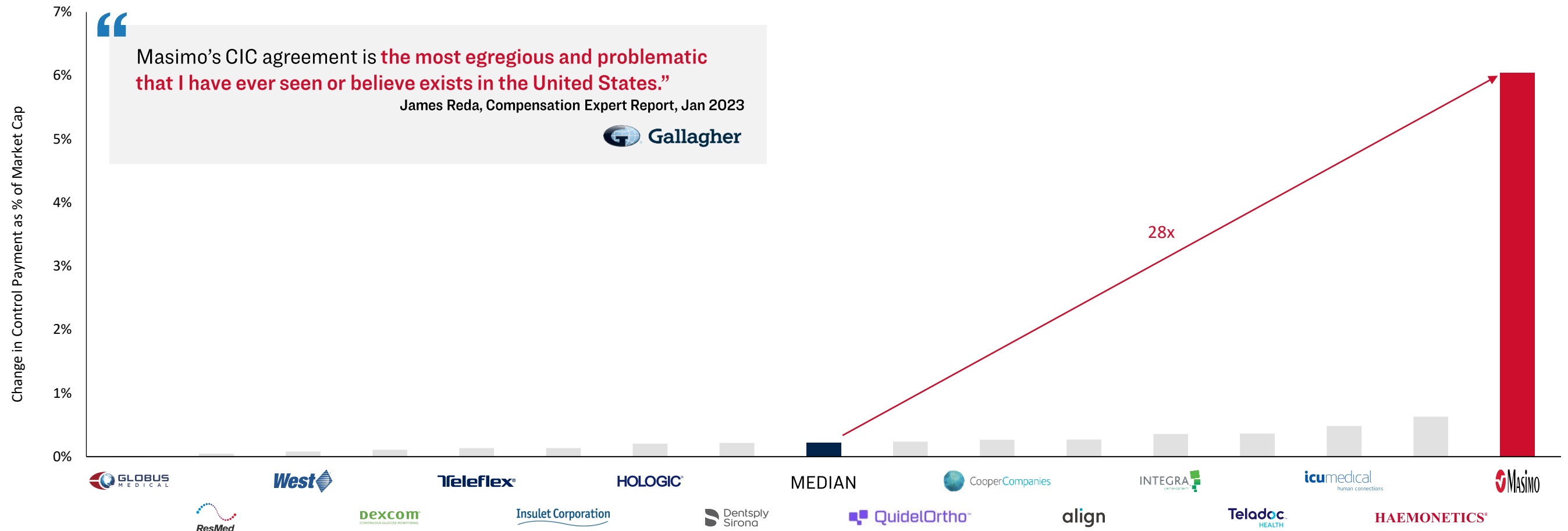
...While Materially Underperforming Proxy Peers



Company filings, Bloomberg

Unprecedented Change in Control Payment

CIC Payment Is Multiples of Any Proxy Peer, Unprecedented Contract Terms Means Mr. Kiani Receives the Payment Even Without a CIC



Company filings.

Substantial Related Party Payments to Entity Majority Owned by CEO

\$19M per year
Cercacor payments

- Mr. Kiani is majority owner as well as Chairman & CEO of Cercacor.
- Masimo paid Cercacor \$19M in royalties for 2023 and that is expected to grow this year.
- If Mr. Kiani ever ceases to be Masimo's CEO & Chairman, then Masimo must pay Cercacor an annual minimum royalty of \$17M irrespective of any actual sales linked to licensed IP.

“

...our sister company, Willow Cercacor.”

Mr. Kiani, May 2024



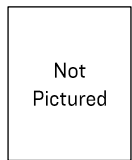
Shareholders Fund Charity Primarily Dedicated to CEO’s Personal Causes Unrelated to Masimo



Family Members and Loyal Associates Constitute Foundation Board



Mr. Kiani, CEO



Not Pictured

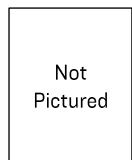
Mrs. Kiani, wife of Mr. Kiani



Stephen Jensen, long-time relationship with Mr. Kiani; lead litigator for Masimo case against Apple; **Overseeing split of IP for separation**



Dr. Frederick Harris, Masimo Foundation Director and Mr. Kiani’s mentor



Not Pictured

Mary Kiani, sister of Mr. Kiani (stepped off board at end of 2021 after serving as director for over 10 years)

CEO Directs Majority of Foundation Grants for Personal Causes⁽¹⁾

\$30M+

From Masimo to the Masimo Foundation to Mr. Kiani Personal Causes

50%+ of foundation grants to Mr. Kiani’s personal causes including:

- President Biden (Mr. Kiani is member of President’s Council of Advisors on Science & Technology)
- President Obama (Mr. Kiani was a bundler for the Obama campaign)
- President Clinton (Mr. Kiani serves on Clinton Foundation executive council)
- President Carter (Mr. Kiani serves on Carter Center Board of Councilors)
- Chapman University (Mr. Kiani is Trustee and on the President’s Cabinet)
- Jewish Voice for Peace (This organization has been leading student protest efforts across campuses⁽²⁾ – putting Masimo in a hazardous position for something unrelated to its core business or even charitable mission)
- Many other personal causes unrelated to patient safety

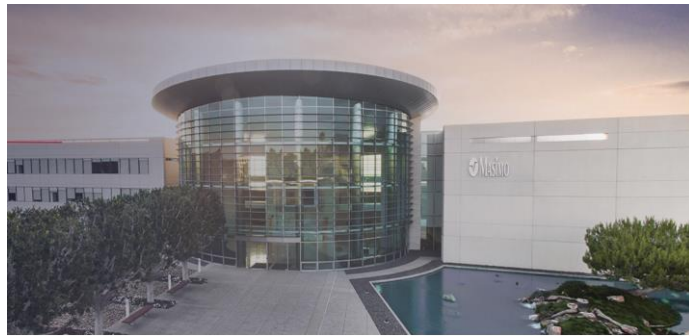
1. Company filings, Masimo Foundation 990PF forms.

2. According to Politico, “Two of the organizers supporting the protests at Columbia University and on other campuses are Jewish Voice for Peace and IfNotNow.” <https://www.politico.com/news/2024/05/05/pro-palestinian-protests-columbia-university-funding-donors-00156135>

CEO Uses Corporate Balance Sheet to Invest in Vanity Projects and for Litany of Personal Expenditures

Lavish Spending on Office Facilities

Extravagant corporate office (used in Iron Man film as corporate office of Tony Stark)



\$123M CAD to purchase over-the-top Vancouver R&D facility that is not needed



Unconstrained Spending on Long List of Unnecessary, Personal Expenses

- Investing Masimo cash in his friend's hedge fund, Cota Capital.
- Ownership (unusual for a company of this size) and misuse of corporate jet.
- ~\$1M spent on personal security (outside the office).
- Sponsorship of Women's Tennis Association.
- History of related party payments to entities such as Like Minded Media Ventures ("a team of storytellers that create content" owned by Mr. Kiani).

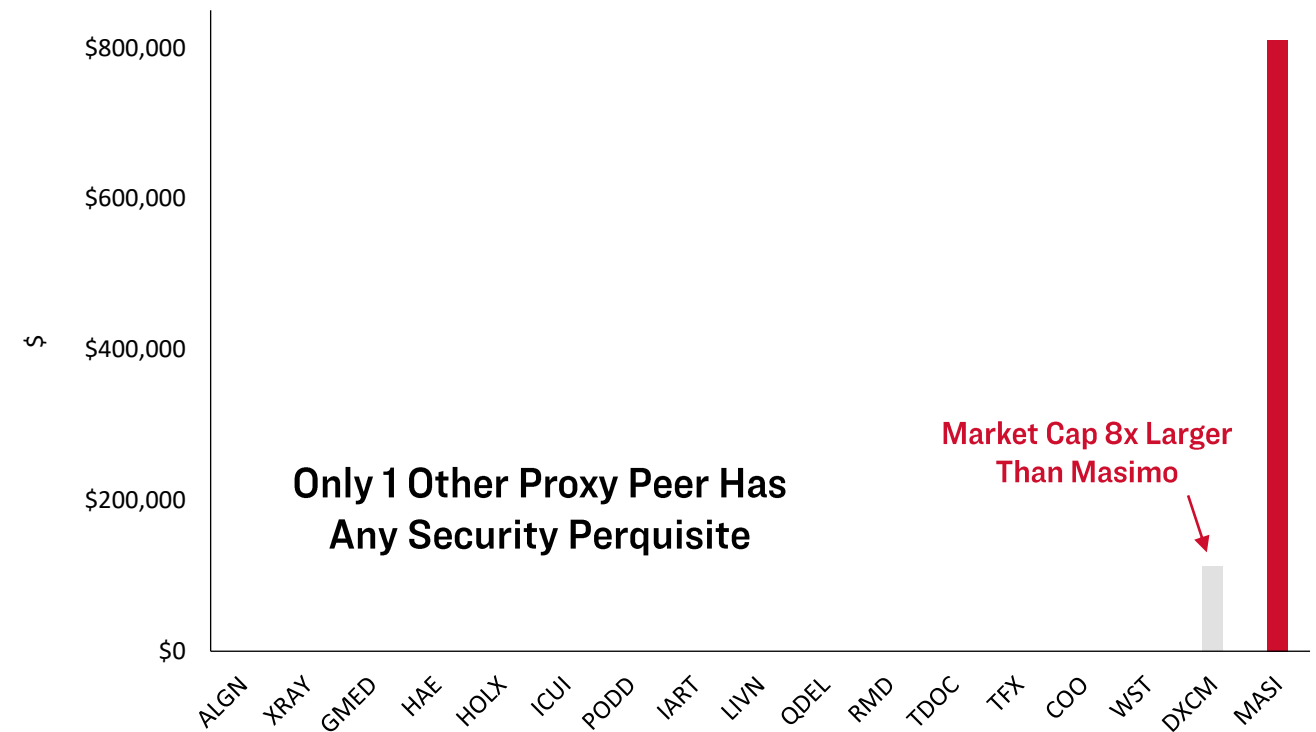
Outsized “Office of CEO” Expenses Not Disclosed, But Personal Security Perquisites Exemplify the Issue



Unconstrained Spending on “Office of CEO”

Numbers not disclosed publicly

Personal Security Spending (Only Perq Disclosed) Is Representative of the Issue



This spending is for security outside of business hours and therefore does not include substantial security spending dedicated to Mr. Kiani during “work” hours.

Company filings. Market cap calculated as of December 31, 2023 for 2023 security perquisite.

CEO Wastes Shareholder Resources on Unnecessary Corporate Jet



Masimo Owns a Gulfstream 550



Substantial Private Usage of Corporate Jet

Mr. Kiani has taken 182 flights from 2022 through 1Q 2024.

Flights appear to be overwhelmingly for personal use.

Yet, CEO appears to reimburse Company only negligible amounts:



During each of the fiscal years ended December 30, 2023, December 31, 2022 and January 1, 2022, the Company charged the Company's CEO \$0.1 million related to such reimbursements."

Masimo 10K 2023

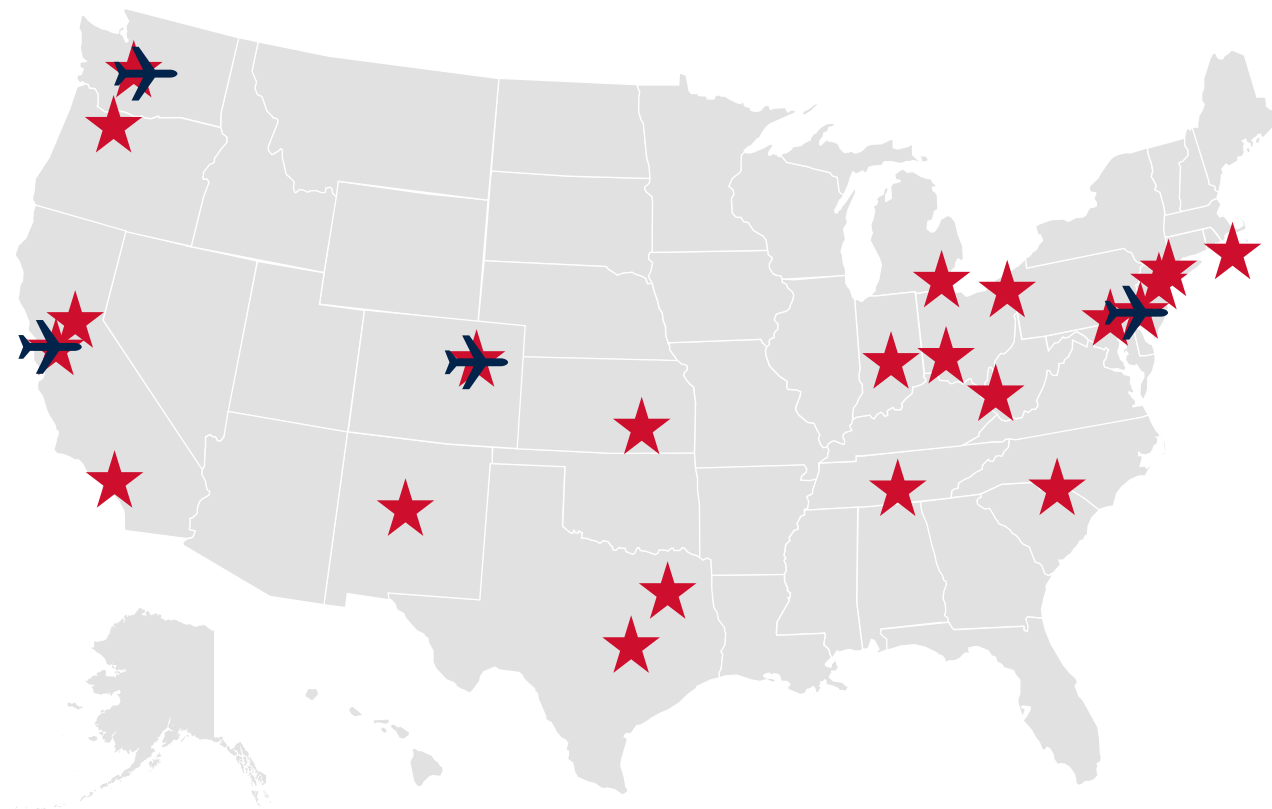


Masimo Doesn't Need a Corporate Jet (Let Alone a G550): Corporate Jet Travel Doesn't Overlap With Masimo's Business



Nearly No Overlap Between Major Contract Deals and CEO Travel

- ★ 2023/2024 major deals up for bid
- ✈ 2022-2024 trips that overlap



De Minimis Overlap Appears Explained by Other Reasons for Travel

From January 1, 2022 through 1Q 2024:

- CEO did not visit any Top 10 US Hospitals outside of major east / west coast cities.
- CEO did not visit any city where any 2023 major deals were up for bid outside of major east / west coast cities.
- CEO visited 1 city (Denver) where any 2024 major deals were up for bid outside of major east / west coast cities.
- Most of the trips to major east / west coast cities where hospital deals existed appear to be explained by other events (known proxy campaign visits to investors, Clinton Global Initiative, White House State Dinner).

Corporate Jet Travel Appears Overwhelmingly for Personal Use, Even During Periods of Crisis for Company

During a Crucial Three-Month Period Surrounding 2Q23 Sales Collapse: Not on the Road Visiting Clients...

Date	Origin	Destination	Purpose
July 1, 2023	Irvine, CA	Santa Barbara, CA	Trip to Kiani Ranch
July 5, 2023	Santa Barbara, CA	Irvine, CA	Return from Kiani Ranch
July 9, 2023	Irvine, CA	New York, NY	[Layover]
July 11, 2023	New York, NY	Seville, Spain	Vacation
July 12, 2023	Seville, Spain	Malaga, Spain	Vacation
July 14, 2023	Malaga, Spain	Ibiza, Spain	Vacation
July 14, 2023	Ibiza, Spain	Malaga, Spain	Vacation
July 16, 2023	Malaga, Spain	Ibiza, Spain	Vacation
July 17, 2023	Ibiza, Spain	Irvine, CA	Vacation
August 4, 2023	Irvine, CA	Anguilla	Vacation
August 14, 2023	Anguilla,	Irvine, CA	Vacation
August 19, 2023	Irvine, CA	Santa Barbara, CA	Trip to Kiani Ranch
August 21, 2023	Santa Barbara, CA	Irvine, CA	Return from Kiani Ranch
August 23, 2023	Irvine, CA	Philadelphia, PA	*
August 25, 2023	Philadelphia, PA	Irvine, CA	Return trip
September 11, 2023	Irvine, CA	Philadelphia, PA	*
September 12, 2023	Philadelphia, PA	Washington, DC	Visit to White House ⁽¹⁾
September 12, 2023	Washington, DC	Irvine, CA	Return trip
September 15, 2023	Irvine, CA	Vancouver, BC	Weekend trip
September 16, 2023	Vancouver, BC	Seattle, WA	Weekend trip
September 16, 2023	Seattle, WA	Irvine, CA	Weekend trip
September 16, 2023	Irvine, CA	New York, NY	Clinton Global Initiative
September 19, 2023	New York, NY	Irvine, CA	Clinton Global Initiative

July 17 2023: preannounce unprecedented sales decline leading to 20% stock drop

August 2023: Recall process failures

...Instead, Corporate Jet in Ibiza, Anguilla, and Santa Barbara Ranch



Reimbursement Appears Inadequate

Spain vacation flights alone on a G550 priced at **\$400,000+⁽²⁾**, yet CEO reimbursed Masimo \$100,000 for full year of travel in 2023.

*Perhaps a legitimate business purpose in late August, but worth noting that Mr. Kiani's immediate family member attends school in Philadelphia.

Source: ADS-B Exchange flight tracking.

1. White House visitor logs.

2. Estimated cost for Spain vacation flight based on third-party charter rates quoted for the trip.

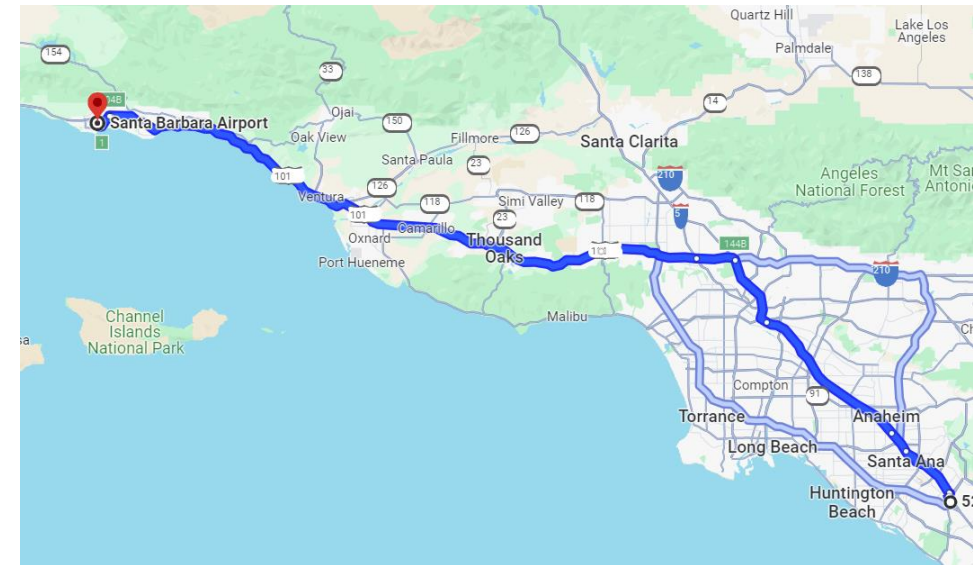
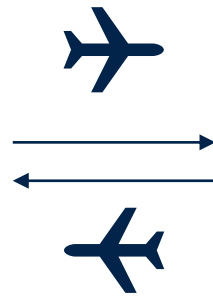
CEO Uses Corporate Jet to Travel Short Distance to His Personal Ranch at Great Expense to Shareholders and the Environment



Over two years, Mr. Kiani took **56 flights from Irvine to Santa Barbara**

- On a G550, each flights costs ~\$25,000+ at third-party charter rates⁽¹⁾ — equating to ~\$1.4M cost to Masimo shareholders.
- ~160+ mt of CO₂ emitted — directly counter to environmental pledges.

Driving time from Irvine to Santa Barbara is ~**2.5 hours**



We hope to promote the health of the environment and encourage our employees, customers, and shareholders to do the same.”

Mr. Kiani, Masimo Sustainability Report



ADS-B Exchange flight tracking. Over the course of 2022 through 1Q24. Google maps.

1. Based on several third-party quotes, however, as third-party charters won't even fly such short distances on such a large private jet, these quotes are theoretical.

Change Is Urgently Needed

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

Board Has Consistently Refused to Change Despite Continued, Extraordinarily High Protest Votes by Shareholders

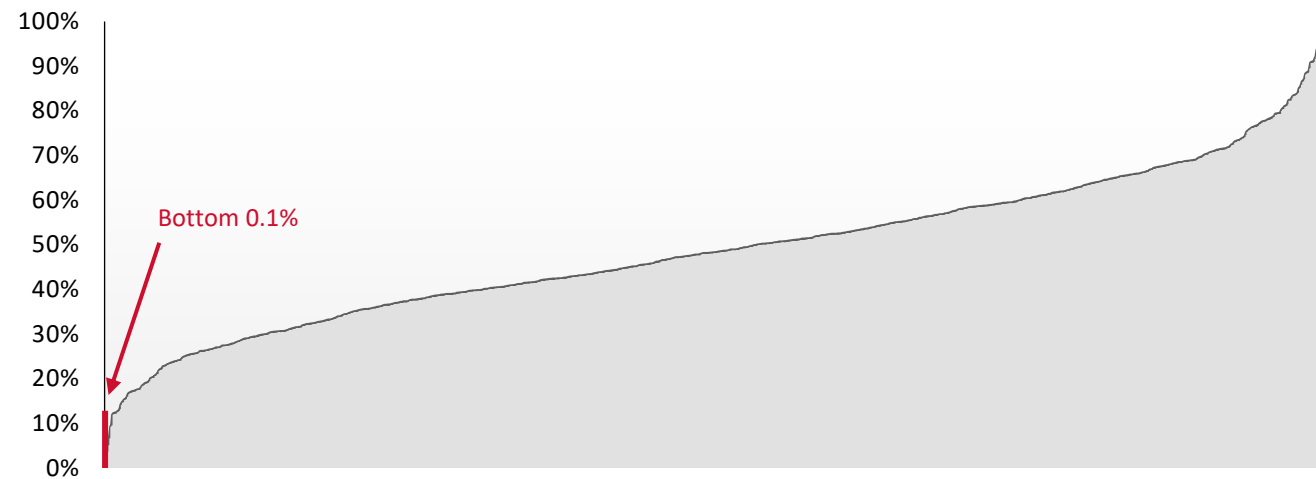


Shareholders Consistently Vote Against Comp

Bottom 0.1% of Russell 3000 for “Say-on-Pay” vote results since votes first required in 2011.

- Failed 6 out of 13 times.
- Even in years passed, bottom 4th percentile.
- Only 3 other US companies with this bad a record.

Say-on-Pay Historical Average Percentile of Russell 3000 Since First Required in 2011



Shareholders Consistently Vote Against Directors

Bottom 2nd percentile of Russell 3000 for votes against directors (“withholds”) over the past decade.

