



Masimo Corporation

Conflict Minerals Report

For the Calendar Year Ended December 31, 2016

This Conflict Minerals Report (this “Report”) is being filed in compliance with Rule 13p-1 of the Securities Exchange Act of 1934, as amended (“Rule 13p-1”), for the calendar year ended December 31, 2016; and pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the “Dodd- Frank Act”). Rule 13p-1 requires companies to publicly disclose certain information relating to their use of “Conflict Minerals” that originated in the Democratic Republic of the Congo or an adjoining country (collectively, the “DRC Countries”) that may be contributing to human rights abuses, if those minerals are necessary to the functionality or production of a product manufactured, or contracted to be manufactured, by those companies. Rule 13p-1 requires companies to report whether Conflict Minerals that originated in the DRC Countries exist in their supply chains. “Conflict Minerals” are defined as cassiterite, columbite-tantalite (coltan), gold, wolframite and their derivatives, which are limited to tin, tantalum and tungsten, or any other mineral or its derivatives determined by the Secretary of State to be financing conflict in the DRC Countries.

During a registrant’s supply chain review, if it is determined that Conflict Minerals are necessary to the functionality or production of a product manufactured, or contracted to be manufactured, by the registrant, the registrant is required to perform, in good faith, a reasonable country of origin inquiry (“RCOI”) regarding those Conflict Minerals. The purpose of the inquiry is to determine whether any of the Conflict Minerals originated in the DRC Countries or from recycled or scrap sources. Based on current Securities and Exchange Commission (“SEC”) guidance and court rulings, Masimo has decided not to voluntarily describe our products as “DRC conflict free”, and, therefore, an independent private sector audit of this Report is not required and has not been conducted.

Company Overview

Masimo Corporation (“Masimo”, “we”, “us” or “our”) is a global medical technology company that develops, manufactures and markets a variety of noninvasive monitoring technologies. We provide our technologies and products directly, as well as through distributors and original equipment manufacturer partners, to hospitals, emergency medical service providers, physician offices, veterinarians, long term care facilities and consumers. Our mission is to improve patient outcomes and reduce the cost of care by taking noninvasive monitoring to new sites and applications™. We were incorporated in California in May 1989 and reincorporated in Delaware in May 1996.

Our core business is Measure-through Motion and Low Perfusion™ pulse oximetry monitoring, known as Masimo Signal Extraction Technology® (SET®) pulse oximetry. Our product offerings have expanded significantly over the years to also include monitoring blood constituents with an optical signature, optical organ oximetry monitoring, electrical brain function monitoring, acoustic respiration monitoring, exhaled gas monitoring, patient monitoring with connectivity platforms, bedside and portable patient monitors and wearable wireless patient monitors. We have also developed a remote patient surveillance monitoring system, which currently allows up to 200 patients to be monitored simultaneously and remotely through a PC-based viewing station or by care providers through their pagers, voice-over-IP phones or smartphones.

Our solutions and related products are based upon our proprietary Masimo SET® and rainbow® algorithms. This software-based technology is incorporated into a variety of product platforms depending on our customers' specifications. Our technology is supported by a substantial intellectual property portfolio that we have built through internal development and, to a lesser extent, acquisitions and license agreements. In addition, we have exclusively licensed certain rainbow® technology from Cercacor Laboratories, Inc. and have the right to incorporate such rainbow® technology into products that are intended for use by professional caregivers, including, but not limited to, hospital caregivers and alternate facility caregivers.

Product Overview

We develop, manufacture and market patient monitoring technologies and related products that incorporate a monitor or circuit board, sensors, including proprietary single-patient use, reusable and ReSposable® sensors, and patient cables. In addition, we offer a variety of remote alarm/monitoring solutions, software and connectivity solutions.

