

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

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 3, 2026
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

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



MASIMO CORPORATION

(Exact name of registrant as specified in its charter)

DE
(State or Other Jurisdiction of
Incorporation or Organization)
52 Discovery Irvine, CA
(Address of principal executive offices)

33-0368882
(I.R.S. Employer
Identification Number)
92618
(Zip Code)

(949) 297-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:

Common Stock, par value \$0.001

Trading symbol:

MASI

Name of each exchange on which registered:

The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes No

The aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of the common stock on June 28, 2025, the last business day of the registrant's most recently completed second fiscal quarter, as reported on the Nasdaq Global Select Market, was approximately \$3.9 billion. Shares of stock held by officers, directors and 5 percent or more stockholders have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes. At January 31, 2026, the registrant had 52,192,538 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K incorporate information by reference from the registrant's proxy statement for the registrant's 2026 Annual Meeting of Stockholders to be filed with the Securities and Exchange Commission within 120 days after the close of the fiscal year covered by this annual report on Form 10-K.

MASIMO CORPORATION
FISCAL YEAR 2025 FORM 10-K ANNUAL REPORT
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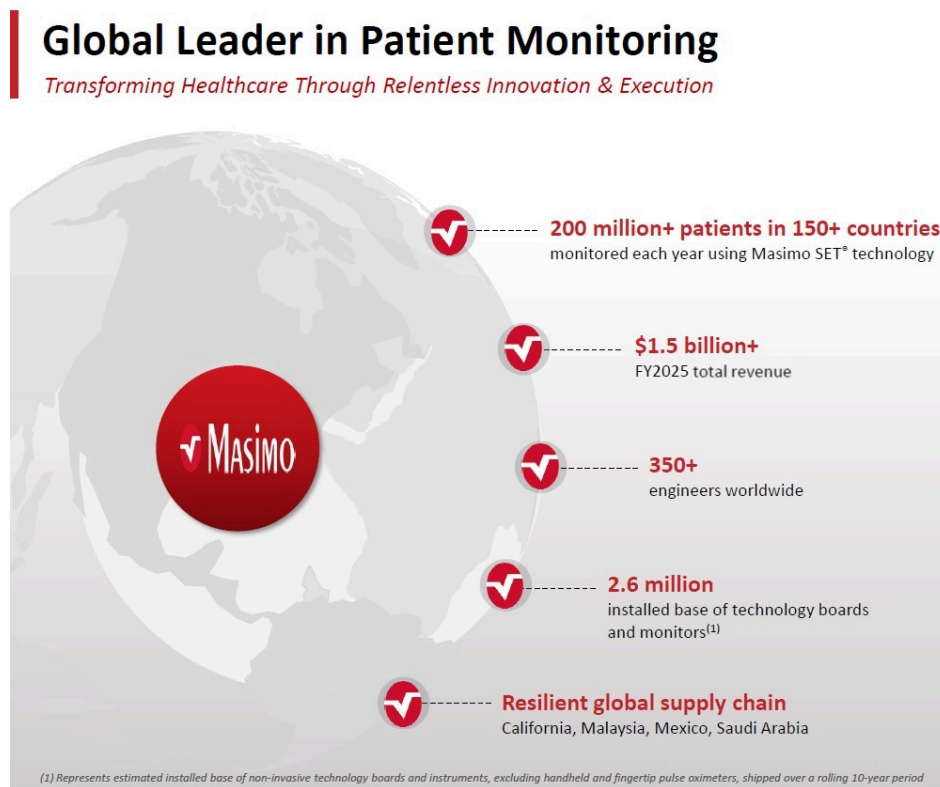
FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains “forward-looking statements” that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially and adversely from those expressed or implied by such forward-looking statements. The forward-looking statements are contained principally in Item 1—“Business,” Item 1A—“Risk Factors” and Item 7—“Management’s Discussion and Analysis of Financial Condition and Results of Operations” but appear throughout this Annual Report on Form 10-K. Examples of forward-looking statements include, but are not limited to, any projection or expectation of earnings, revenue or other financial items; the plans, strategies and objectives of management for future operations; organizational impact of executive leadership and board transitions; factors that may affect our operating results, including accounting and tax estimates; our success in pending litigation; new products or services; the demand for our products; our ability to consummate acquisitions and successfully integrate them into our operations; any discussions of potential, expected, planned business divestitures, separations or spinoffs; future capital expenditures; effects of current or future economic conditions or performance; our ability to successfully consummate the proposed merger with Danaher Corporation on the anticipated timeline or at all and the impact of the pendency of the proposed merger on our ability to maintain relationships with customers and other third parties, on management’s attention to the operation of our business and other risks and uncertainties related to the proposed merger that may affect future results; industry trends and other matters that do not relate strictly to historical facts or statements of assumptions underlying any of the foregoing. These statements are often identified by the use of words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “on-going,” “opportunity,” “plan,” “potential,” “predicts,” “seek,” “should,” “will,” or “would,” and similar expressions and variations or negatives of these words. These forward-looking statements are based on the expectations, estimates, projections, beliefs and assumptions of our management based on information currently available to management, all of which is subject to change. Such forward-looking statements are subject to risks, uncertainties and other factors that are difficult to predict and could cause our actual results and the timing of certain events to differ materially and adversely from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed under Item 1A—“Risk Factors” in this Annual Report on Form 10-K. Furthermore, such forward-looking statements speak only as of the date of this Annual Report on Form 10-K. We undertake no obligation to update or revise publicly any forward-looking statements to reflect events or circumstances after the date of such statements for any reason, except as otherwise required by law.