- In 2023, directors were bottom 1st percentile.
- In 2022, directors were bottom 2nd and 5th percentile.
- Only twice in past decade has an independent director been above bottom 33rd percentile.

Director Votes Historical Average Percentile of Russell 3000 Over Past Decade



Company filings and ISS Corporate Solutions voting data. Percentile of Russell 3000. Calculations exclude Mr. Kiani’s stake, as provided by company’s annual proxy statement. If Mr. Kiani’s stake were included, votes against directors would instead be in the bottom 3rd percentile.

Board Has Long Been Hostile to Dissent or Independent Oversight



Continually Critical of Largest Shareholders



[BlackRock’s] long-term is three to four years, and it’s valued year to year. ... I started trying to understand why are these people reacting like this? ... So even a BlackRock that might be in a stock for 10, 20 years, **it’s a year-to-year evaluation, whether they’re going to stay in it or not.** That’s my understanding — **BlackRock, Fidelity, every investor. No one looks at it the way I do...**

Mr. Kiani, Deposition, Jan 2023



Refuses to Meet Shareholders



[Masimo policy is that the Board] **never meet[s] with shareholders.**

Mr. Kiani, Deposition, Jan 2023



Blames Proxy Advisory Firms, Not Governance



No, we don’t [have a good corporate governance reputation] because ISS and the way people want to put everyone on that mediocre slot. **I mean, a lot of the things ISS says this or that about, I disagree with. I think—I think they are a problem. They’re part of a problem in our society.** And when they began ... what do they say? We’re going to go set this thing up, but the real money isn’t going to come from the Fidelitys of the world. It’s going to come from Masimos of the world that’ll pay us consulting fees to get the votes they need.”

Mr. Kiani, Deposition, Jan 2023



Board Views What Shareholders Want as Conflict

- In 2015, Robert Coleman, Compensation Committee Chair, refused Mr. Kiani’s compensation demands because shareholders opposed them.
- Mr. Kiani retaliated by revealing personal information about Mr. Coleman to the Board, pressuring him off with no public disclosure.



He [Mr. Coleman] just said **he’s afraid of doing what he thinks should be done with my agreement because he would lose his board seat...** [A]fter I told the full board what he told me one-on-one...he said to me, ‘I cannot be here anymore because of all the things you said I told you in our one-on-one conversation.’ He was embarrassed about it.”

Mr. Kiani, Deposition, Jan 2023



Utterly Dismissive of Board Oversight



Meddling [in] every little thing in a company, **isn’t a board’s job.** Their job is to hire a great CEO.... Everyone should know who to follow, who to listen to. So while I am CEO of the Company ... I need to be Chairman. **I don’t want to have a lead director because I think it gets in the way** Some people may disagree with me. But if anyone does, they can fire me.”

Mr. Kiani, Deposition, Jan 2023



Never Read CEO’s Employment Agreement

Previous Lead Independent Director testified that **he had never even read Mr. Kiani’s employment agreement** before agreeing to 2022 amendments that led to company failing Say-On-Pay. In addition to being LID, he had been a member of the Compensation Committee for two years and on the Board for nearly five years.



Question: In any capacity on the board, **you have not reviewed Mr. Kiani’s employment agreement?**

Mr. Cohen: **I have not.**

Director Cohen, Deposition, Jan 2023



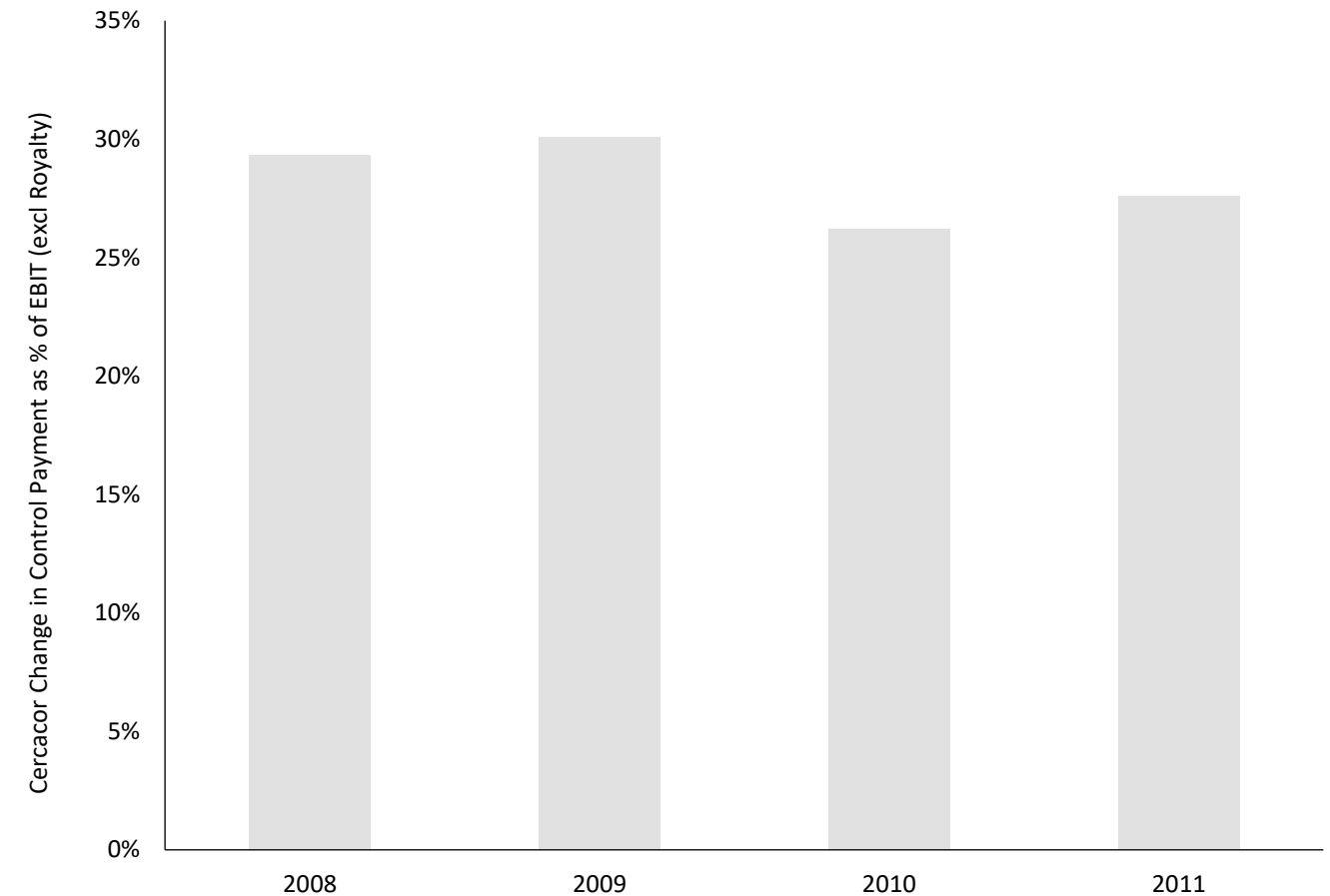
Long History of Extraordinary Entrenchment Devices: Cercacor Spinoff Functioned as a Poison Pill for a Decade



Cercacor Functioned as Poison Pill for a Decade...

- Mr. Kiani is majority owner as well as Chairman & CEO of Cercacor.
- Embedded in what is otherwise nominally titled a licensing agreement between Masimo and Cercacor is a provision that served as a poison pill for a decade.
- If for any reason Mr. Kiani is not Chairman & CEO of Masimo, then Masimo forced to pay minimum royalty of \$17M per year to Cercacor.
- For a decade, this trigger payment was equivalent to ~30% of EBIT – functioning as poison pill that entrenched Mr. Kiani in office at Masimo.
- Today, Masimo pays Cercacor \$19M per year and as such the above referenced trigger no longer represents an incremental payment / poison pill.
- The Cercacor arrangement has amounted to a \$1B value transfer⁽¹⁾ from Masimo shareholders to an entity majority owned by Mr. Kiani.

...With Annual Trigger Payment That Once Was Equal to ~30% of EBIT



Company filings. EBIT excludes royalty payments received from litigation settlement.

1. Valuation calculated as the sum of a) historical payments, grossed up at 8% discount rate, b) future royalty payments grown at 10% growth rate and discounted back to today at 8%, and c) terminal value at 2.5% growth rate discounted back to today at 8%. Company estimates \$2B TAM for Rainbow with Masimo market share at 100%, allowing for well over a decade of 10% annual growth. Using 10 years of future royalty payments results in pretax value transfer of nearly \$1B. Using Company cost of debt as discount rate (5.6% as per Bloomberg) results in pretax value transfer of \$1.5B. Using 15 years of future royalty payments results in pretax value transfer of \$1.1B and \$1.9B, using 8% and 5.6% discount rates, respectively.

Long History of Extraordinary Entrenchment Devices: Compensation Agreement Functioned as Poison Pill for Past 9 Years



Not an Actual Employment Agreement...

Enormous change of control provisions (\$400+M) stuffed into employment agreement in 2015 and subsequently amended twice (2017 and 2022) to make permanent and tighten triggers.



...**extraordinary** change of control provisions were **stuffed in what is otherwise titled a compensation agreement.**"
Delaware Vice Chancellor Nathan Cook, Court Transcript, Nov 2023



...and Noted as an Appalling Entrenchment Device by Many

Longtime Shareholder



CalSTRS has been a Masimo stockholder for more than a decade...Masimo CEO's **employment agreement is not only counter to the best interests of the Company's stockholders, but also sets a dangerous precedent.**"

Aeisha Mastagni, CalSTRS, Mar 2023



Delaware Judge



This is an **astounding amount of consideration ... truly amazing...** [these provisions] **preclude the board from exercising its statutory and fiduciary duties to manage the corporation in the best interests of the corporation and its stockholders, and thus amounts to abdication...**I'm not sure that for a lot of these provisions, and certainly for them together...there really is a parallel."

Delaware Vice Chancellor Nathan Cook, Court Transcript, Feb 2023



Compensation Expert



Masimo's CIC agreement is **the most egregious and problematic that I have ever seen or believe exists in the United States.**"

James Reda, Compensation Expert Report, Jan 2023



Even Masimo's Own Director



I thought **the employment agreement that existed alone was a sufficient poison pill** and it was surprising to me that anyone would want two board seats..."

Director Mikkelson, Deposition, Jan 2023








Long History of Extraordinary Entrenchment Devices: Bylaw Amendments Were an Attempt to Block Nominations



Enacted Bylaws to Block Shareholder Nominees...

- Bylaw amendments sought to block shareholders from nominating, because Masimo directors believed they would lose a proxy contest.
- Widely criticized by shareholders, governance community, and Delaware judge as preclusive.

...Leading to Intense Criticism

Delaware Judge	<p>“There should be zero doubt, however, that the repeal of the challenged advance notice bylaw provisions here had remarkable value and was, frankly, an extraordinary corporate benefit.... Politan blew this case out of the water...Politan achieved extraordinary corporate benefits.”</p> <p style="text-align: right;">Delaware Vice Chancellor Nathan Cook, Court Transcript, Feb 2023</p> 
ISS	<p>“The amended advance notice provisions were an affront to shareholders, and the decision by the board to adopt and then vigorously defend them cannot be justified.”</p> <p style="text-align: right;">ISS, June 2023 </p>
Managed Funds Association	<p>“ (Masimo’s) provisions are designed to discourage investor engagement that would strengthen corporate governance by forcing the disclosure of proprietary and sensitive confidential information..”</p> <p style="text-align: right;">MFA Amicus Curiae Brief, Feb 2023 </p>
Media	<p>“A fight for the boardroom of America</p> <p>When you’ve found a corporate defense that makes Wachtell uneasy, you’ve overshot... The Delaware court has to balance two things: giving corporate managers the freedom to run their business, and ensuring accountability and reasonable access to the ballot for shareholders. This bylaw will kill the latter, and goes too far in the tug-of-war between management and shareholders.”</p> <p style="text-align: right;">Semafor, Nov 2022 </p>
...Even Activism Defense Advisors	<p>“ [Masimo] adopted several of the most aggressive advance notice bylaw provisions considered (and previously dismissed) by shareholder activism defense legal practitioners... When companies adopt these types of bylaws, and particularly if they do so in the face of an imminent proxy contest, they run a risk of undermining reasonable and appropriate advance notice bylaws.”</p> <p style="text-align: right;">Sidley Austin, Nov 2022 </p>

Long History of Extraordinary Entrenchment Devices: CEO-Selected, Small, and Staggered Board Ensures No Independence



CEO-Selected

- Mr. Kiani has always selected every director to join the Board.
- Continues today as Reynolds, Chapek, and Chavez were identified by Mr. Kiani not a search firm.



...the board has effectively been assembled by the CEO, which undermines independence, and creates uncertainty about where loyalties lie.”

ISS, June 2023



Unusually Small

- In ~17 years as public company, Board has averaged less than 6 directors.
- Promised in 2015 and 2023 to expand to seven directors but remains at six today.

Number of Directors Percentile of Russell 3000



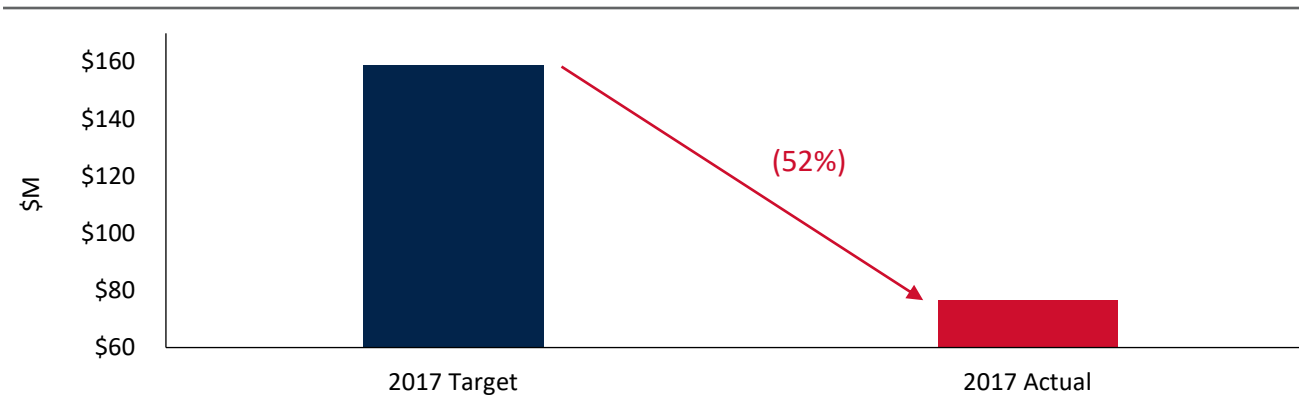
Staggered

- Board has been staggered since 2007 and will remain so until 2026.
- Even today, use slow de-staggering for entrenchment:
 - Mr. Chapek (Kiani-selected and added in 2024) will not be up for a shareholder vote until 2026.
 - Despite Politan offer for Mr. Kiani and Mr. Reynolds to effectively switch classes, they refused in order to raise the stakes for institutions to have to vote Mr. Kiani off the Board to achieve majority of truly independent directors.

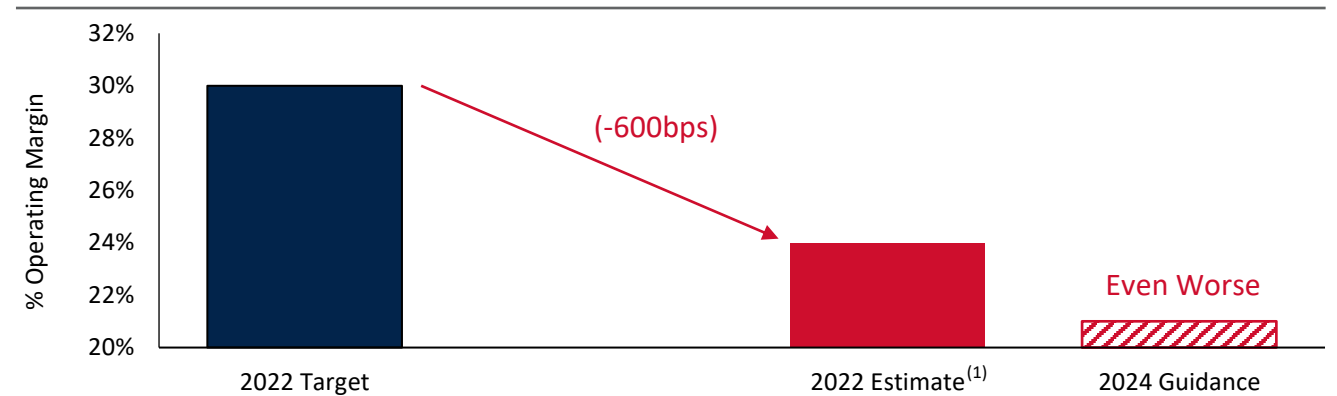
Entrenchment Against Shareholder Accountability Results In: Constantly Missing Financial Targets



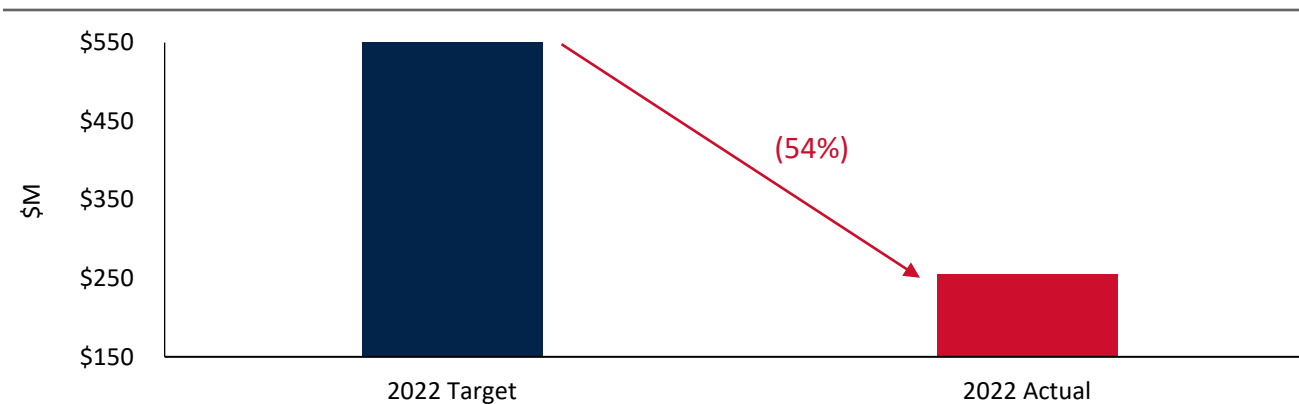
Missed 2012 Non-SET Revenue Target for 2017



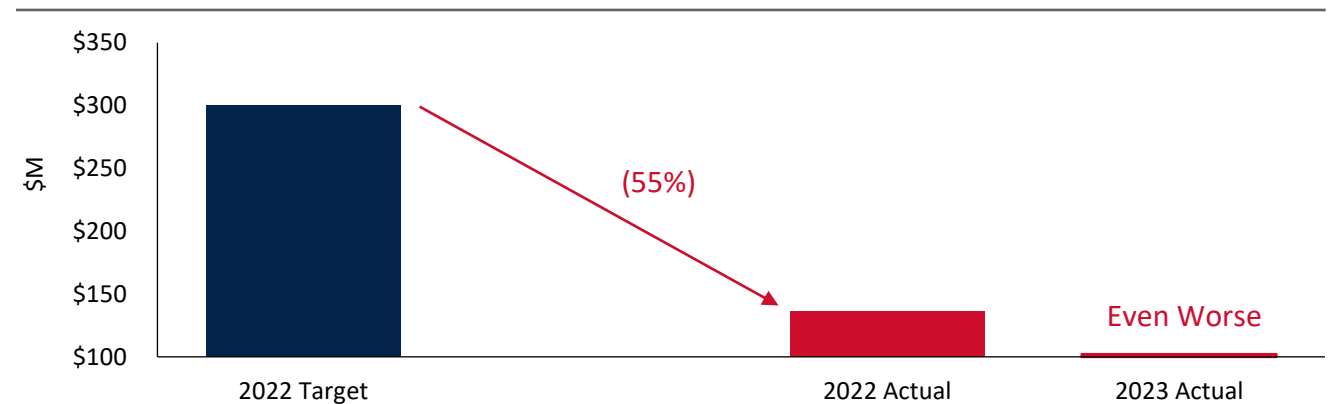
Missed Company 5-Year Margin Target for 2022



Missed 2017 Non-SET Revenue Target for 2022



Missed Company 5-Year Average Free Cash Flow Target for 2022



Company filings, transcripts and Politan estimates.