Materials and Supply Chain Overview

Masimo has determined that certain of its products may contain Conflict Minerals due to the anticipated presence of these minerals in parts obtained from suppliers or from the use of Conflict Minerals in the manufacturing processes employed by Masimo. Masimo is not a vertically integrated manufacturer, does not make direct purchases of raw ore or unrefined Conflict Minerals from the DRC Countries and is, therefore, several levels removed from the actual mining of Conflict Minerals. As a result, in order to comply with Rule 13p-1, we rely upon our suppliers to provide information on the origin of the Conflict Minerals contained in components and materials supplied to us, including the sources of Conflict Minerals that are supplied to them from sub-tier suppliers. We have adopted responsible sourcing of minerals requirements with our Conflict Minerals Policy and our suppliers are expected to provide Conflict Minerals sourcing information to us in accordance with such policy. A copy of our Conflict Minerals Policy is available on our website at: <http://masimocorp.gcs-web.com/corporate-governance/governance-overview>

Reasonable Country of Origin Inquiry (RCOI)

Masimo has continued its supplier and parts based risk assessment in determining which suppliers/parts were “in scope” for the 2016 RCOI survey. Masimo ultimately identified 606 suppliers that provided or can potentially provide components and/or materials which are included in the products that Masimo offers to our customers. The RCOI was intended to determine which Masimo-utilized parts contain Conflict Minerals and whether those Conflict Minerals originated in DRC Countries. Masimo asked suppliers to provide information regarding: (1) the Conflict Minerals contained in each of the parts supplied by that supplier, and (2) the source of those Conflict Minerals, including smelter or refinery information and the location of mines. These suppliers were asked to complete the Electronic Industry Citizenship Coalition Conflict Free Sourcing Initiative (EICC-CFSI) Conflict Minerals Reporting Template (ver. 4.20). Due to the breadth and complexity of our products and supply chain, we expected that it would take significant time for many of our suppliers to collect and verify the origin of Conflict Minerals in the products they supply to us. While this has proven to be true, Masimo continues to make year-over-year progress in the quality and depth of responses received from our supplier base.

Of the 606 suppliers that were surveyed in 2016, Masimo has received responses from 456 suppliers as of the date of filing of this Report, all of which have completed a Conflict Minerals Reporting Template (CMRT) and/or provided a declaration and/or a policy.

Of the 456 suppliers that completed a CMRT and/or provided a declaration and/or a policy, 258 declared that they were DRC Conflict Free, 66 declared that they were DRC Conflict undeterminable, 69 declared that they were out-of-scope, 15 provided partial responses such that their status remains unknown, and 48 provided a policy only. None of the suppliers that responded specifically declared that they were not DRC Conflict Free.

Masimo is continuing to work with our suppliers that were either non-responsive or provided incomplete or partial responses to our requests in order to obtain a satisfactory response.

Due Diligence Process

Masimo has implemented a due diligence process regarding the source and chain of custody of our Conflict Minerals. We have designed our due diligence framework to conform in all material respects with the framework provided by The Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, an internationally-recognized due diligence framework. Our due diligence process includes:

1. *Adopting a Conflict Minerals Policy.* As previously stated, a copy of our Conflict Minerals Policy is available on our website at: <http://masimocorp.gcs-web.com/corporate-governance/governance-overview>
2. *Establishing a governance model to oversee the implementation and ongoing management of the Conflict Minerals Compliance Program.* Masimo's governance structure includes resources responsible for the implementation, documentation, reporting, and oversight of the Conflict Minerals Compliance Program. The governance structure consists of an Executive Steering Committee (ESC) and Core Team. The ESC oversees the Conflict Minerals Compliance Program and will update, as necessary, Masimo's Board of Directors. The ESC sponsors and monitors the Core Team in its efforts to execute the Conflict Minerals Compliance Program. The Core Team consists of representatives from Masimo's business and corporate functions and manages the due diligence and risk management of Masimo's suppliers. Core Team responsibilities include updating processes and procedures, as well as implementing the Conflict Minerals Compliance Program to meet Masimo's objectives.
3. *Submitting the EICC-CFSI Conflict Minerals Reporting Template to suppliers of parts/materials potentially containing Conflict Minerals.* This template includes questions regarding a company's conflict-free policy and engagement with its direct suppliers and provides a standardized method for Masimo to use in the collection of representations, statements, and data from Masimo's suppliers relative to the presence, use, source, and chain of custody of Conflict Minerals in supplier parts that are used in Masimo's products. Responses are reviewed for completeness, reasonableness and consistency.
4. *Comparing smelters identified in the reporting templates against the list of smelter facilities that have been identified as "conflict free" by the EICC-CFSI Conflict Free Sourcing Initiative (CFSI).* The CFSI is a voluntary program whereby an independent third party evaluates smelter procurement activities to determine whether a smelter has sufficiently demonstrated that all materials processed by that smelter originated from sources that do not directly or indirectly finance or benefit armed groups in the DRC Countries.
5. *Providing mechanisms to report violations of Masimo's policies.* We have mechanisms in place that enable employees, suppliers and others to report violations of Masimo's policies. Alleged violations may be brought to the attention of Masimo's Compliance Officer by written correspondence on a confidential basis. This reporting mechanism is published on our website at: <http://www.masimo.com/About-Masimo/investors/>