PART I

ITEM 1. BUSINESS

Overview



We are a global medical technology company that develops and produces a wide array of industry-leading monitoring technologies, including innovative measurements, sensors, and patient monitors. Powered by the Masimo Hospital Automation™ and Masimo SafetyNet® platforms, Masimo connectivity, automation, and telehealth and telemonitoring solutions are improving and automating care delivery in the hospital.

Healthcare

Our healthcare business develops, manufactures and markets a variety of noninvasive patient monitoring technologies, hospital automation® and connectivity solutions, and remote monitoring devices. Our healthcare products and patient monitoring solutions generally incorporate a monitor or circuit board, proprietary single-patient use or reusable sensors, software and/or cables. We primarily sell our products to hospitals, emergency medical service providers, home care providers, physician offices, veterinarians, and long-term care facilities through our direct sales force, distributors and original equipment manufacturer (OEM) partners, such as GE Healthcare, Hillrom, Mindray, Philips, Physio-Control and Zoll, among others.

Our core measurement technologies are our breakthrough Measure-through Motion and Low Perfusion™ pulse oximetry, known as Masimo Signal Extraction Technology® (SET®) pulse oximetry, and advanced rainbow® Pulse CO-Oximetry parameters such as noninvasive hemoglobin (SpHb®), alongside many other modalities, including brain function monitoring, hemodynamic monitoring, regional oximetry, acoustic respiration rate monitoring, capnography and gas monitoring, and telehealth solutions.

Our measurement technologies are available on many types of devices, from bedside hospital monitors like the Root® Patient Monitoring and Connectivity Hub, to various handheld and portable devices, and to the tetherless Radius PPG®, Radius VSM® and Masimo SafetyNet® remote patient surveillance solution. The Masimo Hospital Automation® Platform facilitates data integration, connectivity and interoperability through solutions like Patient SafetyNet™, Iris®, iSirona®, Replica® and UniView® to facilitate more efficient clinical workflows and to help clinicians provide the best possible care, both in-person and remotely.