1. Politan estimate as Masimo acquired Sound United mid 2022 and did not disclose Healthcare segment operating margin.

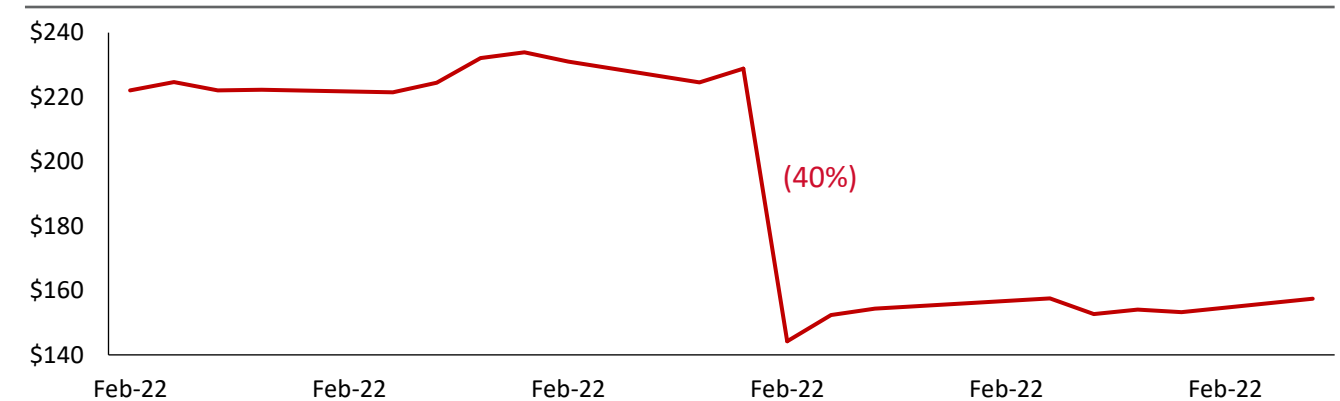
Entrenchment Against Shareholder Accountability Results In: Poor TSR & Repeated Stock Collapses Due to Crisis in Confidence



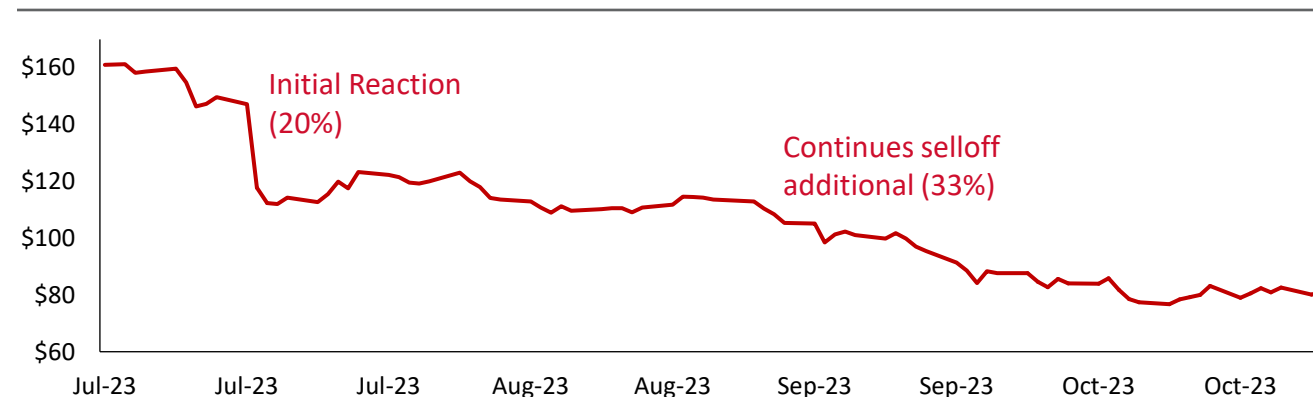
Long-Term Stock Price Underperformance vs. Peers, Over All Times

Masimo TSR vs.	1 Year	3 Year	5 Year
Masimo's Proposed Peers	(14%)	(36%)	(98%)
Sell-Side Peers	(30%)	(62%)	(75%)
Broader Medical Device Peers	(13%)	(32%)	(36%)
Medical Devices Index	(22%)	(43%)	(55%)
Russell 3000 Index	(45%)	(74%)	(102%)

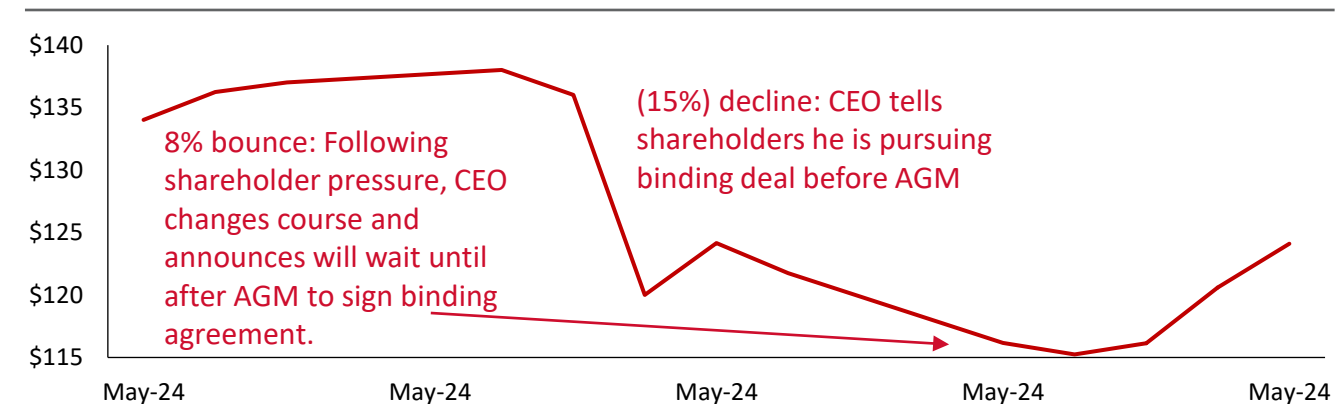
40% Decline After Sound United Acquisition



50% Decline After Concerns of Inflated Numbers



15% Decline After SEC Subpoena & CEO Calls

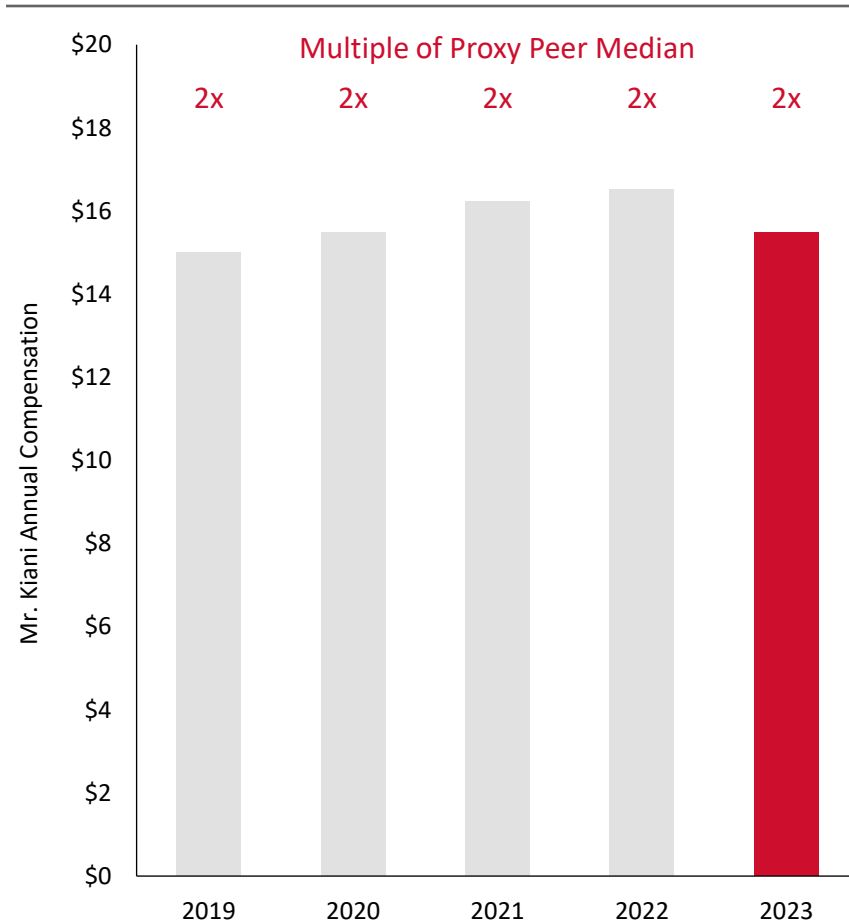


Bloomberg data as of June 21, 2024, Friday prior to filing of presentation. Please see slide 44 for information on peers.

Entrenchment Against Shareholder Accountability Results In: Related Party Conflicts Getting Worse Over Time



Outsized Annual Compensation



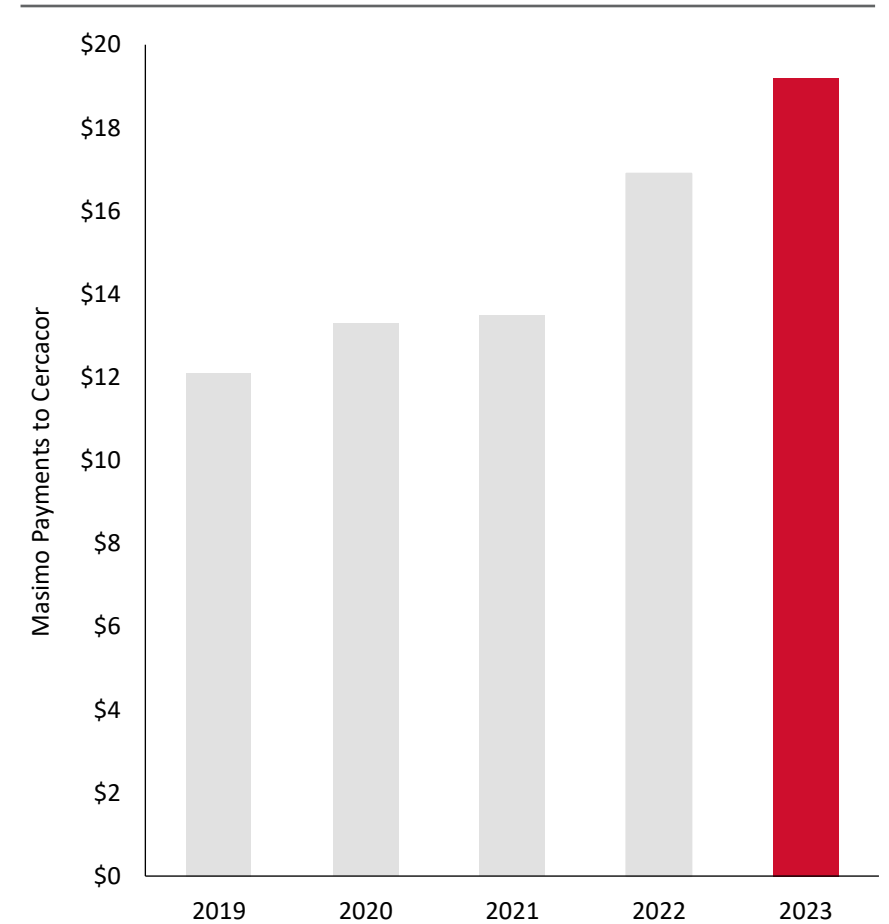
Unprecedented Change in Control Payment Worsens

- 2015: Change in Control payment put in place
- 2017: Change in Control payment made permanent
- 2022: Additional benefits conferred
- Today:

\$400M+
Mr. Kiani change in control payment

28x
Proxy peer median

Side Payments Continue to Grow



Company filings, Bloomberg. As of June 21, 2024, Friday before presentation filed publicly.

Recurring Record of Broken Governance Means No Credible Prospect for Improvement, Yet Now Determining Separation



Longstanding Constantly Recurring History of Broken Governance Harming Company

Current Board About to Determine Separation

Independent oversight of separation process is vital:

- Significant risks involved in transferring or licensing Masimo's IP, trade secrets, and/or trademarks to another entity.
- Significant risk from related party conflicts for Masimo CEO and substantial risk of impairing value of Masimo's Professional Healthcare business as assets are transferred to new ConsumerCo.

Change Is Urgently Needed

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor



1 Despite Failure of Sound United Acquisition, CEO Refuses to Evaluate a Clean Exit

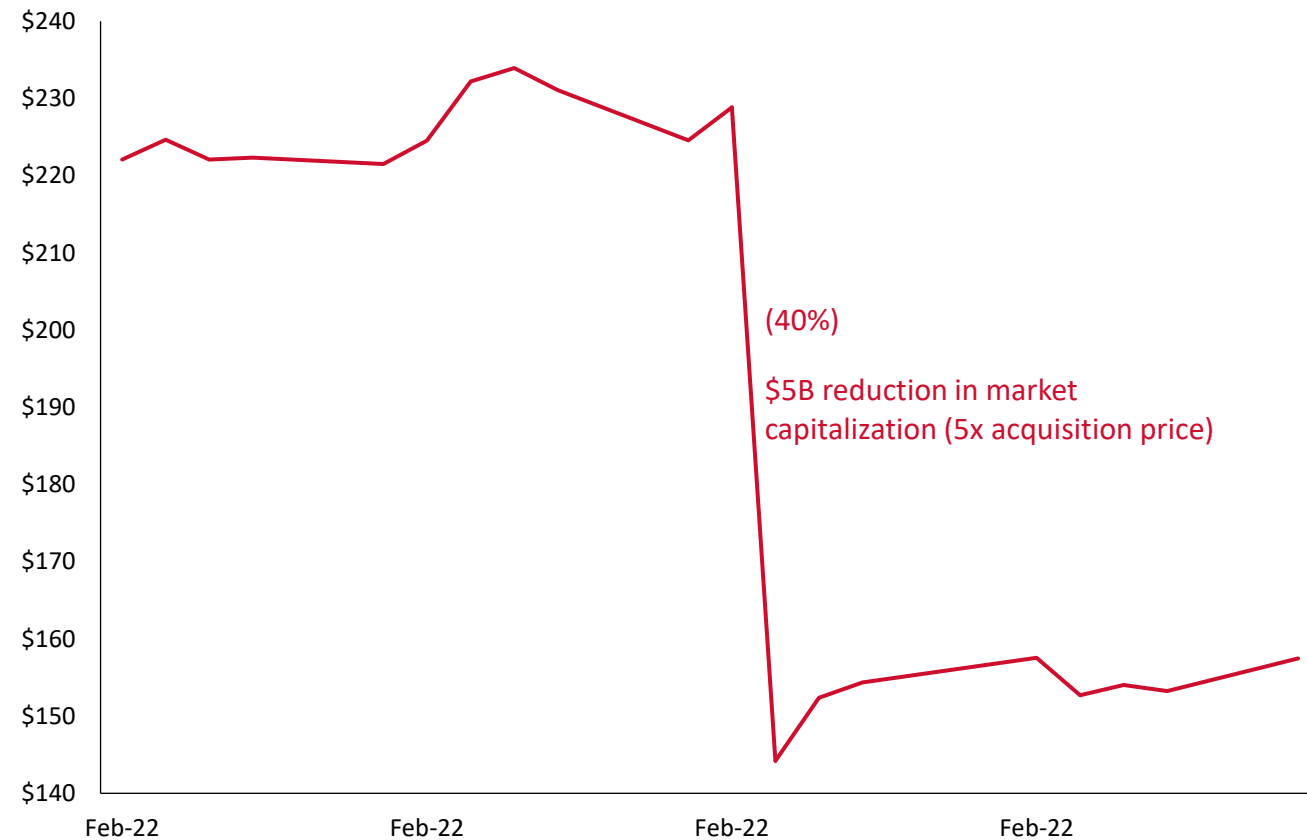
2 CEO Only Pursuing Separation with Risky IP Transfers, Related Party Conflicts, and No True Board Oversight

3 Politan Wants What All Shareholders Want—Separation Done Right

Shareholders Never Wanted Sound United: \$5+ Billion Drop in Valuation From a \$1 Billion Acquisition



Unprecedented Collapse Reveals a Crisis in Confidence



Many Longtime Shareholders Exited Their Investments in Masimo

- **7 of the top 20 shareholders** exited following the acquisition of Sound United.⁽¹⁾
- Average holding period of exiting shareholders was **6 years**.
- Top shareholders exited at **11x normal levels**.⁽²⁾
- Exiting **not explained by market trends** as Masimo shareholders exited at 6x peer levels.⁽³⁾



If the market hated the deal, you would just write off \$1B, but they wrote off \$5B.”⁽⁴⁾



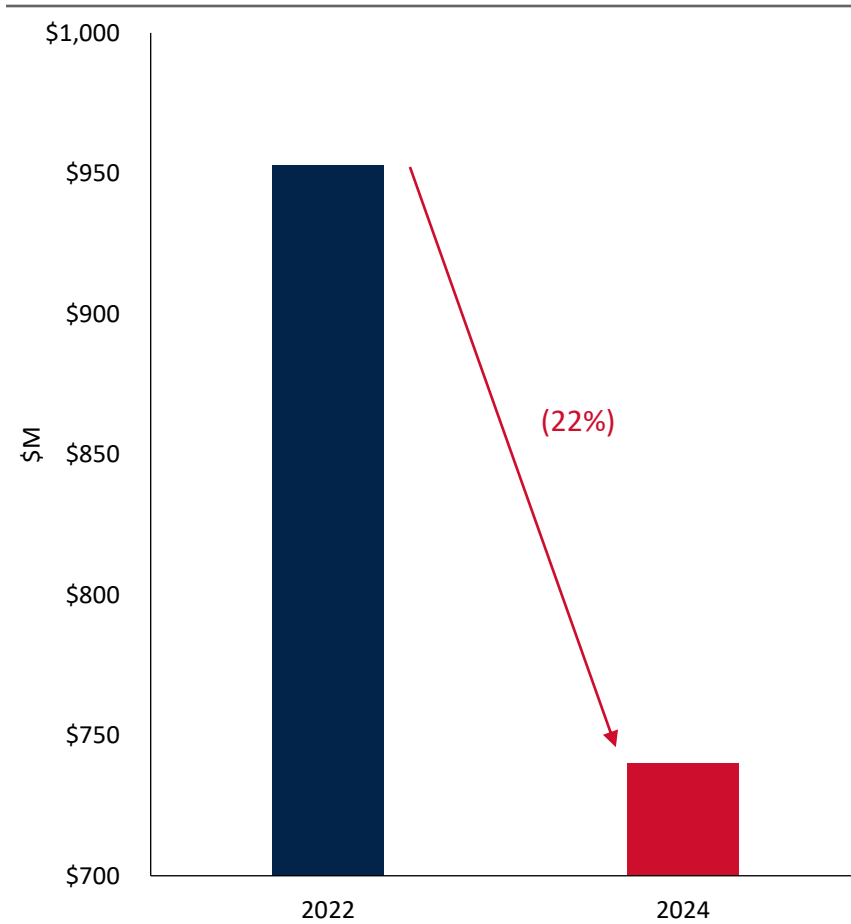
Bloomberg

1. Calculated as the number of beginning top 20 shareholders (excluding Mr. Kiani) who reduced initial position by >85% over subsequent two quarter period.
2. Compares top 20 shareholders exiting Masimo post-Sound United with the average top 20 shareholders exiting Masimo over two quarters for the preceding three years prior to Sound United.
3. Compares top 20 shareholders exiting Masimo to the average top 20 shareholders exiting proxy peers over the two quarters post-Sound United.
4. Wolfe research webcast on September 16th, 2022.

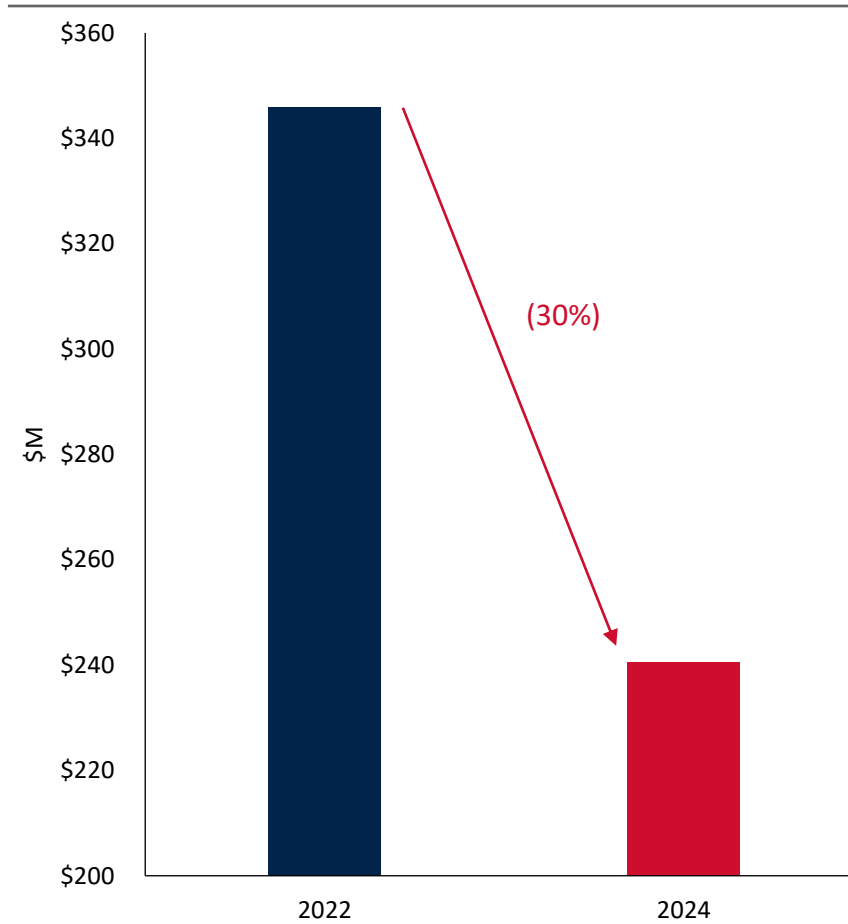
Masimo's Ownership of Sound United Has Clearly Been a Failure



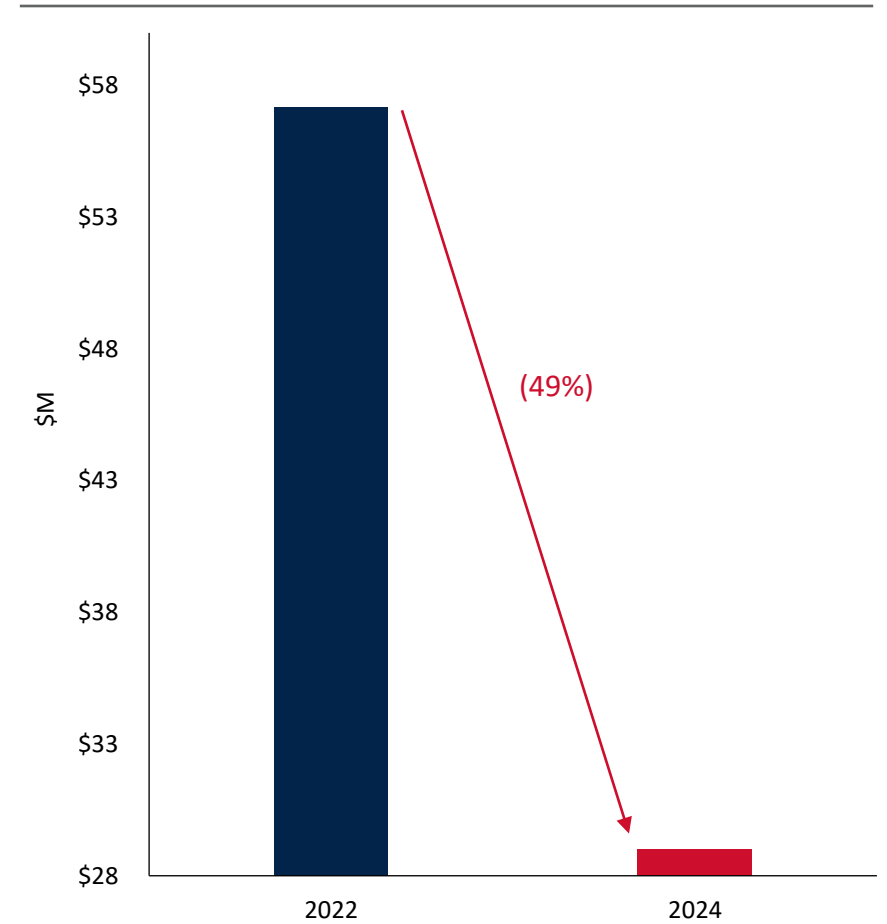
Revenue Is **Down 22%**



Gross Profit Is **Down 30%**



EBIT Is **Down 49%**



Company filings, Politan estimates.

Rationale of Acquiring Sound United for Distribution Has Proven Wrong



Justified Acquisition of Sound United Based on Need for Distribution



So a big reason for this acquisition is our conclusion that we have some really incredible products coming out, without a **incredible distribution channel** and team."

Mr. Kiani, May 2022



The reason we did this was, we've made a lot of investment in the innovation. We had the products ready to go, but we saw a pretty heavy multi-year investment required to build out the consumer distribution channels with the acquisition where **we got immediate access to 20,000 points of retail distribution globally.**"

Micah Young, CFO, Jan 2023



If you look at the consumer channel and infrastructure. Masimo is a standalone business. We had a limited consumer channel and infrastructure.... If you look at the combination of the companies and bringing on the Sound United team. **We now have immediate access to over 20,000 points of retail distribution.**"

Micah Young, CFO, Dec 2022



And that's where Sound United came in. **We needed channel access...**"

Eli Kammerman, IR, June 2023

Distribution Has Not Worked...

