



July 1, 2024

Dear Fellow Masimo Stockholders:

Masimo's Board has a duty to stockholders to share its views on the nominees proposed for election at this year's annual meeting. The three of us signed below, constituting all the non-Politan directors, have led public companies as CEOs and senior executives and served on public company boards for many years. Through our service, we have seen how directors can be effective and value additive for stockholders in the boardroom. Most critically, we understand that every boardroom needs robust discussion and a healthy, open dialogue and believe that stockholders should have representatives with the experience, expertise and independence to provide objective counsel to management. That is why we nominated Christopher Chavez, and why we believe Politan's nominees are clearly inferior to ours.

What we find most disappointing, and troubling, is that Politan's central argument to cede control of Masimo to Politan is the "refusal by Masimo to permit independent oversight." It appears to us that Politan is repeating a false narrative over and over in the hopes that stockholders will believe it to be true. It is simply not the case that having met Joe Kiani in the past, whether at an industry event, on the opposite side of the negotiating table, or at a civic function, compromises the independence of our directors, creates an obligation to him or interferes with their duty to provide oversight. The success Mr. Chavez and our non-Politan directors have had at the highest levels of leadership allow them to challenge and counsel management and help make the best decisions for Masimo at the Board level. Meanwhile, Politan continues to admit that its nominees will vote in a bloc regardless of what is presented and discussed in the boardroom: "Electing only one of our two nominees would not be sufficient to effect this type of change. Adding just Darlene Solomon or William Jellison would result in a deadlocked Board."

The assertion that Mr. Chavez would rubber stamp anything Mr. Kiani wants to do is frankly nonsensical. Mr. Chavez is widely respected for his industry knowledge and decades of experience working for and leading medical technology companies. We invite stockholders to compare Mr. Chavez's independence and experience with Mr. Jellison's or Dr. Solomon's, who are being paid by Politan.

Mr. Chavez is a self-made businessman who rose from the bottom to leading public medtech companies. He brings more than 30 years of leadership experience in the medical technology industry, including two past appointments as a public company CEO and many years as an independent public company director. He has dealt with complex strategic, operational, regulatory and transactional matters unique to the medtech industry that neither Politan nominee – and neither of the Politan directors – has experienced. His personal involvement in product development, commercialization and revenue growth in the medtech industry will add significant value to the Board.

It should come as little surprise to stockholders that Mr. Kiani and Mr. Chavez became professionally acquainted many years ago, given they were both leading medtech CEOs who as a result served on the board of the Medical Device Manufacturers Association (MDMA). However, while Mr. Kiani still serves on MDMA's board, Mr. Chavez left more than 12 years ago. Since that time, Mr. Kiani has had only one brief meeting with Mr. Chavez, when Masimo considered – but did not pursue – the acquisition of a company at which he was a director.

Mr. Jellison is by contrast a serial activist nominee. He recently joined the board of Anika Therapeutics (a company with a market cap well under \$400 million) as a nominee of activist investor Caligan Partners. Notwithstanding Politan's claims that Mr. Jellison is "unquestionably independent" and "found via nationally recognized, third-party search firm," it is no coincidence that Caligan Partners' attorney also happens to be Politan's attorney.<sup>1</sup> Moreover, in a recent publication an executive at Anika Therapeutics indicated that he believes that Mr. Jellison is simply a stand-in for Caligan:

"[Jellison] is not what is important. It's Caligan. Jellison is a proxy," the executive said. The activist investor approach is their worst nightmare because if they don't reach an agreement, "it tears you apart."

Dr. Solomon has a technical background, but her expertise is in a field unrelated to Masimo's business, and she does not have familiarity with medical technology development or the regulatory processes to which Masimo is subject, all of which are critical to Masimo's innovation engine. She has dealt with few, if any, of the industry-specific challenges through which Mr. Chavez has successfully led the companies he served during his long career.

It is our belief that Politan selectively chose nominees who depend on activist investors to advance their director careers or have limited perspective on, background in, or knowledge of the medical device sector to ensure they will simply follow Mr. Koffey's lead on issues before the Board, as Ms. Brennan has done. It is clear Politan wants Board members that will vote with Mr. Koffey. Politan's mantra, "Masimo Urgently Needs a Truly Independent Board," should truthfully state, "Politan Urgently Wants a Quentin Koffey-Controlled Board."

We also do not believe that any of Politan's current directors or nominees are qualified to serve as an interim CEO. Politan is demanding control of Masimo without providing any concrete transition and leadership plan to shareholders. That is not an approach we think will maximize value for stockholders. Quite the opposite.