Non-healthcare

As of December 28, 2024, the non-healthcare consumer business remained part of the Company’s continuing operations, but was being evaluated for divestiture. Subsequent to year end, the sales evaluation process continued to progress in early 2025, and as of March 29, 2025, the non-healthcare consumer business was classified as held-for-sale and reported as discontinued operations. On May 6, 2025, the Company announced that it entered into a definitive agreement to sell Viper Holdings Corporation, a Delaware corporation which previously owned and operated the Company’s non-healthcare business (together with its subsidiaries, “Sound United”) to Harman International Industries, Incorporated, a wholly-owned subsidiary of Samsung Electronics., Ltd. On September 23, 2025, the Company completed the sale of Sound United. For additional information with respect to the non-healthcare consumer business separation, discontinued operations of this business and sale, see “Separation of Non-Healthcare Operations” under Part I, Item 1—“Business” for additional details.

Proposed Merger

On February 16, 2026, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Danaher Corporation, a Delaware corporation (“Parent” or “Danaher”), and Mobius Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent (“Merger Sub”), pursuant to which, among other things, Merger Sub will merge with and into the Company (the “Merger”), with the Company continuing as the surviving corporation and a wholly owned subsidiary of Parent. As set forth in the Merger Agreement, at the effective time of the Merger, each share of common stock, par value \$0.001 per share, of the Company (other than any shares owned by Parent, Merger Sub or the Company or any of their wholly owned subsidiaries or shares in respect of which appraisal has been duly demanded, and not effectively withdrawn or otherwise waived or lost, pursuant to Section 262 of the General Corporation Law of the State of Delaware) issued and outstanding immediately prior to the effective time of the Merger will be automatically converted into the right to receive \$180.00 in cash, without interest. The Merger is expected to close in the second half of 2026, subject to customary closing conditions, including approval by our stockholders and the receipt of required regulatory approvals.

If the Merger is completed, our common stock will be delisted from the Nasdaq Stock Market and deregistered under the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable following the effective time of the Merger.

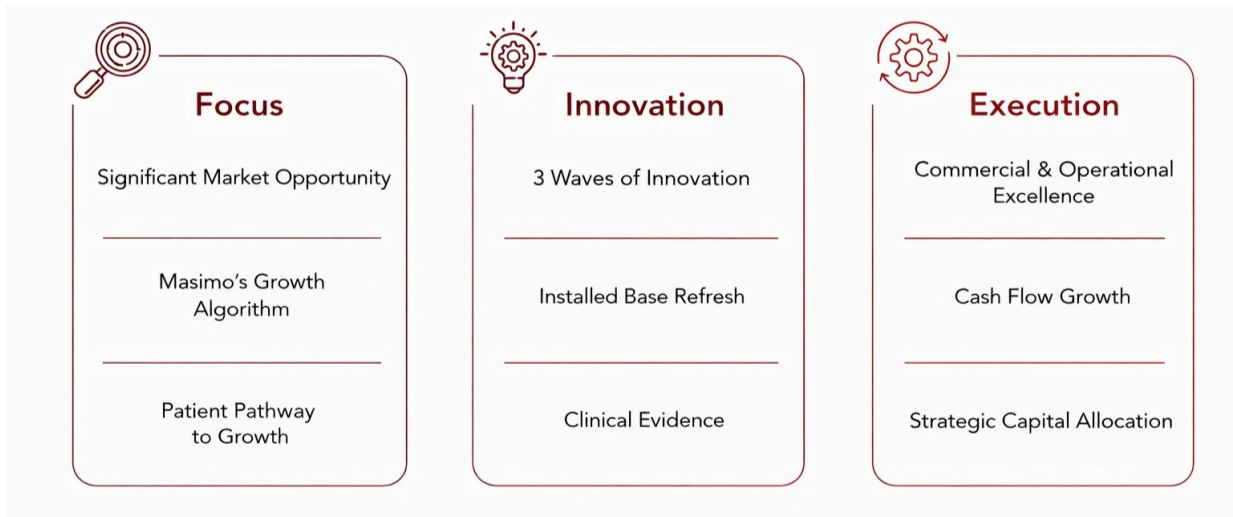
Additional information about the Merger Agreement and the Merger will be set forth in the Company’s Definitive Proxy Statement on Schedule 14A that will be filed with the SEC.