Stork:

~\$0 of Sales

Freedom Watch:

Failure to launch

Mr. Kiani Refuses to Acknowledge the Problems

Continues to Defend Sound United Acquisition



...I just want to say we're two years into acquiring Sound United... **And it's gone very well.**"

Mr. Kiani, June 2024



Long term, I was **going to be right** that the best thing for Masimo was to keep it all together."

Mr. Kiani on CNBC, May 2024



...Since then, [Sound United] has been **constantly reminding us that what a good thing we did to acquire it...** So no, **I more than ever believe in it...**"

Mr. Kiani, Nov 2023



So no, I'm sorry, you still feel like I should get rid of [Sound United], but we don't. **We still think it was the right decision.**"

Mr. Kiani, Aug 2023



Despite Reality of Poor Performance



Versus initial numeric expectations **Sound is underperforming**. Company asked for three years to 'prove this'. Fine [...] So rubber meets road in 2024. In meantime, **it's irritating to hear about how great it is going** when we're left with **negative revision after negative revision.**"

Nov 2023



Mr. Kiani Refuses to Simply Sell Sound United; Claims He Is Successfully Reaching Goal to Avoid Divestment



Pledges 3-Year Review With \$200M Sales Threshold



As we announced – when we announced we’re going to acquire Sound United, **I said, give us three years, and if in three years it’s not working, we’ll get rid of it.**

Mr. Kiani, Nov 2023



We’ve been pretty public about the **threshold of success** there. It’s getting to a point where you’re looking at **annualized sales of \$200 million. And that’s for the consumer health and wellness products specifically.**

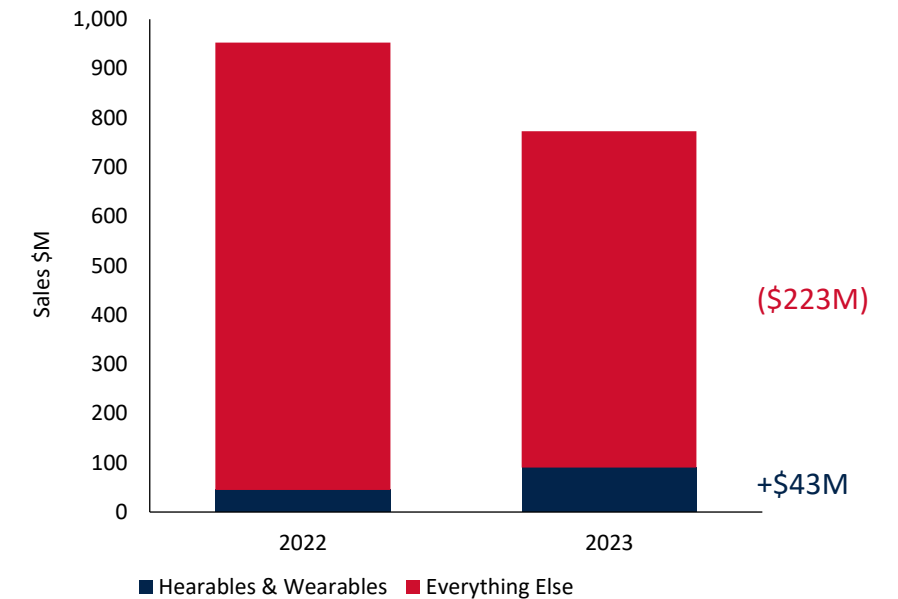
Eli Kammerman, IR, Mar 2024



But Misleadingly Claims Already \$100M Towards Goal Because of Hearables & Wearables

Claiming they are \$100M toward goal is disingenuous:

- These are headphone sales, **not consumer health and wellness products.**
- ~\$40M of the headphone sales **predate Masimo’s acquisition** of Sound United.
- 100% of the headphone sales relate to **pre-existing Sound United products.**
- The \$43M increase has come while overall consumer audio sales have **declined ~\$180M** since acquisition.



Unclear if the \$43M increase in sales is even profitable given substantial shift in sales team focus to headphones as well as increased marketing spend.

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

1 Despite Failure of Sound United Acquisition, CEO Refuses to Evaluate a Clean Exit

2 CEO Only Pursuing Separation with Risky IP Transfers, Related Party Conflicts, and No True Board Oversight

3 Politan Wants What All Shareholders Want—Separation Done Right

The Last Time Mr. Kiani Oversaw a Separation It Resulted in Egregious Personal Benefits and Entrenchment: Cercacor



Cercacor Separation Functioned as a Means to Enrich and Entrench CEO...

- Masimo spun off Cercacor of which Mr. Kiani is Chairman, CEO, and majority owner.
- Cercacor controls intellectual property licensed in Masimo’s Rainbow products.
- Masimo paid Cercacor \$19M in royalties for 2023, expected to grow this year.
- If for any reason Mr. Kiani is not Chairman & CEO of Masimo, then minimum royalty payment of \$17M per year is payable regardless of Rainbow sales.
- **Today this liability is equivalent to ~\$1B⁽¹⁾.**

...And a Poison Pill for Masimo’s First Decade as Public Company (Not Anymore)

- Change in control annual payments were equivalent to ~30% of EBIT — functioning as poison pill for many years until Masimo outgrew them.



Rights provided to Cercacor in the Cross-Licensing Agreement **may impede a change in control of our company.**”

10K, Feb 2011



**Cercacor Separation Resulted in ~\$1B Liability⁽¹⁾ for Masimo Shareholders,
A Significant Value Transfer to Mr. Kiani Personally and Previously Served as a Poison Pill Entrenching Him in Office for a Decade**

Company filings. EBIT excludes royalty payments received from litigation settlement.

1. Valuation calculated as the sum of a) historical payments, grossed up at 8% discount rate, b) future royalty payments grown at 10% growth rate and discounted back to today at 8%, and c) terminal value at 2.5% growth rate discounted back to today at 8%. Company estimates \$2B TAM for Rainbow with Masimo market share at 100%, allowing for well over a decade of 10% annual growth. Using 10 years of future royalty payments results in pretax value transfer of nearly \$1B. Using Company cost of debt as discount rate (5.6% as per Bloomberg) results in pretax value transfer of \$1.5B. Using 15 years of future royalty payments results in pretax value transfer of \$1.1B and \$1.9B, using 8% and 5.6% discount rates, respectively.

Today, Mr. Kiani Claims He Is Listening to Shareholders, But Only Pursuing a Risky Transaction With Related Party Conflicts



Claims “Listening Tour” of Shareholders



Well, we began talking about doing a spin off after my CFO and I went on a **listening tour** meeting our major shareholders.”

Mr. Kiani on CNBC, May 2024



But Only Pursuing a Deal That Poses Severe Risk to Masimo

- Refuses to allow Board to evaluate clean sale of Sound United.
- Mr. Kiani only pursuing alternatives that involve **significant transfer of intellectual property, trade secrets, and trademarks** in a transaction where he ultimately will be on the other side — **not what shareholders asked for.**

Mr. Kiani’s Proposed “Separation” Is Fraught With Risk: Creating a Future Competitor And / Or Impairing Masimo



A Separation Must Not Impair Masimo

- A clean sale of Consumer Audio — reversing the Sound United acquisition — is simple.
- But any separation involving Masimo’s intellectual property is highly complex.
- The line between Hospital-at-Home and Consumer is a thin one and evolving.
- A separation should not create a company that will compete with Masimo in its future markets using the company’s own IP and trademark. Therefore, it requires thoughtful and thorough analysis with unconflicted, independent oversight.

Licensing Masimo IP Requires Thoughtful & Thorough Analysis by Board

Product Portfolio Review

First, need clarity of strategic intent: clear growth strategy with understanding of core business, attractive adjacencies to enter, product roadmaps, and aligned development pipeline.

Field-of-Use and Boundary Conditions

Then, determine if able to clearly delineate field-of-use and boundary conditions sufficient to carve out applications for IP / trademarks / trade secrets without impairing Masimo and / or creating a competitor.

Technical and Legal Analysis

Finally, draw on technical and legal expertise to determine transfer of patent estates, correct drafting of licenses, and further implementation of field-of-use and boundary conditions to transfer.

**Today, This is Solely Left to CEO to Determine
With No Actual Board Involvement or Oversight**

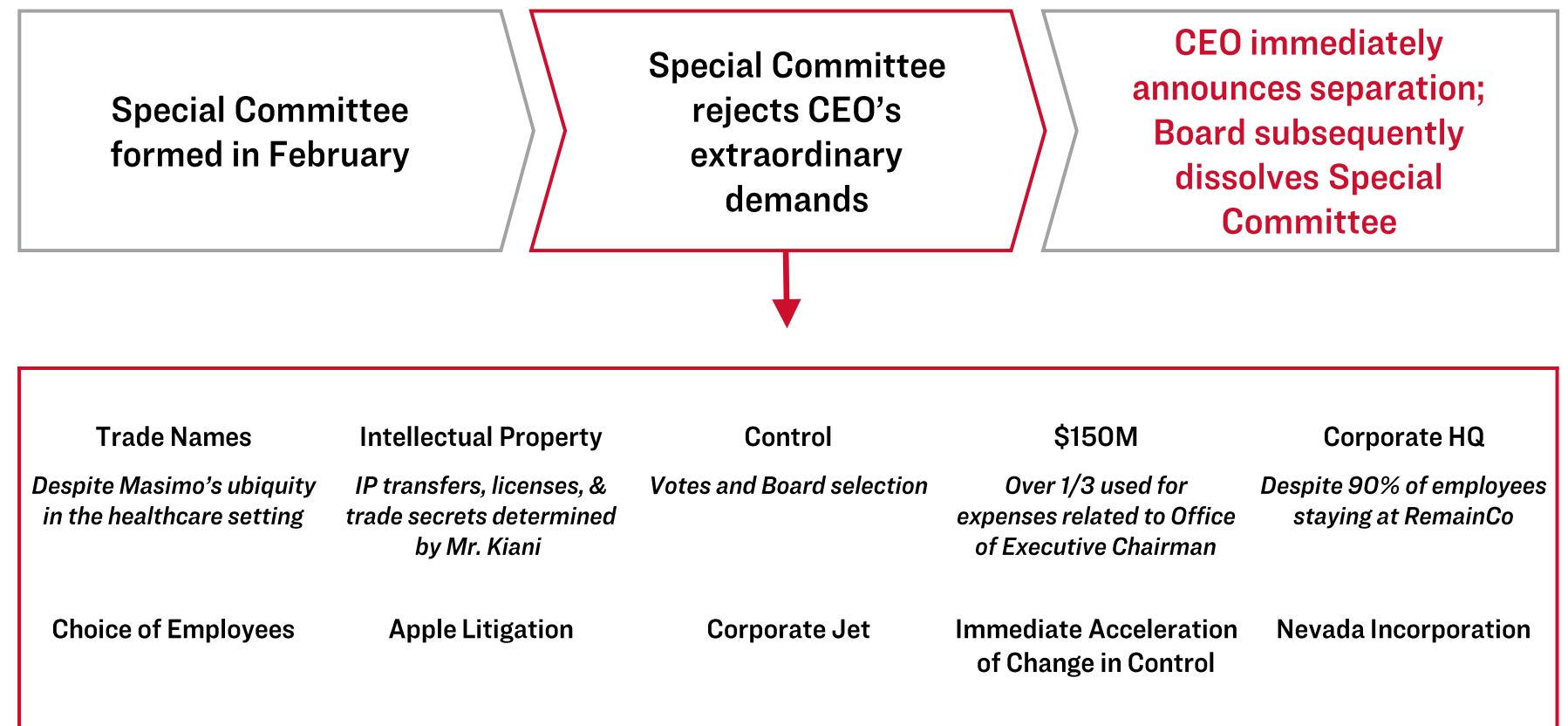
First, Special Committee Formed to Evaluate Transaction, But Dissolved by CEO When Didn't Get Everything He Wanted



Special Committee Attempted to Negotiate

- In late January, Masimo explored a separation.
- Special Committee formed in February to oversee Mr. Kiani's conflicts of interest. Blue chip advisors (Sullivan & Cromwell and Centerview) were retained and substantial analysis was done.
- Special Committee rejected Mr. Kiani's egregious demands with concerning related party conflicts.
- Analysis clearly showed the need for independent oversight of IP split to avoid **significant overhang on Masimo valuation.**
- In response, CEO called for Special Committee to be disbanded and immediately announced Separation.

Concerning Related Party Conflicts by CEO Would Have Severely Damaged Company



Today Pursuing JV/Sale That Raises Same Concerns the Special Committee Objected To



Initial Structure
Rejected by Special Committee

Currently Contemplated JV / Sale

Use of Masimo Trade Name (Brand)

Transfer / Perpetual License of Core Masimo IP

Apple Litigation

CEO's Prized Corporate Assets (HQ, Jet)

Choice of Employees

Control

Compensation

Pursuing transaction that raises the same concerns the Special Committee objected to.

Dissolution of Special Committee means Mr. Kiani is doing it without effective oversight.

Pursuing Transaction With No True Independent Oversight

Board Has Been Kept in the Dark

- Mr. Kiani **dissolved the Special Committee** after it objected to egregious related party demands and valuation impairment from IP separation, then he **pursued a transaction raising the same concerns** with JV partner.
- Mr. Kiani publicly announced intent to pursue separation an hour after Board first notified of decision and denied directors time to even consult Special Committee lawyers.
- Board only learned about existence of JV partner and discussions from the WSJ & CNBC interviews of Mr. Kiani.
- Board **only learned name of JV partner following Mr. Koffey making a Delaware 220 demand a week after Mr. Kiani signed a term sheet** and eight weeks after he signed an NDA with the JV partner.
- In fact, Mr. Kiani signed the NDA with JV partner on March 20th but **never even told** the Board at the March 22nd Board meeting anything about it.
- Mr. Kiani **adamantly refuses to allow truly independent oversight** of IP transfers despite multiple requests. He insists on a **process overseen by longtime Mr. Kiani-loyalist who sits on Cercacor and Masimo Foundation Boards and leads Apple litigation.**

Impossible to Have Confidence in a Kiani-Led Transaction Without Truly Independent Oversight



4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

1 Despite Failure of Sound United Acquisition, CEO Refuses to Evaluate a Clean Exit

2 CEO Only Pursuing Separation with Risky IP Transfers, Related Party Conflicts, and No True Board Oversight

3 Politan Wants What All Shareholders Want—Separation Done Right

Politan Statement on Separation: We Want to See It Done and Done Right



Politan **supports a strategic review** to evaluate a separation of the Consumer Business (the “Separation”), as evidenced by our ongoing efforts over the last 18 months...This is why it is clearer than ever that a majority of truly independent directors are needed at Masimo, especially given the critical importance of not only **ensuring the company follows through** on its announcement to evaluate the separation, but also to **make sure it is done right.**”

Politan, May 2024

We are supportive of a separation transaction

- We have been asking for a strategic review of the consumer business for 18 months.

We want to ensure shareholder value is maximized...

- All transaction alternatives for shareholder value maximization should be evaluated, including a sale, spinoff/separation, or JV.
- However, there are **complex questions that must be appropriately addressed around issues like Intellectual Property**, trademark, trade secrets, Apple Litigation, and Cercacor.
- Not impairing RemainCo is most important value driver for Masimo shareholders.

...and separation is not an Entrenchment Device

- CEO has already demonstrated throughout this process a desire to enrich and entrench himself at expense of shareholders.
- Prior Cercacor spinoff illustrates how CEO will use separation transaction to enrich and entrench himself.

We want independent directors with the specific expertise to evaluate

- **Dr. Darlene Solomon:** Having overseen three largescale successful separations of Agilent, Avago, and Keysight as part of Agilent’s corporate transformation, she has critical expertise informing the appropriate division of Masimo’s IP in a separation and understanding of how best to lead and retain technical talent while executing forward-looking business growth for Masimo RemainCo.
- **Bill Jellison:** Presided over billions of dollars of M&A transactions during his tenure as Chief Financial Officer at Stryker and Dentsply Sirona and would bring significant experience to the evaluation of a separation transaction at Masimo.

Shareholder Nominees Can Help to Deliver Change Immediately

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

Shareholder Nominees Can Refresh Governance and Refocus Masimo on Profitable Growth



Dr. Darlene Solomon

Former Chief Technology Officer & SVP, Agilent Technologies

- **Proven expert in R&D strategy** overseeing Agilent's technology strategy and R&D priorities under three successive CEOs across 20 years.
- Having **overseen three largescale successful separations** of Agilent, Avago, and Keysight as part of Agilent's corporate transformation, she brings critical expertise that would inform the appropriate division of Masimo's IP in a separation.
- Brings deep engineering and product portfolio experience with a thorough understanding of how best to lead and retain technical talent while executing forward-looking business growth for the Company.
- **Public board experience:** Materion and Novanta. Committee experience on all three major committees (Nominating & Governance, Compensation, and Audit).



William (Bill) Jellison

Former Chief Financial Officer, Stryker Corporation

- Brings a much-needed **financial oversight expertise** as the former CFO of Stryker Corporation and Dentsply Sirona, two leading medical technology companies.
- With significant **strategic and M&A expertise** through billions of dollars of M&A transactions during his tenure as CFO, he brings significant experience to the evaluation of a separation transaction at Masimo.
- Brings deep medical technology executive experience overseeing, implementing, and executing strategic plans, including as SVP with full P&L responsibilities for large operating divisions in the U.S., Europe, and Asia.
- **Public board experience:** Avient and recently Anika. Committee experience includes Chairing Audit Committee, Capital Allocation Committee, and Environmental, Health & Safety Committee.

Darlene Solomon Fits Company Needs Perfectly



Dr. Darlene Solomon

Former Chief Technology Officer & SVP, Agilent Technologies

Current Board Lacks...

- Majority of independent directors
- Experience overseeing complex intellectual property separation transactions
- Public company Chief Technology Officer experience

...Leading To

- Absence of effective Board oversight
- Separation transaction with significant risk and effectively no oversight
- Unfocused portfolio and unproductive R&D spending

- Independent
- Experience navigating three separation transactions (Agilent, Avago, and Keysight) and managing intellectual property divisions, talent retention, and other risks
- Experience designing, implementing, and optimizing R&D processes
- Significant product portfolio review experience
- Engineer with experience retaining technical talent

Bill Jellison Fits Company Needs Perfectly

Current Board Lacks...

- Majority of independent directors
- No audit chairman with audit experience (or even Board experience) in last 5 years
- Public company Chief Financial Officer experience

...Leading To

- Absence of effective Board oversight
- Whistler blower lawsuits and limited oversight
- EBIT Margins 35% below potential



William (Bill) Jellison

Former, Chief Financial Officer, Stryker Corporation

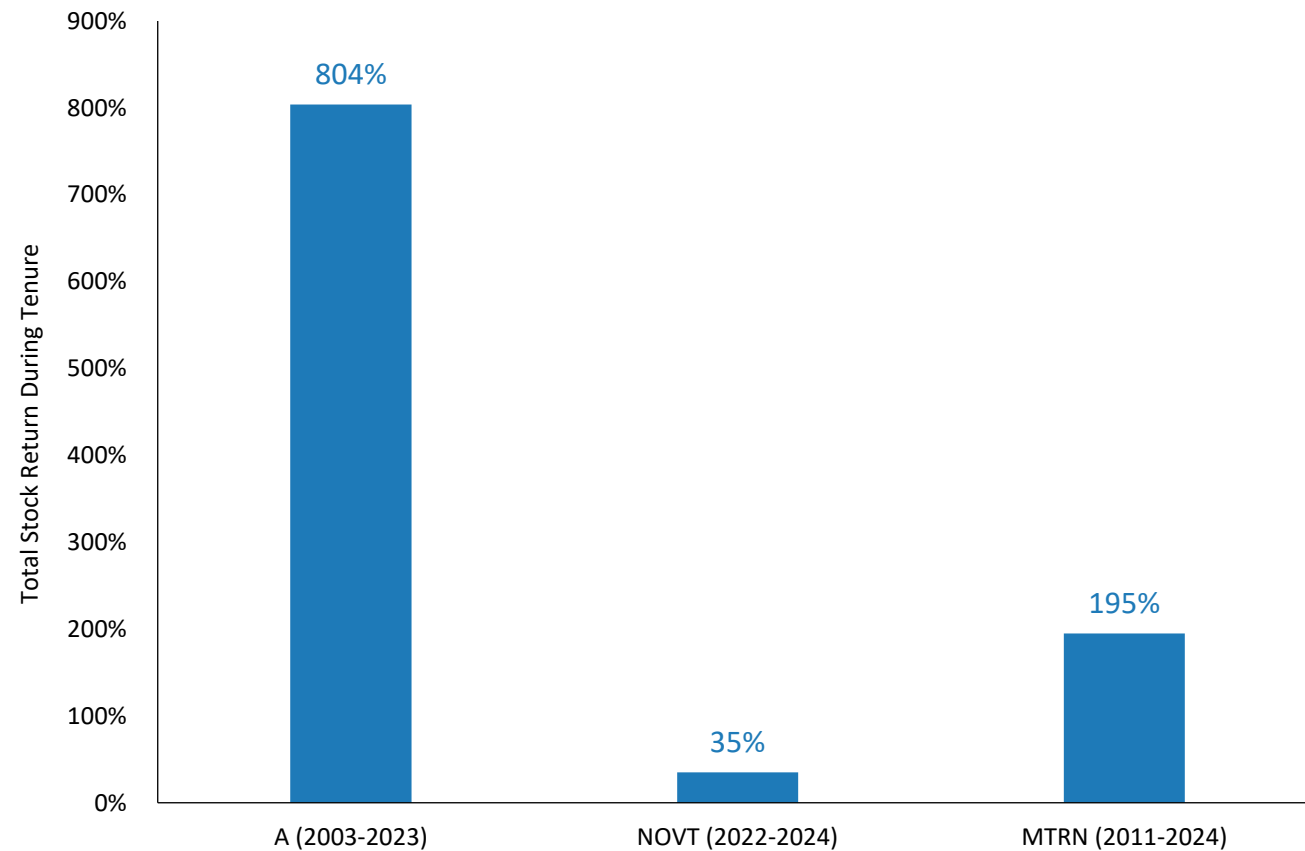
- Independent
- Experienced Audit committee chair
- Substantial experience optimizing cost structure
- Significant transactional experience

