

MASIMO CORPORATION

AUDIT COMMITTEE CHARTER

Purpose

The purpose of the Audit Committee (the “*Committee*”) is to:

- Oversee the Company’s accounting and financial reporting processes, including the Company’s disclosure controls and procedures and system of internal controls and audits of the Company’s consolidated financial statements.
- Oversee the Company’s relationship with its independent auditors, including appointing or changing the Company’s auditors and ensuring the auditors’ independence.
- Provide oversight regarding significant financial matters.

Appointment and Membership Requirements

The Committee will be made up of at least three (3) independent members of the Board of Directors (the “*Board*”). Committee members are appointed by the Board. The Board decides the Committee’s exact number and can at any time remove or replace a Committee member. The Board will also make all determinations regarding satisfaction of the membership requirements described below.

The Committee will comply with all applicable provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations of the Securities and Exchange Commission (the “*SEC*”) and The NASDAQ Stock Market LLC (“*NASDAQ*”), including those related to independence.

At least one (1) member of the Committee must have past employment experience in finance or accounting, or comparable experience or background, which results in an understanding of GAAP, an ability to apply GAAP principles in assessing accounting policies, and experience in preparing and evaluating financial statements with a level of complexity comparable to the Company’s financial statements. Having been a CEO, CFO or other senior officer with financial oversight responsibilities for a public company, for instance, would qualify.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement.

Unless the Chair of the Committee is elected by the Board, the members of the Committee will designate a chair by the majority vote of the full Committee membership. The Board or the Committee may change the chair at any time.

Responsibilities and Authority

The Committee’s main responsibility is to oversee the Company’s financial reporting process (including the Company’s disclosure controls and procedures and system of internal controls). The Committee believes that the Company’s policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The following list includes the Committee’s

main recurring processes in carrying out its responsibilities. This list is intended as a guide, with the understanding that the Committee can modify or supplement it as appropriate, consistent with the requirements of the SEC and the NASDAQ.

1. *Hiring and Selection of Auditors.* The Committee will directly appoint, retain and compensate the Company's independent auditors. These independent auditors will report directly to, and be responsible to, the Committee.
2. *Approval of Audit and Non-Audit Services.* The Committee is responsible for overseeing services provided by the independent auditors, including establishing a policy to decide what services will be performed and the approval requirements for these services.
3. *Auditor Independence.* The Committee is responsible for ensuring it reviews at least annually the qualifications, performance and independence of the auditors. In addition, the Committee will review a formal written statement explaining all relationships between the outside auditors and the Company and its subsidiaries, consistent with the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Committee concerning independence. The Committee will take, or recommend to the Board that it take, appropriate actions to oversee the independence of the Company's outside auditors.
4. *Oversight of Auditors; Audit Plan.* The Committee will be responsible for the Company's relationship with its independent auditors. The Committee will oversee the rotation of the audit partners of the Company's independent auditors as required by the Sarbanes-Oxley Act and the rules of the SEC. The Committee will be responsible for reviewing and resolving any disagreements between the Company's management and the independent auditors regarding financial controls or financial reporting.
5. *Internal Controls; Risk Assessment.* The Committee will discuss with management and the independent auditors the design, implementation, adequacy and effectiveness of the Company's internal controls. The Committee will also meet separately with the independent auditors, with and without management present, to discuss the results of their examinations.
6. *Quarterly and Annual Financial Statements.* The Committee will review and discuss the annual audited financial statements and quarterly financial statements with management. The Committee will be responsible for making a recommendation to the Board as to whether the Company's annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
7. *Proxy Report.* The Committee will oversee and approve the annual Committee Report to be included in the Company's annual public filings, as required.
8. *Earnings Announcements.* The Committee will review and discuss with management the Company's quarterly earnings announcements and other public announcements regarding the Company's results of operations.
9. *Critical Accounting Policies.* The Committee will obtain, review and discuss reports from the independent auditors about critical accounting policies and practices which the

Company will use, and the quality of those policies and practices.

10. *Anonymous Complaint Handling Process.* The Committee will have responsibility for establishment and oversight of processes and procedures for (a) the receipt, retention and treatment of complaints about accounting, internal accounting controls or audit matters, and (b) confidential and anonymous submissions by employees concerning questionable accounting, auditing and internal control matters.
11. *Ability to Investigate; Retention of Advisors.* The Committee has the power to investigate any matter brought to its attention, with full access to all the Company books, records, facilities and employees. The Committee has the sole authority to select, retain and terminate consultants, legal counsel or other advisors to advise the Committee, at the expense of the Company, and to approve the terms of any such engagement and the fees of any such consultants, legal counsel or advisors. Such consultants, legal counsel or advisors shall report directly to the Board or the Committee, as directed by the Committee. In selecting a consultant or other advisor, the Committee will take into account factors it considers appropriate or as may be required by applicable law or NASDAQ standards.
12. *Review of Charter; Self-Assessment.* The Committee will review and assess the adequacy of this Charter at least once per year and make recommendations to the Board regarding any proposed changes. The Committee will review annually the Committee's own performance against responsibilities outlined in this Charter and as otherwise established by the Board.

It is not the Committee's responsibility to prepare and certify the Company's financial statements, to guarantee the independent auditors' report, or to guarantee other disclosures by the Company. These are the responsibilities of management and the independent auditors. The Committee members are not full-time Company employees and do not perform the functions of auditors and accountants.

Restrictions on Independent Auditors Services

The Company's independent auditors cannot perform any service that the Public Company Accounting Oversight Board determines, by regulation, would impair the independence of the Company's auditors.

Meetings and Minutes

The Committee will keep minutes of each of its meetings.

Unless the Board or this Charter provides otherwise, the Committee can make, alter or repeal rules for the conduct of its business. In the absence of these rules, the Committee will conduct its business in the same way the Board conducts its business.

Delegation of Authority

The Committee can delegate to one or more members of the Committee the authority to pre-approve audit and permissible non-audit services, as long as any pre-approval of services is presented to the full Committee at its next regularly scheduled meeting.

The Committee can delegate to one or more members of the Committee the authority to pre-approve related party transactions, as long as any pre-approval of a transaction is presented to the full Committee at its next regularly scheduled meeting.

The Committee cannot delegate its responsibilities to non-committee members.

Amendment; Waiver; Interpretation

This Charter is intended to serve as a framework within which the Committee may act with respect to the matters contemplated herein. It is not intended to and shall not create a set of legally binding obligations on the Board, the Committee or the Company. The Board may amend this Charter, or any portion of it, at any time as it determines necessary or appropriate. In the event the Board or the Committee ratifies or approves any action, matter or interpretation that may be deemed to be inconsistent with the terms of this Charter or any prior charter of the Committee, this Charter and any such prior charter shall be deemed automatically amended to comport, in all respects, with such action, matter or interpretation.

Adopted: October 29, 2015