Our Strategy

We are an organization that innovates, and empowers clinicians to transform patient care. Our values:



Our strategy to deliver value to our customers and stockholders is through:



We are positioned to succeed through our:

- World-class execution-oriented leadership team;
- Targeted growth strategy in our core markets;
- Refocused innovation to accelerate growth, and
- Market-leading growth in EPS and Free Cash Flow.

We have refocused Innovation to Accelerate Growth through 3 Waves:



Our Technologies

Conventional Pulse Oximetry

Pulse oximetry enables the noninvasive measurement of the oxygen saturation level of arterial blood (SpO₂), which delivers oxygen to the body's organs and tissues. Pulse oximetry also measures pulse rate (PR), which, when measured by electrocardiogram (ECG), is called heart rate. Pulse oximeters use sensors attached to an extremity, typically the fingertip or certain core body sites. These sensors contain two light-emitting diodes that transmit red and infrared light from one side of the extremity through the tissue to a photodetector on the other side of the extremity. The photodetector in the sensor measures the amount of red and infrared light absorbed by the tissue. A microprocessor then analyzes the changes in light absorption to provide a continuous, real-time measurement of the amount of oxygen in the patient's arterial blood. Pulse oximeters typically give audio and visual alerts, or alarms, when the patient's arterial blood oxygen saturation level or pulse rate falls outside of a user-designated range. As a result, clinicians have the opportunity to assess patients who may need immediate treatment to prevent the serious clinical consequences of hypoxemia, or low arterial blood oxygen saturation levels, and hyperoxemia, or high arterial blood oxygen levels.

As one of the most common technologies used in and out of hospitals around the world, pulse oximetry has gained widespread clinical acceptance as a standard patient vital sign measurement because it can give clinicians a warning of possible hypoxemia or hyperoxemia. SpO₂ monitoring of oxygen saturation is critical because hypoxemia can lead to a lack of oxygen in the body's tissues, which can be toxic and result in organ damage or death. Pulse oximeters are used in a variety of critical care settings, including surgery, recovery rooms, intensive care units (ICUs), emergency departments and general care floors, as well as alternative care settings, such as long-term care facilities, physician offices and the home monitoring of patients with chronic conditions. Clinicians also use pulse oximeters to monitor oxygen saturation in premature babies to ensure that appropriate oxygen saturation levels are maintained.

Conventional pulse oximetry has limitations that can reduce its effectiveness and the quality of patient care. In particular, when using conventional pulse oximetry, oxygen saturation measurements can be distorted by motion artifact, or patient movement, and low perfusion, or low arterial blood flow at the measurement site. Motion artifact can cause conventional pulse oximeters to inaccurately measure the arterial blood oxygen saturation level, due mainly to the effect of movement-induced pulsations of venous blood, which is at a lower oxygen saturation than arterial blood. Low perfusion can also cause conventional pulse oximeters to report inaccurate measurements or, in some cases, no measurement at all. In addition, conventional pulse oximeters cannot distinguish oxygenated hemoglobin from dyshemoglobin, including the most prevalent forms of dyshemoglobins, carboxyhemoglobin and methemoglobin. As a result, conventional pulse oximeters may report falsely high oxygen levels when these dyshemoglobins are present in the blood. Furthermore, conventional pulse oximetry readings can also be impacted by bright light and electrical interference caused by the presence of electrical surgical equipment.

The Masimo Difference - Masimo SET® Pulse Oximetry

Masimo SET® was designed to overcome the primary limitations of conventional pulse oximetry by maintaining accuracy in the presence of motion artifact, low perfusion and weak signal-to-noise situations. Our Masimo SET® platform, which became available to U.S. hospitals in 1998, is the basis of our pulse oximetry products, and we believe represented the first significant technological advancement in pulse oximetry since its invention in the early 1970s and introduction in the early 1980s. Masimo SET® utilizes five signal processing algorithms, four of which are proprietary, in parallel to deliver high sensitivity and specificity in the measurement of arterial blood oxygen saturation levels. Sensitivity is the ability to detect true alarms and specificity is the ability to avoid false alarms. One of our proprietary processing algorithms, Discrete Saturation Transform®, separates the signal from noise in real time through the use of adaptive filtering and an iterative sampling technique that tests each possible saturation value for validity. Masimo SET® signal processing can therefore identify the venous blood and other "noise", isolate them and extract the arterial signal.