Risk Mitigation - Improvement Program

We are committed to further improving our supply chain due diligence processes, driving accountability within the supply chain by leveraging the industry standard CFSI CMRT and continuing our outreach efforts in order to further develop transparency in our supply chain and mitigate the risk that Masimo's use of Conflict Minerals benefits or finances armed groups.

During calendar year 2016, Masimo took the following steps to further this commitment:

1. Continued to work with our suppliers that provided incomplete or insufficient information during 2016 in an effort to obtain complete and accurate information in 2017;
2. Requested information and supporting data from all "in scope" suppliers on the Masimo Approved Supplier list that are subject to the 2017 reporting requirements by utilizing the EICC-CFSI Conflict Minerals Reporting Template (ver. 4.20); and pursuing a completed template response that identifies the originating smelter and mine;

3. Continued to follow our due diligence process to review and validate supplier responses that are obtained in support of Masimo's 2017 Conflict Minerals reporting;
4. Provided our Conflict Minerals Policy to suppliers in connection with our EICC-CFSI Conflict Minerals Reporting Template - based supplier inquiry process for 2017;
5. Continued the process of integrating Conflict Minerals transparency requirements into our supplier qualification and evaluation process, which includes the requirement for suppliers to disclose their Conflict Minerals status and policy via the Masimo Supplier Self-Assessment form;
6. Continued the process of integrating Conflict Minerals supplier information and data collection/retrieval into Masimo automated systems to support supply chain transparency, internal audit efficiency and conflict free sourcing efforts;
7. Continued to encourage our suppliers to purchase materials from audited, conflict-free smelters and determined whether the smelters that were used to process these minerals were validated as conflict-free as part of the Conflict-Free Smelter Program; and
8. Included a Conflict Minerals disclosure clause in our Supplier Self-Assessment form to help evaluate and qualify our current and future supplier agreements.

Product Description

A list of parts used in Masimo monitor, printed circuit board and sensor products for which Masimo surveyed suppliers for Conflict Mineral content or Conflict Mineral use in production is attached as Exhibit A. Masimo continues to gather and assess the smelters and refineries used to process the Conflict Minerals used in Masimo's products, and the countries of origin of those Conflict Minerals. However, despite our due diligence efforts, we do not have sufficient information to conclusively determine the countries of origin of all of the Conflict Minerals used in the products described above or whether the Conflict Minerals were obtained from recycled or scrap sources as of the date of filing of this Report.

Conflict Minerals Status Analysis and Conflict Status Conclusion

Based on current SEC guidance and court rulings, Masimo has decided not to voluntarily describe our products as "DRC conflict free," "not having been found to be DRC conflict free" or "DRC conflict undeterminable". However, we are continuing our due diligence process of working with our suppliers to gather sufficient smelter information, as well as using other sources to determine the country of origin of the Conflict Minerals used in our products or to identify the facilities used to process those Conflict Minerals. Masimo also plans to further integrate Conflict Minerals supplier information and data collection/retrieval into Masimo automated systems to support supply chain transparency, internal audit efficiency and conflict free sourcing efforts. In addition, we continue to integrate Conflict Minerals transparency requirements into our supplier qualification and evaluation process, including the requirement for suppliers to disclose their Conflict Minerals status and policy via our Supplier Self-Assessment form.

Masimo Corporation Conflict Minerals Report

Exhibit A

Description of Masimo Corporation's 2016 Products (Parts/Supplies)

Product Description

- Electronic Parts, Assemblies and Components
- Cables, Cable Harnesses and Wires
- Power Supplies
- Printed Circuit Assemblies
- Displays/Monitors
- LEDs
- Solder
- Batteries