If Masimo stockholders want knowledgeable, independent Board members to lead and guide the company, Mr. Chavez is the ally they need on the Board. In our view, Politan has already told stockholders what they will get voting for their slate: control of Masimo by Politan. An activist with less than 9% of Masimo's shares in control of Masimo with an inexperienced Board and with no actual plan for running Masimo is a threat to Masimo's current and future value. We believe it is also a disservice to patients around the world and to stockholders to seek to reduce innovation. As we have presented recently, we expect Masimo's continued investments in R&D to support patient-focused, innovation-based revenue growth will allow Masimo to achieve \$8 non-GAAP EPS in 5 years.

Thank you for your continued support,

Craig Reynolds

Bob Chapek

Joe Kiani

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<sup>1</sup> <https://www.srz.com/en/people/ele-klein> (see "Representations").

## **Forward-Looking Statements**

This communication includes forward-looking statements as defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, in connection with the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, among others, statements regarding the 2024 Annual Meeting of Stockholders (the “2024 Annual Meeting”) of Masimo and the potential stockholder approval of the Board’s nominees and Masimo’s earnings per share estimates and targets. These forward-looking statements are based on current expectations about future events affecting Masimo and are subject to risks and uncertainties, all of which are difficult to predict and many of which are beyond Masimo’s control and could cause its actual results to differ materially and adversely from those expressed in its forward-looking statements as a result of various risk factors, including, but not limited to (i) uncertainties regarding future actions that may be taken by Politan in furtherance of its nomination of director candidates for election at the 2024 Annual Meeting, (ii) the potential cost and management distraction attendant to Politan’s nomination of director nominees at the 2024 Annual Meeting and (iii) factors discussed in the “Risk Factors” section of Masimo’s most recent periodic reports filed with the Securities and Exchange Commission (“SEC”), which may be obtained for free at the SEC’s website at [www.sec.gov](http://www.sec.gov). Although Masimo believes that the expectations reflected in its forward-looking statements are reasonable, the Company does not know whether its expectations will prove correct. All forward-looking statements included in this communication are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of today’s date. Masimo does not undertake any obligation to update, amend or clarify these statements or the “Risk Factors” contained in the Company’s most recent reports filed with the SEC, whether as a result of new information, future events or otherwise, except as may be required under the applicable securities laws.

## **Additional Information Regarding the 2024 Annual Meeting of Stockholders and Where to Find It**

The Company has filed a definitive proxy statement containing a form of GOLD proxy card with the SEC in connection with its solicitation of proxies for its 2024 Annual Meeting. **THE COMPANY’S STOCKHOLDERS ARE STRONGLY ENCOURAGED TO READ THE DEFINITIVE PROXY STATEMENT (AND ANY AMENDMENTS AND SUPPLEMENTS THERETO) AND ACCOMPANYING GOLD PROXY CARD AS THEY WILL CONTAIN IMPORTANT INFORMATION.** Stockholders may obtain the proxy statement, any amendments or supplements to the proxy statement and other documents as and when filed by the Company with the SEC without charge from the SEC’s website at [www.sec.gov](http://www.sec.gov).

## **Certain Information Regarding Participants**

The Company, its directors and certain of its executive officers and employees may be deemed to be participants in connection with the solicitation of proxies from the Company’s stockholders in connection with the matters to be considered at the 2024 Annual Meeting. Information regarding the direct and indirect interests, by security holdings or otherwise, of the Company’s directors and executive officers in the Company is included in the Company’s definitive proxy statement for the 2024 Annual Meeting (the “2024 Proxy Statement”), which can be found through the SEC’s website at <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000937556/000121390024053125/ea0206756-05.htm>. Changes to the direct or indirect interests of Masimo’s securities by directors and executive officers are set forth in SEC filings on a Statement of Change in Ownership on Form 4 filed with the SEC on June 28, 2024, which can be found through the SEC’s website at [https://www.sec.gov/Archives/edgar/data/937556/000093755624000053/xsIF345X05/wk-form4\\_1719606794.xml](https://www.sec.gov/Archives/edgar/data/937556/000093755624000053/xsIF345X05/wk-form4_1719606794.xml). Any other changes to the 2024 Proxy Statement may be found in any amendments or supplements to the 2024 Proxy Statement and other documents as and when filed by the Company with the SEC, which can be found through the SEC’s website at [www.sec.gov](http://www.sec.gov).