Shareholder Nominees Each Have Proven Track Records Delivering for Shareholders



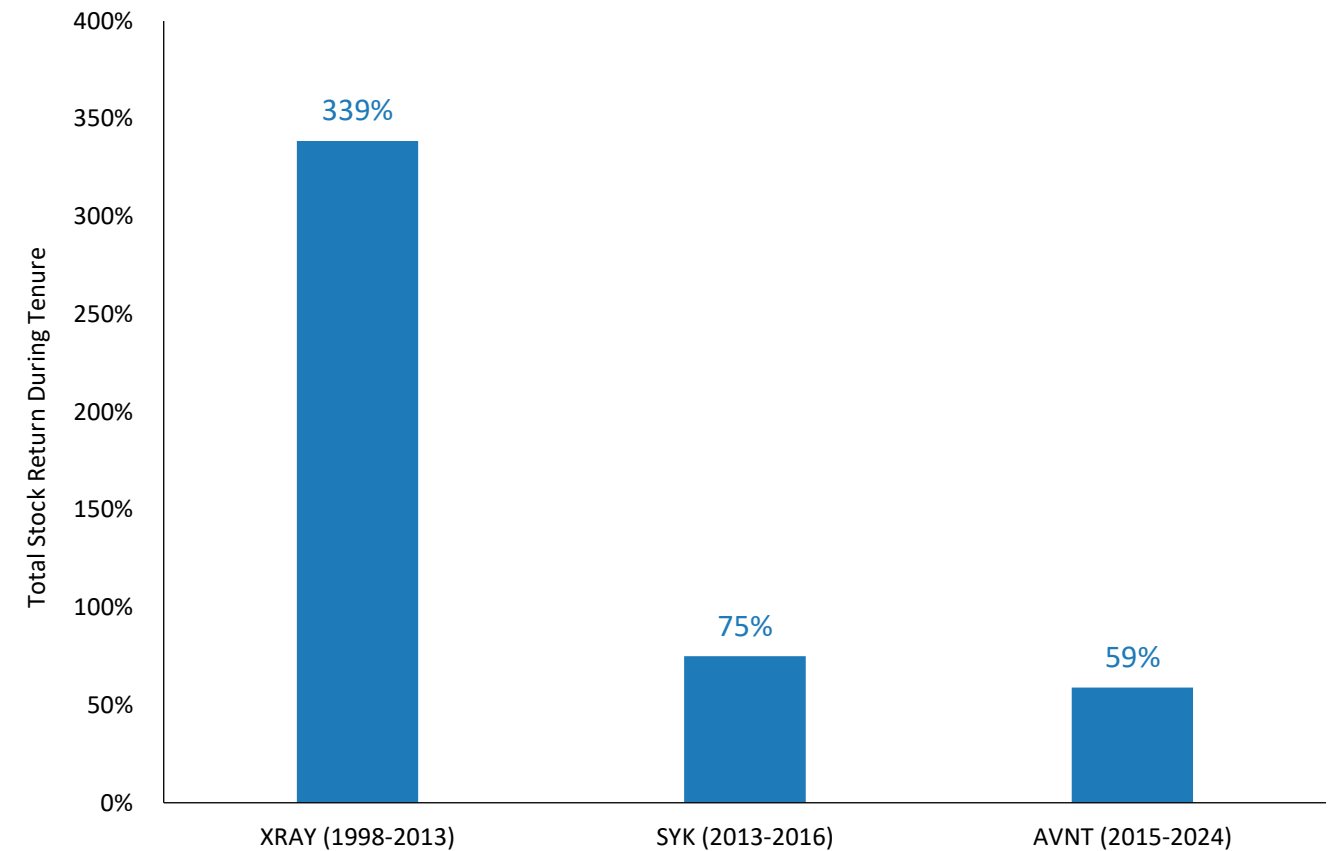
Dr. Darlene Solomon

Former Chief Technology Officer & SVP, Agilent Technologies



William (Bill) Jellison

Former, Chief Financial Officer, Stryker Corporation



Chris Chavez Not Truly Independent, Not Qualified and Has a Concerning Track Record



Not Independent

- Has **known Mr. Kiani for 22+ years**. Masimo Foundation invested in his company.
- Selected for nomination by Mr. Kiani.
- Did not come through a search firm and NomGov committee never met to consider his candidacy.
- More of the same:



...the **board has effectively been assembled by the CEO**, which undermines independence, and creates uncertainty about where loyalties lie.”

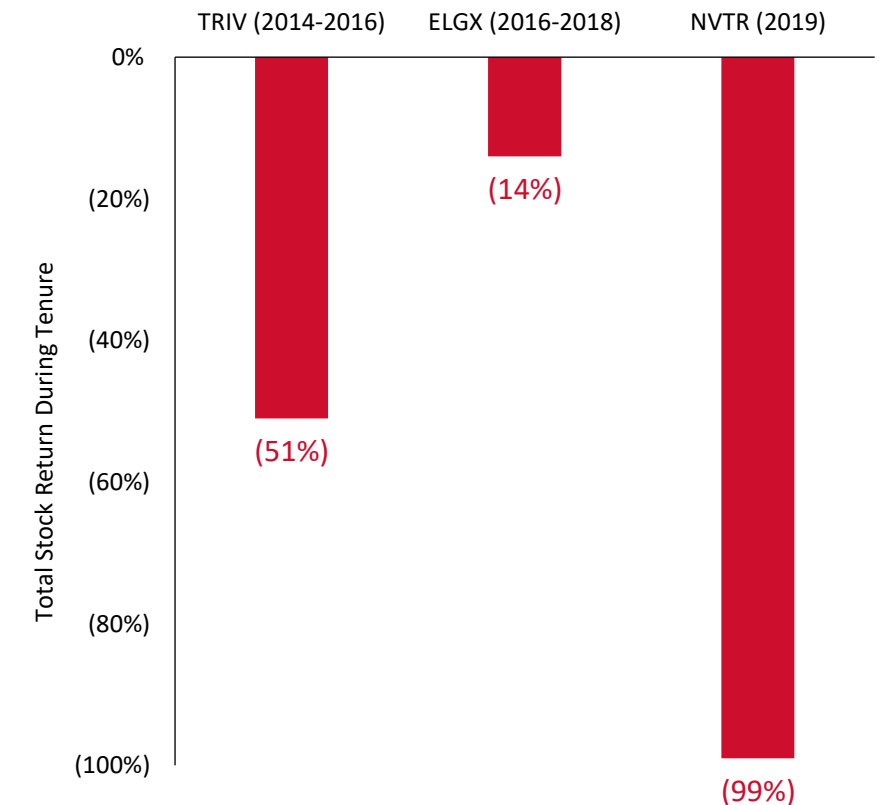
ISS, June 2023



Not Qualified Due to Track Record of Bankruptcies and Regulatory Infractions

- **Last two companies where he served as independent director went bankrupt.**
- Last executive position held was as CEO of a company **97% smaller** than Masimo.
- Division he led at St. Jude Medical received repeated **FDA Warning Letters** for process flaws.








Exceptionally Poor Total Stock Return Last Decade



Shareholder Nominees Are Unquestionably Independent and Claim That Politan Would Control Masimo's Board Is False



Shareholder Nominees found through nationally-recognized search firm and have no pre-existing relationship with anyone at Politan.

						
Michelle Brennan	Bill Jellison	Darlene Solomon	Bob Chapek	Craig Reynolds	Joe Kiani	Quentin Koffey
Independent	Independent	Independent	CEO-selected	CEO-selected		Independent
<ul style="list-style-type: none"> ✓ Found via nationally recognized, third-party search firm ✓ No pre-existing relationship with Politan or Masimo 			<ul style="list-style-type: none"> ✗ Selected by Mr. Kiani, not proposed by search firm ✗ Pre-existing relationship with Mr. Kiani 		<p>1M shares (3M shares pledged)</p> <p>We have offered to let him stay</p>	<p>4.7M shares, unpledged, no leverage</p>



...the **board has effectively been assembled by the CEO**, which undermines independence, and creates uncertainty about where loyalties lie.”

ISS, June 2023



Settlement Offers Have Been Tailored to Preserve Mr. Kiani's Egregious Demands and Risky Separation



Company Offered to Accept Jellison & Solomon in Return for Mr. Kiani Receiving Every Extraordinary Demand

- On April 4th, Masimo proposed adding Dr. Solomon and Mr. Jellison to the Board immediately in return for the Board committing to accept the extraordinary demands of Mr. Kiani that the Special Committee had rejected.
- Mr. Kiani wanted to resign as Masimo CEO and become Executive Chairman of ConsumerCo along with:

<p>Intellectual Property</p> <p>Only Mr. Kiani's preferred law firm to oversee the separation of IP</p>	<p>\$150M</p> <p>Over 1/3 used for expenses related to Office of Executive Chairman</p>	<p>Corporate HQ</p> <p>Despite 90% of employees staying at RemainCo</p>
<p>Control</p> <p>Mr. Kiani selects Board of ConsumerCo</p>	<p>Choice of Employees</p>	<p>Immediate Acceleration of Change in Control</p>

Subsequent Proposals Maintain Mr. Kiani's Control

- Every subsequent company proposal ensured that his control over IP transfers and egregious demands couldn't be stopped by a new Board.

Our Offers Seek a Truly Independent Majority of Directors; Theirs Seek to Preserve Mr. Kiani's Control and Risky Demands



What Politan Wants:

Independent Oversight of the Business and Separation, We Are Indifferent About Mr. Kiani Staying

Each of our multiple offers⁽¹⁾ achieve a **majority of independent directors** and allow Mr. Kiani to remain.

What Mr. Kiani Wants:

Continued Control and Ability to Push Through Related Party Arrangements, Even at Significant Harm to Shareholders

Each of Masimo's multiple offers **preserves Mr. Kiani's control**, either by:

- Acquiescing to his extraordinary demands as part of a separation⁽²⁾
- Deadlocking the Board to preserve status quo: no effective oversight⁽³⁾
- Allowing Mr. Kiani to select a majority of directors⁽⁴⁾

1. On March 25, Politan proposed adding Dr. Solomon and Mr. Jellison to the Board immediately and allowing Mr. Kiani to remain on the Board. On May 9 and on May 29, Politan reiterated the same proposal to Masimo. In addition, on April 25, Politan proposed Mr. Kiani and Mr. Reynolds in effect switch director classes such that Mr. Reynolds become a Class II director up for election at the 2024 AGM and Mr. Kiani become a Class III director up for election at the 2025 AGM.

2. On April 4, Masimo proposed adding Dr. Solomon and Mr. Jellison to the Board with Mr. Kiani resigning as CEO of Masimo to assume Executive Chairman role at the new consumer company, a full acceleration and payment of Mr. Kiani's special payment (worth ~\$400M at the time), the new consumer company taking substantial corporate assets (Masimo HQ and \$150M cash), the pre-selection of Mr. Kiani's preferred law firm to represent the Board in the separation of Masimo's IP, and Politan's abandonment of any remaining challenges to Mr. Kiani's compensation arrangement.

3. On May 6, Masimo proposed adding Mr. Jellison to the Board in exchange for Politan withdrawing Dr. Solomon's nomination and ending its proxy contest.

4. On May 23, Masimo proposed adding Mr. Jellison and Mr. Chavez to the Board in exchange for Politan withdrawing Dr. Solomon's nomination and ending its proxy contest.

Voting for Shareholder Nominees Does Not Trigger CEO Change in Control



Standing Offer to Reappoint CEO to Board

Board can cure change in control trigger by reappointing CEO to the Board within 30 days.



“Good Reason” shall not be deemed to exist unless...the Company fails to cure the event giving rise to Good Reason within thirty (30) days following its receipt of such Notice of Termination (the “Cure Period”)...”

Amended and Restated Employment Agreement

If CEO Quits, Does Not Receive Payment⁽¹⁾

Should Mr. Kiani choose to leave despite our offering to add him back to the Board, we believe he would forfeit any claim on the CIC payment.

Threatened to Quit Last Year Too...



Prior to the proxy vote, Kiani had told Forbes he was contemplating leaving the company if Koffey won. On Tuesday morning, the day after the vote, Kiani said he plans to stay. “I’m not going to do anything different,” he says.”

Forbes Magazine, June 2023



We Also Do Not Believe Change in Control is Enforceable

We dropped the litigation in an attempt to create goodwill but continue to believe the CIC provisions are unenforceable under Delaware law.



...[These provisions] **preclude the board from exercising its statutory and fiduciary duties to manage the corporation in the best interests of the corporation and its stockholders, and thus amounts to abdication...**I’m not sure that for a lot of these provisions, and certainly for them together...there really is a parallel.”

Delaware Vice Chancellor Nathan Cook, Court Transcript, Feb 23



1. Please refer to page 19 of Politan’s Definitive Proxy Statement for further details on Mr. Kiani’s change in control.

Mr. Kiani's Threats of Business Disruption Are Untrue and Run Counter to His Own Prior Actions



Earlier This Year, Mr. Kiani Sought to Leave Masimo and Take Significant Corporate Assets With Him

- Mr. Kiani planned to resign as CEO, drop off Masimo's Board, and become Executive Chairman of ConsumerCo. He also planned for Masimo COO Bilal Muhsin to join him at ConsumerCo.
- No business disruption concerns existed from these proposed departures, because Mr. Kiani does not run the business day to day and given the broadly diversified, steady recurring revenue nature of Masimo's healthcare business.
- He did, however, demand IP assets, Masimo's name, the corporate jet, the headquarters, \$150M in cash, voting control for free, and the immediate acceleration of his change in control payment (~\$400+M).

Today He Claims Masimo Can't Continue Without Him

- Now Mr. Kiani is claiming that if he is not re-elected to the Board, he will resign, and that as a result significant business continuity issues will arise at Masimo.

Illogical to Claim Masimo Will Suffer From Disruption Unless Mr. Kiani Can Take Corporate Assets for Himself

- In both cases, Mr. Kiani said he would leave. Masimo will not be worse off for retaining assets that Mr. Kiani wants.
- For over a year Mr. Kiani has talked of leaving. If today it really were a business continuity issue (which it is not), then it only highlights the Board's failure in succession planning and allowing Mr. Kiani to threaten the Company if he doesn't get his egregious demands.

Mr. Kiani Only Claims Disruption After Not Getting the Assets He Wants

If Needed, Director Michelle Brennan Willing and Able to Be Interim CEO

Michelle Brennan Is Highly Qualified, Successfully Ran J&J Medical Device Business 4x Size of Masimo



Michelle Brennan

Former J&J Global Value Creation Leader and Group Chair of J&J's Medical Device Business in EMEA

- Has **broad operational experience** across medical devices with responsibility for a \$5BN+ medical device business operating across multiple geographies.
- Successful **track record of new product innovation through optimizing R&D**, strategy implementation, and scaling multiple businesses from inception to several billion dollars in revenue.
- **Public board experience:** Cardinal Health, Coupa Software. Committee experience having served on all three major committees (Nominating & Governance, Compensation, and Audit).

Excellent Candidates Available for Permanent CEO

- Special Committee was ready to initiate search process for new CEO with multiple high-quality candidates available.
- 2 to 3 months for search completion if needed.

Shareholder Nominees Can Help to Deliver Change Immediately

1

Governance Remains Broken at Masimo

2

Resulting in Significant Harms for Stakeholders

3

Long, Recurring Track Record of Broken Governance Means No Credible Prospect for Improvement

4

“Separation”: Risky IP Transfers and Related Party Conflicts That Could Impair Valuation and Create a Competitor

5

Shareholder Nominees Are Ideally Qualified and Unquestionably Independent

6

New Board Can Unlock Substantial Value

Where We Are Today

All Reliant on Masimo Healthcare Intellectual Property and Trade Secrets

Worth 2-3x
Current Stock Price

Professional Healthcare



- Revenue: \$1.4B
- Potential Margin: 35+%



Apple
Litigation

- \$100M invested
- Litigation ongoing



Stork,
Freedom Watch

- Revenue: ~\$0



Consumer Audio
(Sound United)

- Revenue: \$740M
- 20% below where acquired

Company filings, Bloomberg, Politan estimates.

Sharpening Our Focus

Masimo Has Not Articulated a Coherent Strategy Today⁽¹⁾

We are an organization engineered to improve life. We exist for people who care, those that: care about others, care about quality, care about precision and care about excellence.

But We Can After the 2024 AGM

We are a leading, innovation-focused growth company dedicated to improving health outcomes and lowering the cost of care by developing noninvasive monitoring technologies for the hospital and hospital-at-home markets.

1. "Our Strategy: We are an organization engineered to improve life. We exist for people who care, those that: care about others, care about quality, care about precision and care about excellence. Our healthcare and non-healthcare segments are joined by the common goal of improving lives by providing patient-centered solutions to healthcare providers, expanding outside of the hospital and into the home and delivering innovative, high-quality information and experiences to consumers. We believe that people and infrastructures are ready for actionable patient care outside of the hospital." 2023 Masimo Proxy Statement

Masimo's Potential: Focused Company Delivering Returns Through Innovation-Led Growth and Margin Expansion



		Goals	Board Action
Strategic Focus	<ul style="list-style-type: none"> A company without distractions, focused on core markets. Divest consumer audio. Restructure non-core ventures. 	Focused on hospital and hospital-at-home	Strategic Review
Growth	<ul style="list-style-type: none"> Continued growth in market leading pulse oximetry franchise. Disciplined investment in well-diligenced, key growth initiatives of noninvasive monitoring and hospital-at-home. 	+8-10%	Product Portfolio Review
Margin & Free Cash Flow	<ul style="list-style-type: none"> Significant margin expansion achieved through cost reduction efforts — 475+ bps improvement identified just in year 1.⁽¹⁾ Capital invested in growth or returned to shareholders. 	35+% EBIT Margin	Cost Structure Review

Governance & Accountability Are Crucial to Achieve Goals

1. Calculated off 2024 Professional Healthcare EBIT margin guidance of 24%, as per Masimo 1Q24 presentation

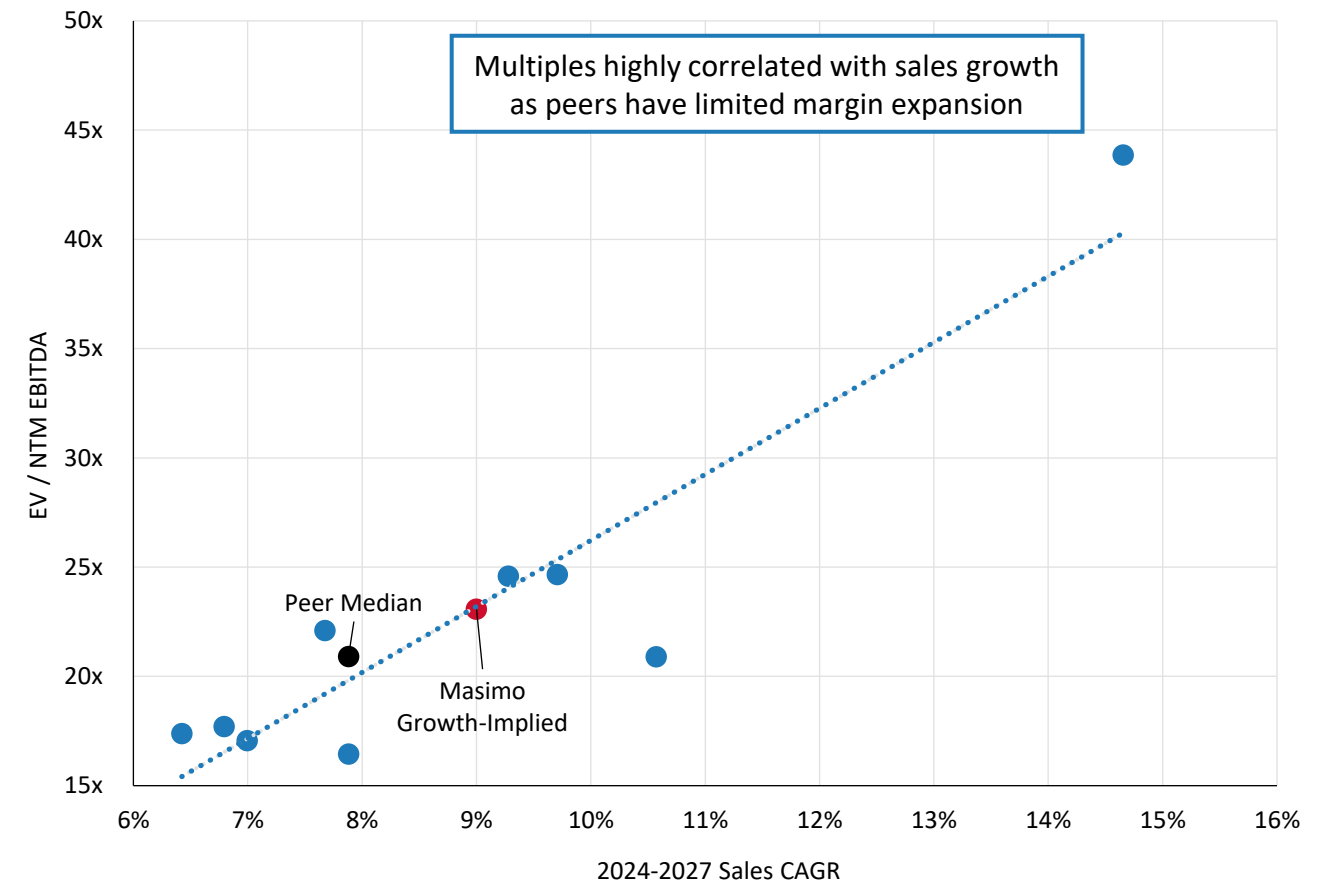
Peer Growth Rates Imply Professional Healthcare (Without Distractions) Should Trade at ~22.5x EBITDA Multiple



Masimo Professional Healthcare Estimated to Grow ~9%...

Company	Sales CAGR '24-27	EBITDA CAGR '24-27	EV / NTM EBITDA
Abbott	7%	8%	17x
stryker	8%	10%	22x
INTUITIVE	15%	16%	44x
Boston Scientific	9%	11%	25x
Edwards Lifesciences	10%	11%	25x
ResMed	7%	7%	18x
CooperCompanies	6%	8%	17x
align	8%	10%	16x
straumann	11%	16%	21x
Median	8%	10%	21x
Masimo PHC⁽¹⁾	9%	22%	

...Implying Mid-20s EBITDA Multiple...



Company filings, Bloomberg, Politan estimates. Data as of June 21, 2024, Friday before presentation filed publicly.
 1. PHC is abbreviation of professional healthcare. EBITDA CAGR assumes trajectory towards EBIT margin targets.