The performance of Masimo SET® pulse oximetry has been evaluated in more than 100 independent studies and thousands of clinical evaluations. We believe that Masimo SET® is trusted by clinicians to safely monitor in excess of approximately 200 million patients each year and has been chosen as the primary pulse oximeter technology used by all of the top ten hospitals according to the 2024-2025 *U.S. News & World Report* Best Hospitals Honor Roll. Compared to conventional pulse oximeters, during patient motion and low perfusion, Masimo SET® provides measurements when other pulse oximeters cannot, significantly reduces false alarms (improved specificity), and accurately detects true alarms (improved sensitivity). Despite pulse oximetry's widespread use since the 1980s, it had not been shown to improve clinical outcomes before the introduction of Masimo SET®, which has been shown to help clinicians reduce severe retinopathy of prematurity neonates, improve CCHD screening in newborns, and, when used for continuous monitoring with Masimo Patient SafetyNet™ in post-surgical wards, reduce rapid response team activations, ICU transfers, and costs.

Our pulse oximetry technology is contained on a circuit board which can be placed inside a standalone pulse oximetry monitor, placed inside OEM multiparameter monitors, or included as part of an external “Board-in-Cable” solution that is plugged into a port on an OEM or other device. All of these solutions, as well as most of our patient cables, use our proprietary single-patient-use or reusable sensors. We sell our products to end-users through our direct sales force and through certain distributors, as well as to our OEM partners, for incorporation into their products.

To complement our Masimo SET® platform, we have developed a wide range of proprietary single-patient-use (disposable) sensors, including untethered Radius PPG®, and multi-patient-use (reusable) sensors, cables and other accessories designed specifically to work with Masimo SET® software and hardware. Our single-patient-use sensors offer several advantages over reusable sensors, including improved performance, cleanliness, increased comfort and greater reliability. Although our technology platforms operate solely with our proprietary sensor lines, our sensors have the capability to work with certain competitive pulse oximetry monitors through the use of adapter cables.

Adhesive sensors are single-patient-use items, but the U.S. Food and Drug Administration (FDA) allows third parties to reprocess pulse oximetry sensors. In response to some hospitals’ requests to implement environmentally friendly products, we offer sensor reprocessing as well as sensor recycling programs.

Masimo rainbow SET® Platform and Other Technology Solutions

Since introducing Masimo SET®, we have continued to innovate by introducing noninvasive measurements that go beyond arterial blood oxygen saturation and pulse rate. Our Masimo rainbow SET® platform leverages our Masimo SET® technology and incorporates licensed rainbow® technology to enable real-time monitoring of additional noninvasive measurements. Our rainbow SET® platform includes our rainbow SET® Pulse CO-Oximetry products, which we believe are the first devices cleared by the FDA to noninvasively and continuously monitor additional hemoglobin species that were previously only measurable using intermittent invasive procedures using multiple wavelengths of light.

In addition to SpO₂, pulse rate (PR), perfusion index (Pi), Pleth Variability Index (PVi®), Rainbow® Pleth Variability Index (RPVi™) and respiration rate from the pleth (RRp®), rainbow® Pulse CO-Oximetry has the unique ability to measure and distinguish oxygenated hemoglobins from the dyshemoglobins that are incapable of transporting oxygen, carboxyhemoglobin (SpCO®) and methemoglobin (SpMet®). Besides the ability to measure SpCO® and SpMet®, the Masimo rainbow SET® platform also allows for the noninvasive and continuous monitoring of total hemoglobin concentration (SpHb®) as well as the monitoring of arterial oxygen saturation, in the presence of carboxyhemoglobin and methemoglobin, known as fractional arterial oxygen saturation (SpfO₂™). Additionally, the rainbow SET® platform also allows for the calculation of Oxygen Content (SpOC). SpfO₂™ has received CE Marking, but is not currently available for sale in the U.S.