Implying Significant Upside and Exceptional IRRs

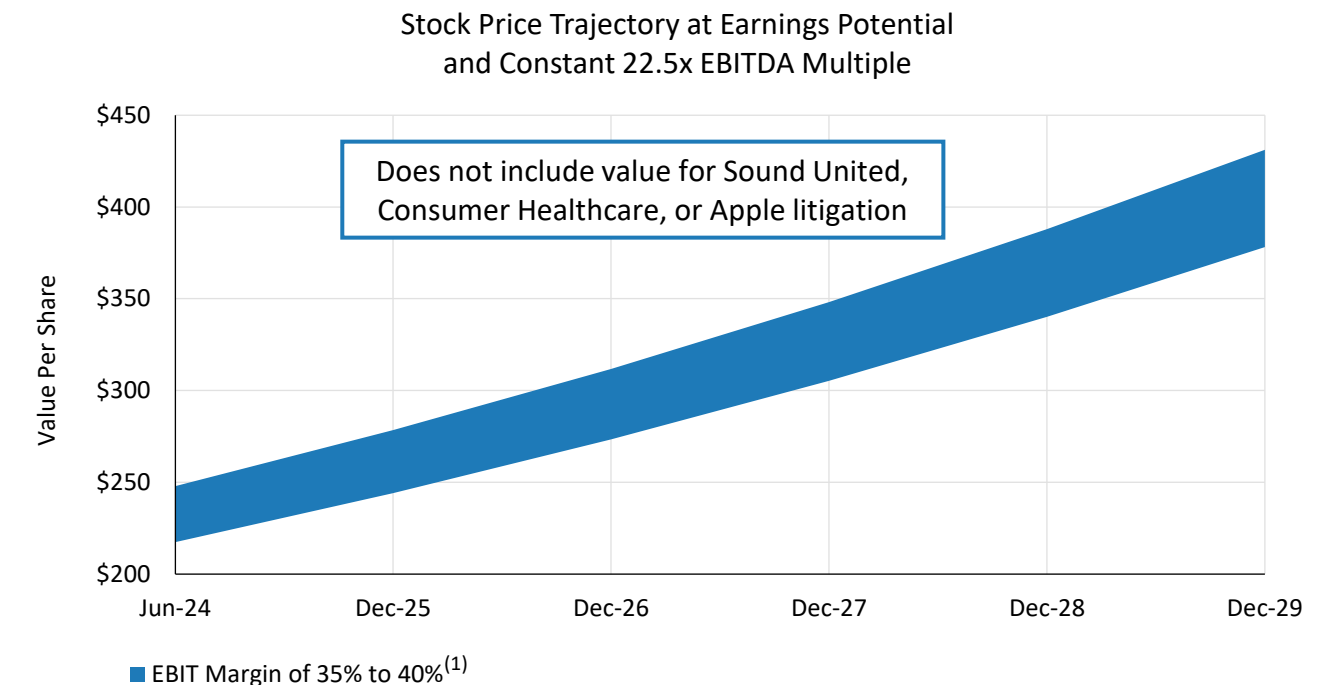
Significant Upside to Growth and Margin Potential...

Does not include value for Consumer Audio, Consumer Healthcare or Apple Litigation

	2024	2026	2029
NTM Revenue	\$1.5 B	\$1.8 B	\$2.3 B
CAGR		9%	
EBIT Margin Potential		35+%(1)	
EBITDA Margin Potential		37+%	
NTM EBITDA Multiple		~22.5x	
Value Per Share at YE	\$217+	\$273+	\$378+
Total Value Creation	\$5B+	\$8B+	\$14B+

Upside to Current Stock	66%+	108%+	188%+
--------------------------------	------	-------	-------

...Whether It's Achieved in 2 or 5 years



IRR to	37%	23%
MOIC to	2.2x	3.1x

Company filings, Bloomberg, Politan estimates. Data as of June 21, 2024, Friday before presentation filed publicly.

1. Mr. Kiani has said EBIT potential is 40%: "...we can eventually get our [gross] margins up closer to 70%. We can bring SG&A and R&D down to about 30[%] together. So I think we could get to 40%." May 2024.

Management Acknowledges the Earnings Power Potential But Lacks the Discipline to Achieve It



Company Agrees With Earnings Potential



We would note that we understand management has even communicated to investors aspirational goals for Healthcare adj **OM% closer to 40%.**

Piper Sandler, May 2024

PIPER | SANDLER



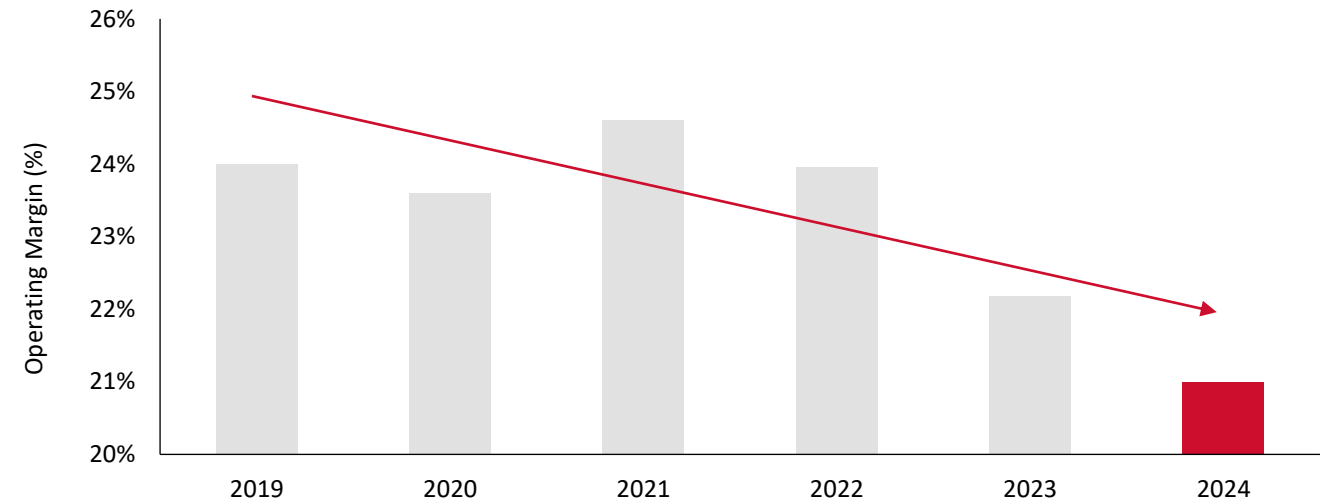
...we can eventually get our [gross] margins up closer to 70%. We can bring SG&A and R&D down to about 30[%] together. **So I think we could get to 40%.**

Mr. Kiani, May 2024



But Always Lacks the Discipline to Hit Margin Targets

Operating Margin Deterioration



...[M]anagement hasn't shown a commitment to meaningfully scale back R&D or SG&A spending to the extent that would be necessary to forge this path."

Piper Sandler, May 2024

PIPER | SANDLER

Shareholder Nominees Will Bring Accountability and Oversight to Unlock Value

	Self-Inflicted Issue	Current Board Inaction	Board Action
Strategic Focus	Undisciplined acquisition of consumer audio business destroyed value, revealed unfocused strategy.	Refuses to evaluate all alternatives for separation of consumer.	▶ Strategic Review
Growth	Unfocused investments in Professional Healthcare adjacencies have fallen short of expectations despite enormous spend, leading to distracted portfolio and missed opportunities.	Refuses to shut down failures or improve process to prevent repeated launch failures.	▶ Product Portfolio Review
Margin & Free Cash Flow	Margins are well below potential due to lack of focus, lack of processes, and excessive CEO spending.	Doesn't know gross profit by product or R&D by initiative. No effective oversight of SG&A spend.	▶ Cost Structure Review

What Happens After the July 25th AGM: Immediate Action



Immediately Establish Business Review Committee With Directly Relevant, Successful Experience⁽¹⁾



Michelle Brennan

Former J&J Global Value Creation Leader, Group Chair of J&J's Medical Device Business in EMEA



Bill Jellison

Former Chief Financial Officer, Stryker Corporation



Darlene Solomon

Former Chief Technology Officer & SVP, Agilent Technologies

Immediately Initiate Three Reviews Overseen by Board

		Purpose	Public Communication
1	Strategic Review	Divest Consumer Audio business in 2024 (potentially include IP license for consumer applications)	Signed & closed in 2024
2	Product Portfolio Review	Set clear growth strategy: Align product portfolio and development pipeline.	Interim Update: 3 months Final Update: '25 guidance
3	Cost Structure Review	Set margin goals and cadence to achieve.	

New Board Will Determine Leadership

- As recently as April, Mr. Kiani sought to leave Masimo and lead ConsumerCo (yet today, he falsely claims disruption if he were to leave).
- Board will discuss with Mr. Kiani his preferred ongoing role and carry out appropriate follow-on steps.
- If required, interim CEO is available immediately. After expeditious search, permanent CEO candidates are available for the Board to select.
- No decisions have been made.

1. All decision-making authority would remain with the full Board and any director would be able to join the Business Review Committee.

1 Strategic Review to Focus Business

Goals

- Exit Consumer Audio (Sound United) following Board approval.
- Determine whether to fully retain or selectively license Masimo IP for other consumer applications.
- Any separation transaction should do no harm to Professional Healthcare (Hospital & Hospital-at-Home) business.

1 Strategic Review Process Steps

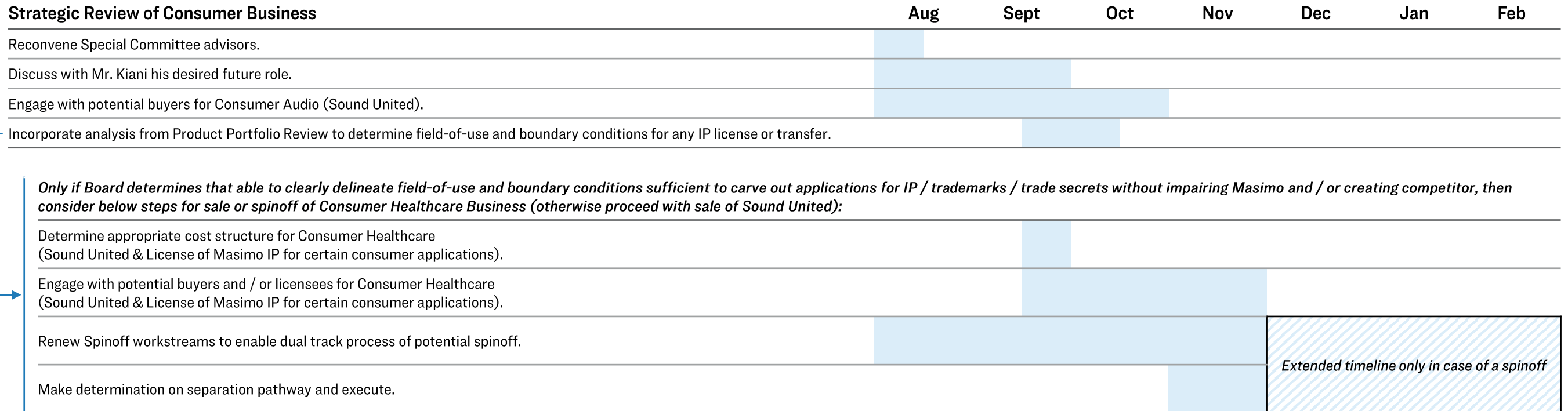


As CTO of Agilent, **oversaw three extremely successful large-scale separations** (Agilent, Avago, and Keysight), has extensive experience determining appropriate IP perimeter, field-of-use, and boundary conditions for separation transactions as well as with leadership and engineering team transitions.



Significant **strategic and M&A expertise** through billions of dollars of M&A transactions during his tenure as CFO of Stryker and Denstply. Would bring significant experience to the evaluation of a separation transaction at Masimo.

Strategic Review of Consumer Business



1 Major Blue-Chip Advisors Ready to Step in to Execute Transactions

Board & Outside Advisors to Oversee Vital Separation of IP to Avoid Overhang

- Special Committee advisors initiated a tremendous amount of work on these issues before CEO disbanded the committee.
- Sullivan & Cromwell performed extensive legal work.
- Centerview carried out extensive financial analysis.
- Advisors are up to speed and could potentially step in to assist immediately.

1 Items We Can't Comment On

Valuation of Consumer Audio (Sound United)

- Given we will be entering into discussions with potential buyers of Consumer Audio, we won't comment on value of these assets.

Valuation of Licensing Consumer Applications of Masimo's IP

- Despite failure of Stork and Freedom Watch, both products utilize valuable Masimo IP and trade secrets.
- The Board needs to first determine if there are licenses of Masimo IP that can be granted without impairing Masimo's professional healthcare business given the expected future shift of clinical care into the home.
- If certain licenses with appropriate field-of-use and boundary conditions can be granted, we will not comment today on the expected value as we may enter into discussions with potential buyers or licensees.

Valuation of Apple Litigation

- Given the ongoing nature of the litigation, we won't comment on the value of this asset.
-

2

Product Portfolio Review to Focus Resources on Profitable Growth

Goals

- Establish clear near and longer-term growth strategy.
- Rationalize current product portfolio to align with growth strategy — license or divest what is not aligned.
- Align R&D spend and development pipeline with growth strategy.
- Establish regular review process with Board to track product platform KPIs.

2 Product Portfolio Review Process Steps

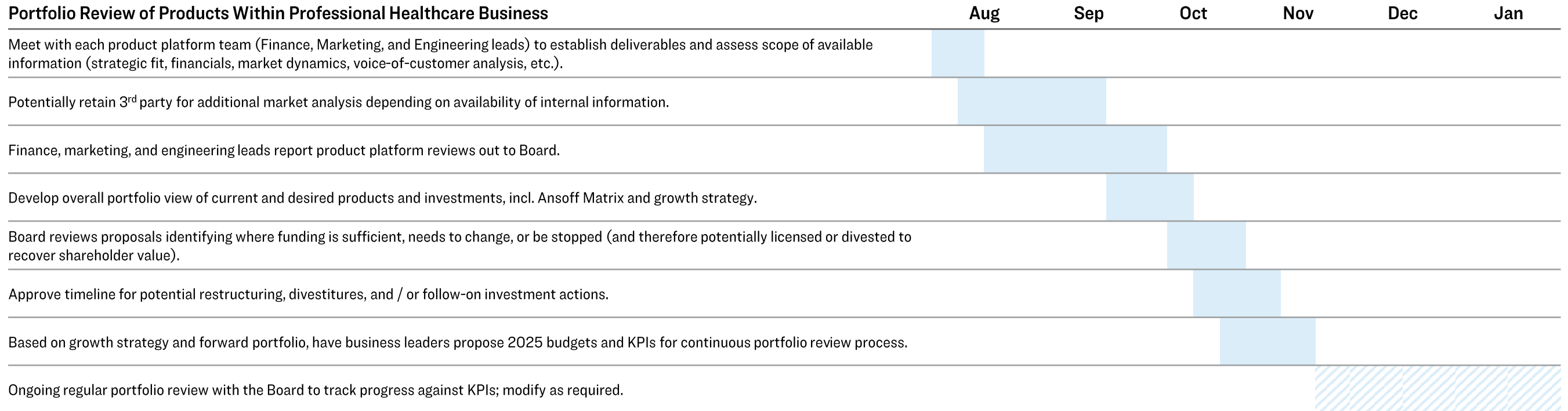


- Deep understanding of how best to lead and retain technical talent while executing forward-looking business growth for the Company.
- Wide-ranging cross-industry experience leading to a unique breadth and depth of perspective in strategy, innovation, growth, and business dynamics.
- Extensive experience designing, implementing, and optimizing R&D processes.



Clarity of strategic intent is required for a successful growth strategy. We must have a thorough understanding of what is core and selectively invest in adjacent and high-growth opportunities when the competitive advantage determination and market analysis merits it. To successfully set and execute a growth strategy, the Board must hear directly from the employees of Masimo who are closest to the products and customers. Masimo is an innovative company with great people — their perspective must be visible in the Boardroom.”

Portfolio Review of Products Within Professional Healthcare Business



2 Due to Process Failures, Product Launches and Acquisitions Have Historically Fallen Well Short of Expectations



Recent Organic Product Launches Short of Estimates

Product	Forecast	Actual
Root ⁽¹⁾	<p>“ ...by 2025... Root, from just beginning to hopefully maybe even \$600 million, \$700 million of revenue.” Mr. Kiani, May 2017</p>	~78% below expectation
Opioid Monitoring	<p>“ ...[O]pioid SafetyNet we've talked about that, that we think is \$4 billion to even potentially double that market opportunity for us.” Micah Young, CFO, Nov 2020</p>	~\$0
Stork	<p>“ So we are feeling that Stork could become a business that should be a couple hundred million a year. We know the potential might be \$1 billion, but let's see if once we get to \$200 million, we can now plan for the rest.” Mr. Kiani, Aug 2023</p>	~\$0

Recent Inorganic Execution Short of Estimates

Product	Forecast	Actual
Hemodynamic Monitoring	<p>“ ...[W]e think LiDCO can contribute roughly 1% of revenues this year and that number really can grow to be much more substantial as we look two to four years out.” Eli Kammerman, IR, Feb 2021</p>	Negligible
softFlow [®] technology	<p>“ [H]igh-flow nasal cannula... bottom line...we think this can develop to \$1 billion market.” Mr. Kiani, Feb 2021</p>	Negligible

Yet No Effort to Fix R&D or Commercialization Process

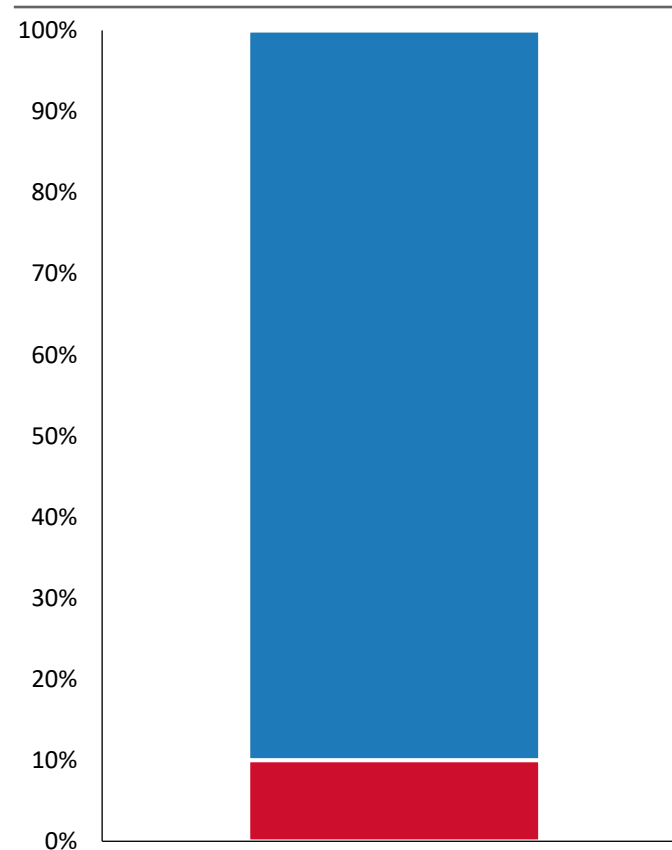
- Board does not hear perspective of Masimo employees who are closest to markets and customers.
- No growth strategy: no clarity of strategic intent or mapping of competitive advantages.
- No KPIs or reconciliation of results to forecasts.
- Products in development pipeline appear unaligned with any growth strategy and lacking a business case.
- No knowledge of whether product is profitable or even gross margin breakeven.

Company filings, transcripts and Politan estimates.

1. Root includes Hospital Automation and other advanced parameters (SedLine, NomoLine, O3). Calculation at \$650M midpoint of quote, please refer to page 52 for calculation of actual Root results.

2 Given Scale of Investment, Adjacent Products Should Be Larger Contributors, Yet Only Make Up 10% of Revenues

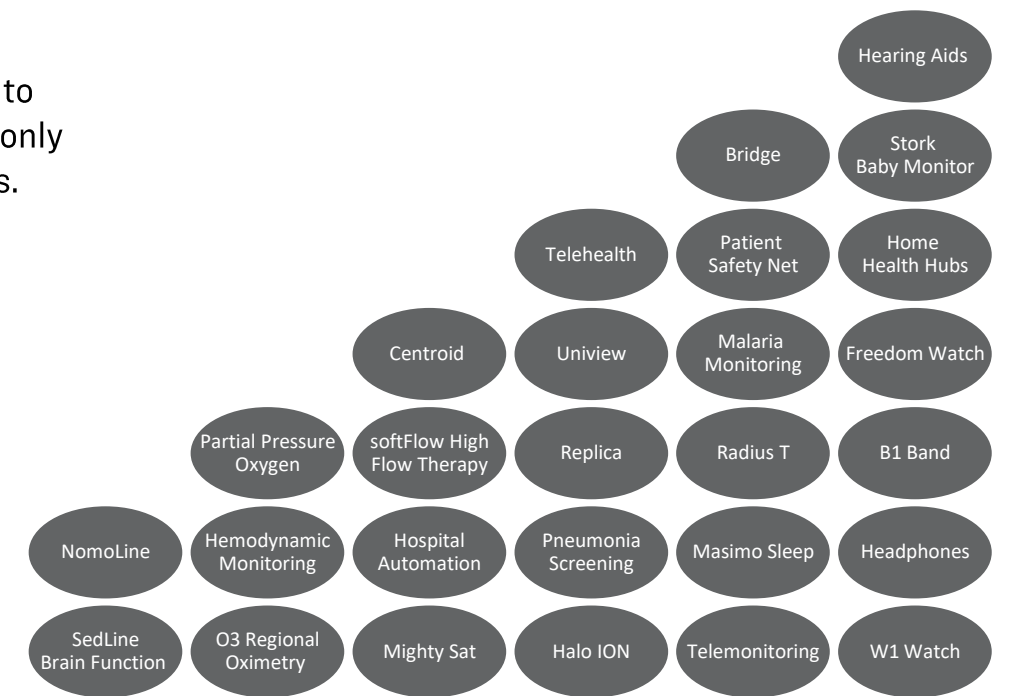
2023 Revenue



~90%
SET / Rainbow

~10%
Everything else
Heavy R&D spend and acquisitions focused here.

- Core pulse oximetry technology developed decades ago.
- Duopoly market with low competitive intensity leads to low associated R&D due to only sustaining innovation needs.
- Adjacent or opportunistic products that have failed to meaningfully contribute.



Company filings, Bloomberg, Politan estimates.

2 Focused Product Portfolio Can Grow 8-10%

	Product Category	Expected Growth CAGR	
Core	Hospital Census	2%	Population growth & population aging
	Penetration	2%	Penetration of continuous monitoring & Rainbow cannibalization of SET
	Revenue per Device	2-3%	Price & mix
	Market Share	1%	
Adjacent Products	Advanced Parameters	1-2%	Incremental contribution from other products
	Revenue Growth	8-10%	

3

Cost Structure Review to Optimize Expenses, Align Spend to Strategy and Eliminate Waste



Goals

- Identification and prioritization of cost optimization opportunities.
- Execution of specific action plans by department with set timelines and individual accountability.
- Establishment of ongoing continuous review process with Board to track progress.

3 Cost Structure Review Process Steps

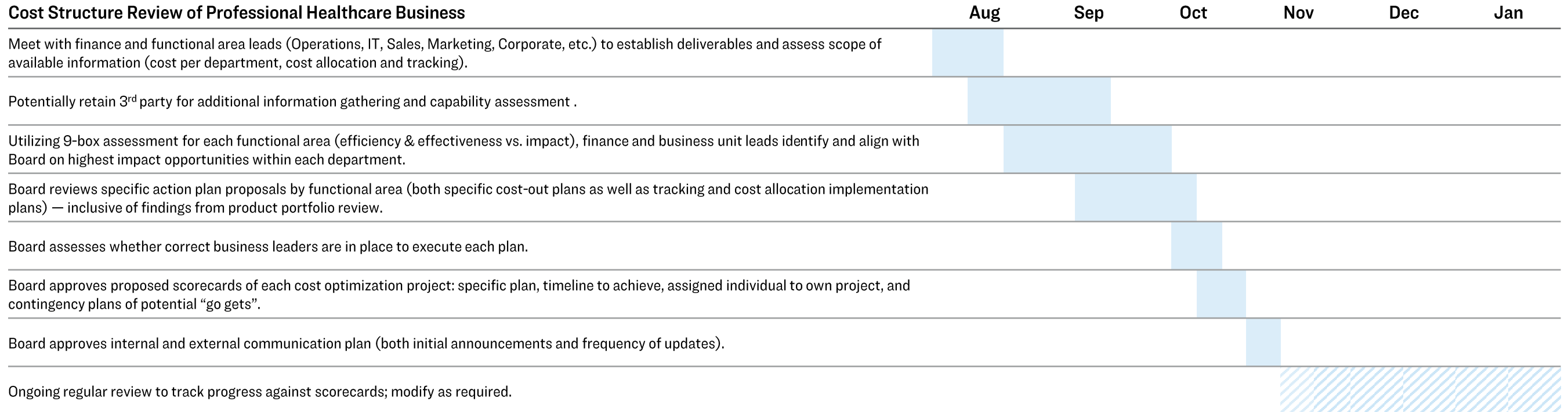


- As the former CFO of Stryker as well as a former senior operating executive overseeing Dentsply’s operating divisions, brings a deep understanding of how to establish and oversee execution of cost optimization projects across departments.
- Extensive experience aligning with and achieving management buy-in to successfully carry out continuous efficiency improvements.



To successfully identify and achieve Masimo’s optimal cost structure, the Board needs to hear from, and align with, business unit leaders throughout the Company. Together we can effectively identify opportunities, approve action plans, commit to timelines, and empower individuals to lead each project. Through this process, we can then collectively enjoy the success that comes from the continuous and honest self-assessment of measuring our results against our goals and effectively course correcting as needed. When done correctly, this process empowers employees and drives returns for shareholders.”

Cost Structure Review of Professional Healthcare Business



3 Company Lacks Information and Processes to Achieve Lasting Margin Expansion

COGS

- Company does not understand cost of products.
- Company does not know gross profitability by product.

R&D

- Company does not allocate R&D to initiatives / projects.
- Company over-builds products without considering competitive environment.
- Company does not track success or failure of R&D initiatives to know if money is well-spent.

SG&A

- No limit or guardrails on CEO spending on perquisites or preferred initiatives.
 - No measurement of marketing effectiveness.
-

3 Opportunity to Expand Gross Margin to 70%

Many Peers Are Around 70%

Company	2024 Gross Margin
align	70%
Boston Scientific	71%
Edwards Lifesciences	77%
GLOBUS MEDICAL	68%
INTUITIVE	68%
LivaNova <small>Health innovation that matters</small>	70%
Insulet Corporation	69%
straumann	75%
Teladoc HEALTH	71%

Was at 67% Pre-COVID and Targeted 70%

- “We’re also expecting to reach **30%** operating margin over the next few years...[and] **70%** of product gross margin.”
Analyst Day, May 2017
- “Q: And gross margins in the long-range plan, you’re – I think you’re **targeting 70%**? A: That’s right.”
Micah Young, CFO, Nov 2019
- “And that’s why we have that long-term plan as we try to drive our gross margins to **70%** over time.”
Micah Young, CFO, July 2021
- “So, we’re trying to get there as fast as we can. We haven’t given up on **70%**.”
Micah Young, CFO, May 2024
- “I really believe we can eventually get our margins up closer to **70%**.”
Mr. Kiani, May 2024

Company filings, Bloomberg. Data as of June 21, 2024, Friday before presentation filed publicly.

3 Core Professional Healthcare Spending on R&D Should Approximate ~8% of Sales or Lower (And Management Agrees)



Peers With Comparable Growth and Innovation Intensity Have R&D as % of Sales Ranging From 6% to 8%

	Company	Select End-Markets	Sales CAGR '24-27	Innovation Intensity	'24 R&D as % of Sales
R&D Intensive	Edwards Lifesciences	Structural heart	10%		18%
	INTUITIVE	Robotic assisted surgery	15%		11%
	Boston Scientific	EP, Cardiovasc, Structural heart, Neuromod	9%		10%
	align	Orthodontics	8%		9%
Less R&D Intensive	ResMed	Sleep Apnea, COPD	7%		6%
	Abbott	Diabetes, Nutrition, Diagnostics	7%		7%
	stryker	Medsurgery, Orthopedics	8%		7%
	straumann	Dental	11%		5%
	Cooper Companies	Surgical, Vision	6%		4%
Median – All			8%		7%
Median– Non-R&D Intensive			7%		6%

Masimo R&D Should Be Lower Than Peers

- Higher percentage of recurring revenue.
- Less competitive industry with key competitor spending very limited amounts on R&D.
- Masimo does not disclose R&D spend today for its Healthcare business, but historical R&D spend grown at inflation would equate to ~6% of sales.



So, we should be able to leverage R&D, we think, down to about 8% of revenue. Longer term, we get down closer to 7[%].”

Micah Young, CFO, May 2024



We can still be a very innovative company at Masimo Healthcare. As you know, I don't think anyone has been a serial innovator as much as our company. I think we can keep that up, as Micah has said, to about the 6%, 7% type of level.”

Mr. Kiani, May 2024

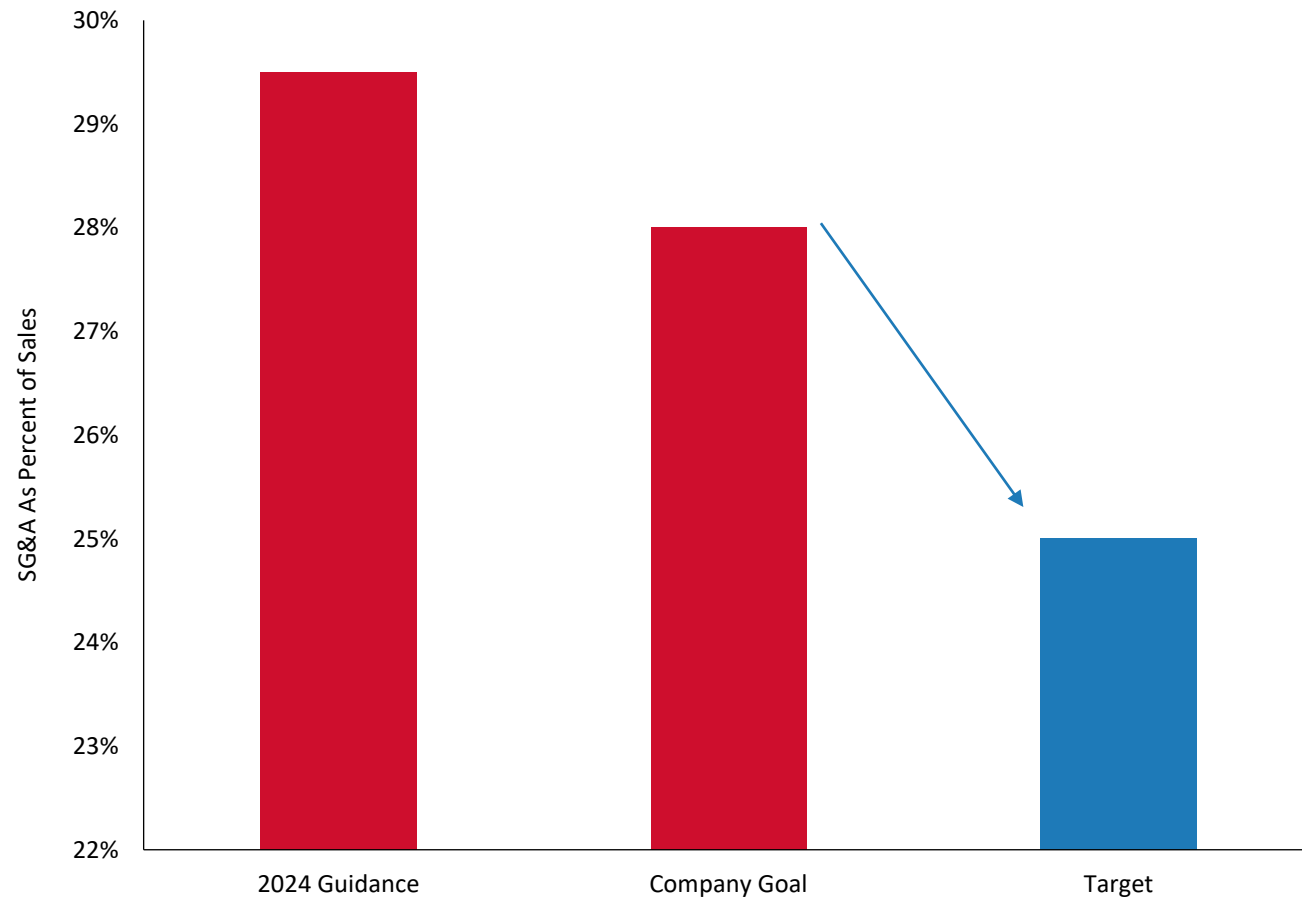


Company filings, Bloomberg. Data as of June 21, 2024, Friday before presentation filed publicly.

3 Opportunity to Eliminate Excess Costs and Drive Down SG&A



Material Excess Cost at Company Today and Embedded in Company Plan



Company Plan Includes Sizable Costs Unrelated to Revenue Generation

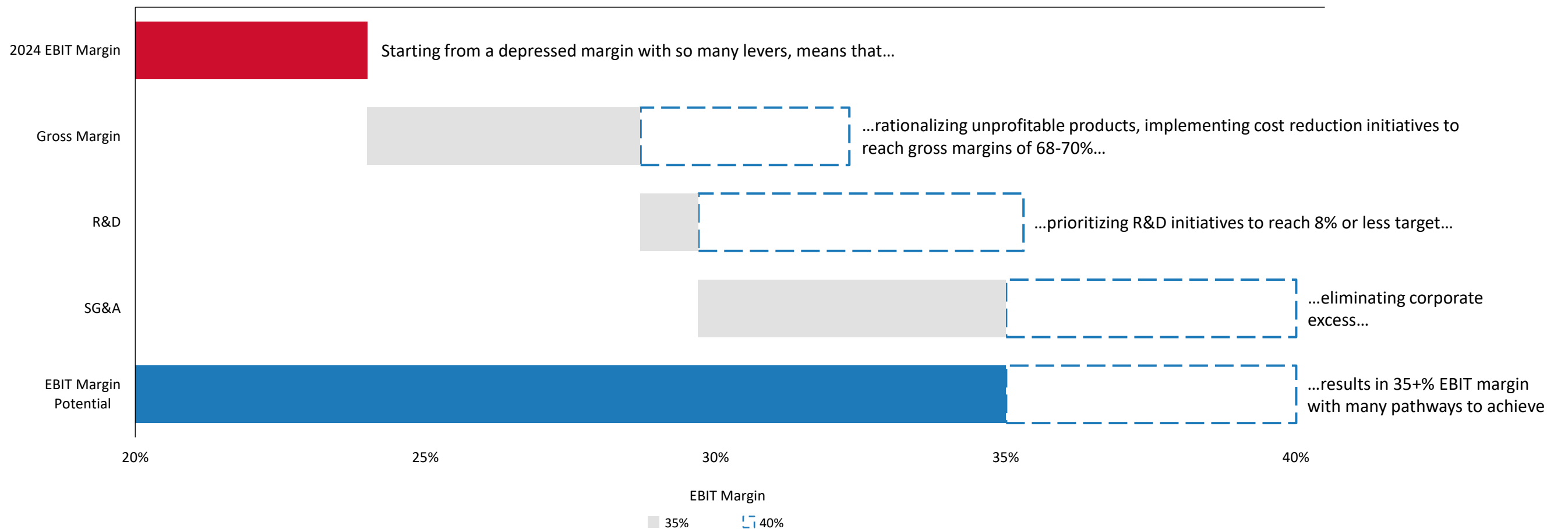
- Excessive Office of the CEO expenditures and related costs
- Facilities rationalization
 - Inefficient facilities footprint with four underutilized or empty office buildings in California and additional new building in Vancouver

Company filings, Politan estimates.

3 Efficiently Run, Professional Healthcare Could Be at 35+% EBIT Margin While Maintaining Growth Focus



Gross Margin Expansion, R&D Efficiencies and Improvement in SG&A Drive 35+% EBIT Margin



Company filings, Politan estimates. 2024 Professional Healthcare EBIT margin guidance of 24% as per 1Q earnings presentation.

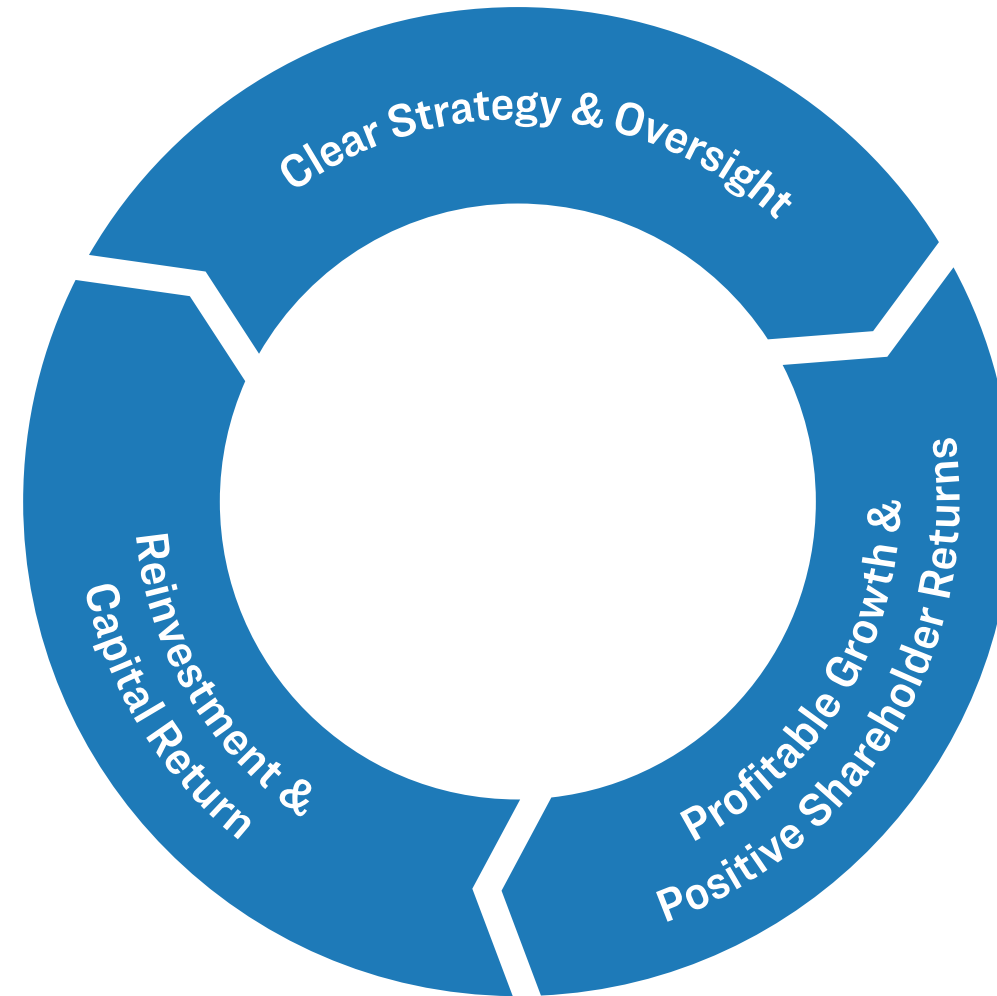
Masimo's Potential: Focused Company Delivering Returns Through Innovation-Led Growth and Margin Expansion



		Goals	Board Action
Strategic Focus	<ul style="list-style-type: none"> • A company without distractions, focused on core markets. • Divest consumer audio. Restructure non-core ventures. 	Focused on hospital and hospital-at-home	Strategic Review
Growth	<ul style="list-style-type: none"> • Continued growth in market leading pulse oximetry franchise. • Disciplined investment in well-diligenced, key growth initiatives of noninvasive monitoring and hospital-at-home. 	+8-10%	Product Portfolio Review
Margin & Free Cash Flow	<ul style="list-style-type: none"> • Significant margin expansion achieved through cost reduction efforts — 475+ bps improvement identified just in year 1. • Capital invested in growth or returned to shareholders. 	35+% EBIT Margin	Cost Structure Review

**Resulting in Significant Upside to Current Stock Price
Plus Additional Proceeds From Sale of Consumer Audio,
Potential Value of Licensing IP in Consumer Ventures, and Apple Litigation**

Resulting in a New Cycle of Value Creation



Appendix

/// Politan Capital Management

 ADVANCE MASIMO

Appendix

1 Board Onboarding and Information Gathering Timeline

2 Transaction Timeline

3 Settlement Discussions Timeline: Politan's Proposals Rejected

Board Onboarding and Information Gathering Timeline

June 2023 – Fall 2023

June 24, 2023

With most shareholder votes in, it was clear that Ms. Brennan and Mr. Koffey would be elected to the Board. Masimo's Board met to delegate authority to management to pursue a sale of the entire Company without any obligation to provide process updates to the Board or to obtain any additional Board approvals to retain financial or other advisors.

The legacy directors also decided governance matters related to committees and Lead Independent Director, thereby undermining oversight of incoming Board.

To date, Ms. Brennan and Mr. Koffey have only been provided redacted minutes from this Board meeting.

June 2023 and Onwards

Ms. Brennan and Mr. Koffey asked to have onboarding sessions with Masimo's heads of quality, compliance, and regulatory divisions. To date, they have not been granted an opportunity to speak with any of them, other than a single abbreviated evening session on February 27, 2024 on the eve of signing the 2023 10K.

Ms. Brennan and Mr. Koffey also asked for: any currently existing and available market studies, product roadmaps, or business cases for products sold by Masimo; information on R&D spending so they could understand how much was being spent on what initiatives; and information about COGS and SG&A expenses. To date, they have not been provided with any such materials other than what has been disclosed by Masimo in its public filings.

August 1, 2023

At Q2 2023 Board meeting in August, Mr. Koffey and Ms. Brennan asked to carry out reviews of company strategy, product portfolio and cost structure, including drawing on outside consultants to aid in the review. Mr. Kiani rejected any review of any aspect of the business and demanded it not be raised again.

September 1, 2023

Ms. Brennan and Mr. Koffey met Mr. Kiani in person on the Friday before Labor Day weekend, when Masimo's HQ was nearly empty.

They received an overview of Mr. Kiani's vision for Masimo and toured the discovery lab. They did not meet any other members of senior management.

This was the sole onboarding that Ms. Brennan and Mr. Koffey received other than receiving prior Board books and Board meeting minutes, which contained barely any financial information beyond Masimo's publicly available earnings presentations.

November 2023

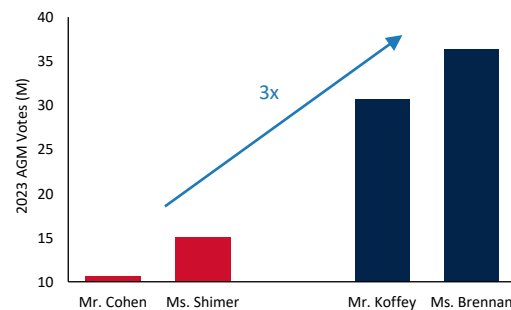
Mr. Koffey declined to sign off on Masimo's 10Q for Q3 because, despite numerous requests, he had not received sufficient financial and operational information regarding Masimo to fully evaluate the information and analysis presented in the report.

As a member of the Audit Committee, Mr. Koffey also asked to review management's analysis that led to Masimo only taking a de minimis impairment of Sound United (less than 1% of the purchase price).



June 26, 2023

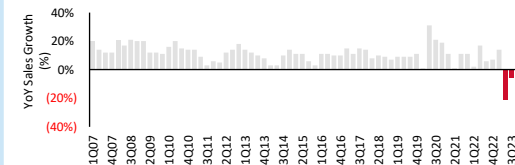
Shareholders overwhelmingly supported Ms. Brennan and Mr. Koffey, electing them to the Board with 83% and 70% support, respectively.



July 2023

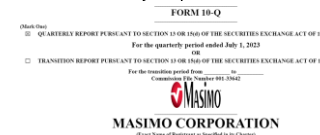
Following the dramatic decline in sales during Q2 of 2023, Ms. Brennan and Mr. Koffey asked to speak with the head of U.S. sales for Masimo's Professional Healthcare business.

They were denied that request and, to date, they have never been able to speak with such executive and have not been able to adequately learn about the discounting and bulk orders whose discontinuation appear to have dramatically impacted sales.



August 4, 2023

Mr. Koffey declined to sign off on Masimo's 10Q for Q2 because, despite numerous requests, he had not received sufficient financial and operational information regarding Masimo to fully evaluate the information and analysis presented in the report.



August 28, 2023

In an effort to facilitate a more collaborative boardroom dynamic, Politan informed Masimo that it and CalSTRS intended to drop without prejudice its lawsuit regarding Mr. Kiani's employment agreement.

September 30, 2023

Mr. Kiani participated in a CNBC interview in which he publicly criticized his own director.



Fall 2023

As part of sale process, Mr. Kiani engaged multiple advisors and conducted discussions with, and provided confidential information to, third parties but continued to refuse to onboard Ms. Brennan and Mr. Koffey.

Board Onboarding and Information Gathering Timeline (Cont'd)



Late 2023 — February 2024

Late 2023

Ms. Brennan and Mr. Koffey began asking to see a draft budget for FY 2024 so that the Board could review and comment prior to being asked for their approval. They were informed that no budget approval was required.

The only budget information they were ever subsequently given was the financial guidance provided publicly to investors.

No draft or final budget was ever provided to the Board. The Board never approved a budget or even had the opportunity to provide input.

February 2024

Multiple members of the Audit Committee, including Mr. Koffey, asked to review management's analysis that led to Masimo only taking a de minimis impairment of Sound United (less than 1% of the purchase price).

To date, Mr. Koffey has never been able to review the Company's impairment analysis and does not know why only \$10M of impairment has been taken.

February 14, 2024

Masimo received DOJ subpoena.

As a result, Board became aware for the first time of August 2023 recall and fact that it was never implemented.



February 26, 2024

The Board met to discuss and finalize Masimo's 10K for FY 2023. Masimo's management team discussed a draft with the Board, but following such discussion, a majority of the independent directors were unwilling to sign the 10K until additional information that Board members had repeatedly requested was provided.

January 2024

Mr. Kiani communicated to the Board he was unable to find a deal to sell Masimo on what he considered satisfactory terms.

To date, Ms. Brennan and Mr. Koffey have never been told what terms Mr. Kiani was seeking in the transaction.

February 12, 2024

Majority of Board learned about existence of whistleblowers when a legal complaint was publicly filed that included 16 confidential informants who worked for Masimo.

February 14, 2024

Brief ~30 minute presentations made at Board meeting by COO and Head of Consumer Audio.

These and the February 27th presentations were the only times the Board heard from members of management other than Mr. Kiani and Masimo's CFO and General Counsel.

February 27, 2024

The Board reconvened to discuss the 10K in advance of the filing deadline.

In one hour, brief presentations were made by the heads of Finance & Accounting, Cybersecurity, Compliance, Quality, and Supply Chain, the first time that the Board heard from these groups. Ms. Brennan and Mr. Koffey believed there was insufficient time for questions.

After the management presentations, a majority of the Board signed the 10K, but Ms. Brennan and Mr. Koffey remained unwilling to approve the document given the extremely abbreviated nature of the presentations and significant outstanding questions they each had. They proposed taking a few more days to hear more fully from the teams. Mr. Kiani insisted the 10K be signed that evening.

SIGNATURE	TITLE(S)	DATE
	Chairman of the Board & Chief Executive Officer (Principal Executive Officer)	February 28, 2024
	Joe Kiani	
	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	February 28, 2024
	Micah Young	
	Senior Vice President, Chief Accounting Officer (Principal Accounting Officer)	February 28, 2024
	Paul Hataishi	
	Director	
	Michelle Brennan	
	Director	February 28, 2024
	Robert Chapek	
	Director	February 28, 2024
	Rolf Claesson	
	Director	
	Quentin Koffey	
	Director	February 28, 2024
	Adam Mikkelsen	
	Director	February 28, 2024
	Craig Reynolds	

Board Onboarding and Information Gathering Timeline (Cont'd)



March 2024 – May 2024

March 20, 2024

Mr. Kiani signed a confidentiality agreement with a prospective JV partner in connection with the potential separation of the consumer business. The full Board was not notified of the existence of the JV partner, the agreement, or that any confidential information had been exchanged. The Board only learned about the signing of a confidentiality agreement nearly eight weeks later.

March 25, 2024

Masimo received a civil investigative demand from the Department of Justice. The full Board was not notified.



April 29, 2024

Masimo disclosed that Mr. Kiani had pledged shares as collateral for personal loans representing 75% of his total ownership and a 7x increase in pledged shares since 2023. The full Board only learned about the increased pledge when the draft of the CD&A filing was circulated to the Board a few days prior to its filing. No additional information about the pledge was ever provided.

Despite Masimo company policy requiring approval of share pledging by the Compensation Committee, the current Compensation Committee never voted to approve the increase. Masimo's Proxy Statement disclosed that Mr. Kiani "sought and received the approval of the Compensation Committee prior to entering into this transaction [i.e., the personal loan] in 2013".

Current Board members have no knowledge of Mr. Kiani's share pledge arrangement beyond the public disclosures, including not knowing the terms of the pledge and what triggers could force Mr. Kiani to have to liquidate the shares.



Masimo founder Joe Kiani has borrowed against more than half of his \$660M stake in the company rather than sell his shares ahead of an expected proxy fight. Kiani, 59, pledged 2.97 million Masimo shares as of April, valued at \$397 million, as collateral against "personal loans."



May 8, 2024

Mr. Koffey, in his capacity as a member of the Board, submitted a books and records request to Masimo pursuant to Section 220 of the DGCL.

The request demanded access to Masimo's books and records relating to any transaction with any effect of separating assets from Masimo and the identity of a prospective JV partner that Mr. Kiani had not yet disclosed to the full Board.

Following receipt of the 220 demand, Mr. Kiani provided the full Board a copy of a signed term sheet that had been signed by Mr. Kiani and the JV Partner the previous week.

March 22, 2024

A Board meeting was held at which Mr. Kiani did not inform the Board of the recently signed confidentiality agreement or even the existence of a prospective JV partner.

March 26, 2024

Masimo received a subpoena from the SEC. The full Board was not notified.



April 30, 2024

The full Board was informed for the first time that Masimo had, five weeks earlier, received a civil investigative demand from the Department of Justice and a subpoena from the SEC.

Masimo later publicly disclosed this information on May 7, 2024 in its 10Q filing.



Board Onboarding and Information Gathering Timeline (Cont'd)



May 2024 — Today

May 15, 2024

Mr. Kiani downplayed scope of recall failure at investor conference:



But no patient was harmed because of the product... And we don't think it's going to be a problem. Very few units were ever sold in the U.S."

Mr. Kiani, May 2024



May 16, 2024

Industry trade publication reported that two patients died while on Rad-G devices.



Masimo has received 529 complaints related to this issue, with an occurrence rate of 3%. Two patient deaths have been reported while being monitored with the Rad-G devices. The company has not determined whether the devices powered off unexpectedly."



June 7, 2024

Masimo subsequently filed 8K clarifying that 27,600 devices are subject to recall globally. The Board was never notified of the 8K.



Masimo is hereby correcting the statements by clarifying that approximately 7,350 Rad-G units sold in the U.S. are subject to the recall, and approximately 20,250 Rad-G units sold outside the U.S. are subject to the recall."

8K, June 2024



Today

As of today, more than five weeks later, the Board has not received a single update on discussions with the prospective JV partner.

May 16, 2024

The Board held its first meeting at which the full Board was briefed on the name of the prospective JV partner and the high-level terms of the proposed transaction, including a non-binding but executed term sheet.

June 5, 2024

Masimo claimed at an investor conference that recall issue affects only 100 devices.



It's less than 100 units. So we don't expect a very large impact from this..."

Eli Kammerman, IR, June 2024



Also claimed that SEC probe relates to only one employee ...

On the SEC side, I've been very close with this. We had an employee...raise some issues..."

Micah Young, CFO, June 2024



...Despite 10Q saying allegations came from multiple employees

...a subpoena from the Securities and Exchange Commission ...allegations of potential accounting irregularities and internal control deficiencies from employees [more than one employee] within the Company's accounting department."

1Q24 10Q, May 2024



June 13, 2024



Masimo embroiled in dual DOJ, SEC probes

...Masimo clarified the total number of Rad-G devices recalled in its June 7 securities filing to show that about 7,350 Rad-G units sold in the U.S. and about 20,250 Rad-G units sold outside the U.S. are subject to the recall.

"The statement that 59 Rad-G units were recalled was a mistake. That figure applies to only one unique part number," Masimo spokesperson Matt Whewell wrote in an email to MedTech Dive."



Appendix

1 Board Onboarding and Information Gathering Timeline

2 Transaction Timeline

3 Settlement Discussions Timeline: Politan's Proposals Rejected

Transaction Timeline

June 2023 – February 2024

June 24, 2023

With most shareholder votes in, it was clear at this point that Ms. Brennan and Mr. Koffey would be elected to the Board.

Masimo's Board met to delegate authority to management to pursue a sale of the entire Company without any obligation to provide process updates to the Board or to obtain any additional Board approvals to retain financial or other advisors.

October 31, 2023

The new Board was first substantively updated on the sale process at the first in-person Board meeting, more than four months after the AGM.

By that point, Mr. Kiani had already engaged financial advisors, contacted multiple financial sponsors and held multiple discussions in connection with a sale of Masimo.

January 29, 2024

At dinner with Mr. Kiani, Mr. Koffey made clear that Politan was strongly considering nominating directors for election at the 2024 AGM.

Mr. Kiani proposed that Masimo purchase Politan's shares at a substantial premium in exchange for Politan agreeing to never run a proxy contest in the future. Mr. Koffey flatly rejected this idea.

Mr. Kiani then revived Politan's previous idea to separate the consumer business, proposing that he would leave Masimo and head the separated consumer company on the condition that he controlled that company and that his departure not be considered a resignation under the terms of his employment agreement (and thus preserve his Special Payment).

January 31, 2024

Mr. Koffey's counsel sent a summary of initial, high-level terms that Mr. Koffey thought reflected Mr. Kiani's requests and that would serve as a basis for discussion between a Board special committee, once formed, and Mr. Kiani with respect to the proposed separation. The document also included a mechanism that Politan would agree to that enabled the delay of any proxy contest.

February 13, 2024

The Board formed a Special Committee to evaluate related party aspects of the potential transaction, including those concerning IP, trade secrets, trademarks, and governance.

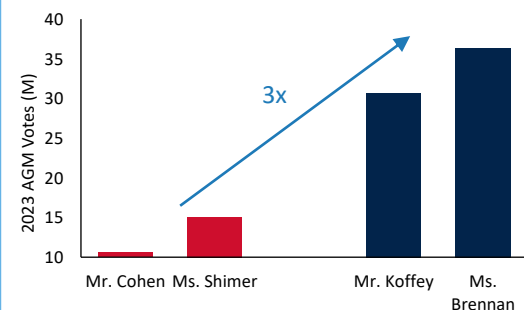
The Special Committee was comprised of Ms. Brennan, Mr. Classon, Mr. Reynolds, and Mr. Koffey, who was unanimously appointed chair. The Special Committee unanimously decided to retain Sullivan & Cromwell as legal counsel and Centerview Partners as financial advisor. The committee met regularly from mid-February through mid-March.

While the Special Committee was doing its work, Mr. Kiani, for first and only time, made non-disparaging public comments about Mr. Koffey and Ms. Brennan:

“I won't lie, it's been a rough start with the new Board members. But we're managing. Things are getting better. We're getting along better. We're finding more common ground.”
Mr. Kiani, Feb 2024

June 26, 2023

Shareholders overwhelmingly supported Ms. Brennan and Mr. Koffey, electing them to the Board with 83% and 70% support, respectively.



January 2024

Mr. Kiani communicated to the Board he was unable to find a deal to sell Masimo on what he considered satisfactory terms.

The Board was never presented with any strategic options other than a full company sale and, to date, Ms. Brennan and Mr. Koffey have never been told what terms Mr. Kiani was seeking in the transaction.

January 30, 2024

Mr. Koffey and Mr. Kiani met again to further discuss the potential separation.

Mr. Koffey stated that as a single director on the Board, he was not in a position to negotiate or agree to Mr. Kiani's requests and suggested the Board form a special committee to negotiate the separation given the related party issues.

February 3, 2024

Mr. Kiani responded with a substantially revised term sheet significantly expanding on his earlier positions, including that the newly separated consumer company receive Masimo's corporate HQ, jet, and \$125-150M in cash; incorporate in Nevada; and receive IP from Masimo via sharing or licensing agreements. The revised term sheet also sought for Mr. Kiani the immediate acceleration and payout of the Special Payment in his employment agreement; 20:1 supermajority voting stock handing Mr. Kiani full control of the company; a new pay package from the consumer company for Mr. Kiani to serve as Executive Chairman; and additional compensation to serve as a special advisor to the legacy healthcare business following Mr. Kiani's resignation off Masimo's Board and out of the CEO role. Mr. Kiani also verbally communicated that he did not think he should have to pay for the 20:1 voting stock beyond a de minimis amount and that the consumer company should take the Masimo name.

Mr. Koffey made clear that a special committee would have to negotiate with Mr. Kiani. Mr. Kiani said he understood, but wanted his requests to be clear.

Transaction Timeline (Cont'd)

March 2024 — April 2024

March 11, 2024

The Special Committee unanimously agreed to return to Mr. Kiani a term sheet that rejected or modified many of his demands and proposed a process, overseen by independent directors, to properly determine the field-of-use and boundary conditions for any IP transfers. After doing significant analyses aided by advisors, the Special Committee found that granting licenses for consumer applications of Masimo's IP carried significant risk for Masimo and could result in a substantial valuation overhang. As the site of clinical care shifts out of the hospital and into the home in the future, Masimo would find itself competing with the Consumer entity as the line between the hospital-at-home and consumer market is a thin one and evolving.

March 20, 2024

Mr. Kiani signed a confidentiality agreement with a prospective JV partner in connection with the potential separation of the consumer business. The full Board was not notified of the existence of the JV partner, the agreement, or that any confidential information had been exchanged. The Board only learned about the signing of a confidentiality agreement nearly eight weeks later.

March 25, 2024

Politan submitted a notice nominating Dr. Darlene Solomon and Bill Jellison for election at the 2024 AGM.

Neither Dr. Solomon nor Mr. Jellison had any pre-existing relationship with Politan or any of Masimo's Board members and were identified via a nationally recognized search firm.

In disclosing their nominees, Politan announced support of a strategic review of the separation of the consumer business, while also noting "serious concerns given the lack of basic governance and oversight we have observed since joining the Board."

Politan Nominates Two Independent Candidates for Masimo Board

Supports Strategic Review of Consumer Business, But Has Serious Concerns Given Masimo's Broken Governance and Lack of Independent Oversight

Nominees Dr. Darlene Solomon and William Jellison Bring Critical Expertise and Independence That Is Clearly Lacking in Masimo's Boardroom Today

March 26, 2024

Mr. Koffey wrote to the Board to advocate that Masimo should not take any actions prior to the 2024 AGM that could negatively impact shareholder election rights, including that any directors added to the Board should be placed in the 2024 slate up for election this year and that no additions should be made that would trigger the CIC in Mr. Kiani's employment agreement should shareholders vote against Masimo's nominees.

March 12, 2024

Mr. Kiani informed Mr. Koffey that he would seek to dissolve the Special Committee.

The Special Committee was later dissolved by the Board.

March 22, 2024

A few days after Mr. Koffey notified Masimo that Politan would be nominating candidates the following week, the Board approved a press release announcing that it had authorized management to evaluate the separation. The press release was approved over the objections of Ms. Brennan and Mr. Koffey. The full Board remained unaware that discussions with a prospective JV partner were occurring.

Mr. Kiani stated in the meeting that he would pursue the same separation of the consumer business that the Special Committee had rejected but he would not need to purchase control of the new entity and could therefore dissolve the Special Committee.

March 25, 2024

The full Board learned for the first time through Mr. Kiani's interviews with the *Wall Street Journal* and CNBC that Masimo had been approached by a prospective JV partner in the consumer business.



A joint venture option would likely be much faster, says Joe Kiani."

THE WALL STREET JOURNAL.



Over the weekend, we've been discussing with a group... they're talking about maybe we do a joint venture with them."



April 4, 2024

Masimo proposed to Mr. Koffey that in return for adding Dr. Solomon and Mr. Jellison to the Board, Mr. Kiani would resign as CEO of Masimo to assume the role of Executive Chairman of the new consumer company and Mr. Kiani's Special Payment (worth \$400M at the time) would be fully accelerated; the new consumer company would take the corporate HQ and \$150M in cash; Mr. Kiani's preferred law firm would represent the Board in the separation of Masimo's IP; and Politan would abandon challenges to Mr. Kiani's compensation arrangement.

Mr. Koffey declined the proposal given the restrictions it could impose on the independence of the new Board and its likely destruction of long-term shareholder value through lack of true independent oversight of IP transfers.

Transaction Timeline (Cont'd)

April 2024 – May 2024

April 25, 2024

Mr. Koffey became aware that Masimo management was seeking to enter into a binding agreement regarding the sale / JV of the consumer business in June 2024, prior to the contemplated AGM date in July.

Mr. Koffey proposed via email to the Corporate Secretary items be added to the next Board meeting agenda, including that: the AGM be held earlier than the proposed (and last possibly allowed) July 25 date; Masimo not enter into any binding agreements relating to the separation of the consumer business until after the AGM; and Mr. Kiani and Mr. Reynolds effectively switch director classes so Mr. Reynolds would be up for election at the 2024 AGM and Mr. Kiani remain on the Board and up for election at the 2025 AGM.

May 2, 2024

Mr. Koffey sent a letter to Mr. Kiani to express his concerns with the Board's approach to the separation of the consumer business.

Mr. Koffey also requested the identity of the prospective JV partner and information about the status of negotiations and terms

May 8, 2024

Mr. Kiani responded to Mr. Koffey's letter by declining to provide basic information, including the name of the prospective JV partner.

Mr. Koffey, in his capacity as a member of the Board, submitted a books and records request pursuant to Section 220 of the DGCL.

The request demanded access to Masimo's books and records relating to any transaction with any effect of separating assets from Masimo and the identity of a prospective JV partner that Mr. Kiani had not yet disclosed to the full Board.



Despite my repeated requests, I have not received information as basic and fundamental as even the name of the contemplated JV partner."

Mr. Koffey's Demand Letter to Masimo's Board of Directors, May 2024

May 15, 2024

Mr. Kiani presented at the Bank of America Healthcare conference, stating:



We may have been able to even do a JV before the shareholder meeting because the JV wants to get it done by June 25, but right now, the activist is pushing back, threatening litigation. So I don't want to get into a lawsuit. I'd rather wait until after the proxy to do it."

Mr. Kiani, May 2024



Today

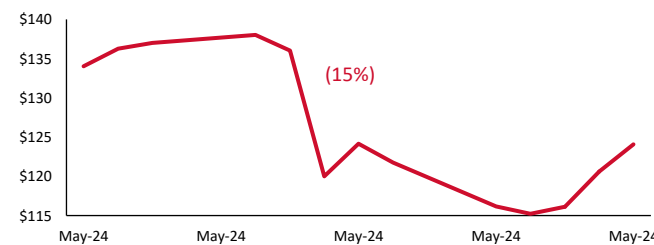
As of today, more than five weeks later, the Board has not received a single update on discussions with the prospective JV partner.

April 30, 2024

The Board met and voted, over the objections of Ms. Brennan and Mr. Koffey, to reject Mr. Koffey's proposals made in writing to the Company's Corporate Secretary on April 25.

May 7, 2024

After Masimo reports Q1 2024 earnings and in the subsequent days, concern CEO would sign binding agreement to sell consumer business before AGM as well as announced SEC investigation resulted in 15% decline despite the in-line results.



May 10, 2024

Masimo legal counsel wrote a letter to Mr. Koffey's counsel in response to the books and records request stating that Masimo planned to furnish Board materials relating to the separation of the consumer business and information regarding the potential JV no later than May 13, 2024.

May 16, 2024

The Board held its first meeting at which the full Board was briefed on the name of the prospective JV partner and the high-level terms of the proposed transaction, including a non-binding but executed term sheet.

Following substantial shareholder pressure, the Board agreed to hold off on entering into a binding agreement prior to the AGM.

Appendix

1 Board Onboarding and Information Gathering Timeline

2 Transaction Timeline

3 Settlement Discussions Timeline: Politan's Proposals Rejected

Settlement Discussions Timeline: Rejection of Politan's Proposals



April 2024 — May 2024

March 25, 2024

Politan submitted a notice nominating Dr. Darlene Solomon and Bill Jellison for election at the 2024 AGM.

Neither Dr. Solomon nor Mr. Jellison had any pre-existing relationship with Politan or any of Masimo's Board members and were identified via a nationally recognized search firm.

Politan nominated Dr. Solomon and Mr. Jellison because they are highly-qualified and will bring crucial expertise and an independent perspective that is sorely needed on Masimo's Board.

Politan also **proposed adding Dr. Solomon and Mr. Jellison to the Board** immediately and **allowing Mr. Kiani to remain** on the Board, thereby avoiding a proxy contest.

Politan Nominates Two Independent Candidates for Masimo Board

Supports Strategic Review of Consumer Business, But Has Serious Concerns Given Masimo's Broken Governance and Lack of Independent Oversight

Nominees Dr. Darlene Solomon and William Jellison Bring Critical Expertise and Independence That Is Clearly Lacking in Masimo's Boardroom Today

April 25, 2024

Mr. Koffey **proposed that Mr. Kiani and Mr. Reynolds effectively switch director classes** so Mr. Reynolds would be up for election at the 2024 AGM and **Mr. Kiani remain on the Board** and up for election at the 2025 AGM.

April 30, 2024

Mr. Koffey also **alternatively proposed** that the class up for election at the 2024 AGM be expanded to three seats and that Mr. Kiani and Mr. Reynolds both stand for election at the 2024 AGM. Politan would only nominate two directors and not challenge Mr. Kiani's seat, and therefore he would be reelected. This would **allow Mr. Kiani to remain on the Board while allowing shareholders to vote on seating a majority of truly independent directors not selected by Mr. Kiani.**

May 9, 2024

Mr. Reynolds sent a letter, which he promptly made public, to Mr. Koffey in which Mr. Reynolds proposed appointing Mr. Jellison to the Board in exchange for Politan withdrawing Dr. Solomon's nomination and ending its proxy contest.

Mr. Reynolds had two days prior made the same offer privately subject to a 24-hour expiration.

May 16, 2024

The Board held a meeting at which the Board voted, over the objections of Ms. Brennan and Mr. Koffey, to propose Christopher Chavez as a nominee for election at the 2024 AGM to fill the director position left vacant by Mr. Classon's resignation.

Like Mr. Chapek, Mr. Kiani had referred Mr. Chavez to the Board as a director candidate.

The Nominating Committee had not met to discuss Mr. Chavez's nomination or consider alternative candidates.

May 29, 2024

Mr. Koffey, in a phone call with Mr. Reynolds and Mr. Chapek, stated that Politan would not support adding Mr. Chavez to the Board due to his lack of independence and lack of qualifications.

On that same call, Mr. Koffey **reiterated Politan's proposal that Dr. Solomon and Mr. Jellison be added to the Board, that Mr. Kiani could remain** on the Board, and the proxy solicitation would be over.

April 4, 2024

Masimo proposed to Mr. Koffey that in return for adding Dr. Solomon and Mr. Jellison to the Board, Mr. Kiani would be able to resign as CEO of Masimo to assume the role of Executive Chairman of the new consumer company and that his Special Payment (worth \$400M at the time) would be fully accelerated; the new consumer company would take the corporate HQ and \$150M in cash; Mr. Kiani's preferred law firm would represent the Board in the separation of Masimo's IP; and Politan would abandon challenges to Mr. Kiani's compensation arrangement.

Mr. Koffey declined the proposal given the restrictions it could impose on the independence of the Board and its likely destruction of long-term shareholder value.

May 8, 2024

Masimo announced the resignation of Mr. Classon as a director effective May 10.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As previously announced by Masimo Corporation ("Masimo"), on May 8, 2024, Rolf Classon notified Masimo's Board of Directors (the "Board") of Mr. Classon's decision to resign from the Board and the Audit Committee of the Board (the "Audit Committee"), effective as of May 10, 2024. Mr. Classon's resignation was not due to a disagreement with the Company on any matter relating to the Company's operations, policies or practices. Mr. Classon informed the Company that he resigned for personal health reasons.

May 9, 2024

Mr. Koffey responded in a letter the same day stating that the proposal "falls well short of resolving the fundamental governance problems at Masimo" and would "simply deadlock the Board... which would merely continue the status quo under which Mr. Kiani can do whatever he wants however he wants with no Board oversight".

Mr. Koffey **proposed that if Mr. Jellison and Dr. Solomon were appointed**, Politan would **not oppose Mr. Kiani's re-election.**



Masimo activist agrees to end proxy fight if company expands board, adds both nominees
... a settlement would allow CEO Joe Kiani to keep his director seat and fulfill a promise to expand the board."



May 23, 2024

Mr. Reynolds, in an email to Mr. Koffey, proposed appointing Mr. Jellison and Mr. Chavez to the Board, which would expand the Board to seven members, in exchange for Politan withdrawing Dr. Solomon's nomination and ending its proxy contest.

Mr. Koffey and Mr. Chavez met via telephone on May 27th and spoke for over an hour.

We greatly appreciate the support we have heard from shareholders.
If you are a fellow Masimo shareholder, please contact us with any thoughts or questions.

For Investors

D.F. King & Co., Inc.
Ed McCarthy
emccarthy@dfking.com
(212) 493-6952

For Media

Longacre Square
politian@longacresquare.com

 Politan Capital Management

 ADVANCE MASIMO

www.advancemasimo.com