We believe that Masimo rainbow® Pulse CO-Oximetry products will become widely adopted for the noninvasive monitoring of these measurements in the future. We also believe that the addition of acoustic respiration rate (RRa®), using our rainbow Acoustic Monitoring® technology, will strengthen the clinical demand for noninvasive and continuous monitoring using our rainbow® platform, especially in the growing general floor market.

Products with our MX circuit board contain our Masimo SET® pulse oximetry technology as well as circuitry to support rainbow® measurements. At the time of purchase, or at any time in the future, our customers and our OEMs’ customers have the option of purchasing additional rainbow® software measurements, which allow such customers to incrementally expand their patient monitoring systems with a cost-effective solution. To date, over forty companies have released rainbow SET® equipped products or announced rainbow® integration plans.

Following the introduction of our rainbow SET® platform, we have continued to expand our technology offerings by introducing additional noninvasive measurements (such as Oxygen Reserve Index™ (ORI™), technologies, platforms and other solutions to create new market opportunities in both hospital and non-hospital care settings, including the Masimo Hospital Automation® Platform, along with other connectivity platforms and telehealth solutions, which are described in more detail below.

The Masimo Hospital Automation® Platform

Patient SafetyNet™⁽¹⁾, our patient surveillance, remote monitoring and clinician notification solution, works in concert with our bedside and ambulatory monitoring devices to facilitate the supplemental monitoring of the oxygen saturation, pulse rate, perfusion index, hemoglobin, methemoglobin and respiration rate of up to 200 patients simultaneously from a single server. Patient SafetyNet™ offers an intuitive and powerful user interface with trending, real-time waveform capability at a central station, as well as remote clinician notification via pager, voice-over-IP phone or smart-phones. Patient SafetyNet™ also features an Adaptive Connectivity Engine™ (ACE™) that enables two-way, HL-7 based connectivity to clinical/hospital information systems. The ACE™ significantly reduces the time and complexity to integrate and validate custom HL-7 implementations, and demonstrates our commitment to innovation that automates patient care with open, scalable and standards-based connectivity architecture.

Patient SafetyNet™ Series 5000, along with Hospital Automation® Connectivity, Iris Gateway®, Kite®, iSirona®, UniView®, UniView®: 60 and MyView® through the Root® patient monitoring and connectivity platform, offers a new level of interoperability designed to enhance clinician workflows and reduce the cost of care in a variety of hospital settings, including operating rooms and the general care floors. Patient SafetyNet™ Series 5000 with Iris® ports enables Root® to assimilate data from all devices connected to the patient, thereby acting as a comprehensive in-room patient monitor and connectivity hub. Alarms and alerts for all devices are seamlessly forwarded to the patient's clinician and device data can be transferred to the patient's electronic medical record (EMR). In an operating room setting, the patient-centric user interface of the Patient SafetyNet™ Series 5000 displays near real-time data from all devices with Kite®, providing a single unified dashboard of patient information.

Connectivity Platforms

Despite medical technology advances, the lack of device communication and integration creates risks to patient safety in hospitals around the world. Without device interoperability, critical patient information can go unnoticed, leaving clinicians unaware and patients at risk. Existing approaches for device interoperability require separate hardware, software and/or network infrastructure, which can clutter the patient room, increase complexity, burden IT management and increase costs. To address these challenges, we introduced Iris® connectivity in our Root® patient monitoring and connectivity platform. iSirona® and Iris® connectivity enables multiple standalone third-party devices such as intravenous pumps (IV), ventilators, hospital beds and other patient monitors to connect through Root®, enabling display, notification and documentation to the EMR through Masimo Patient SafetyNet™.

The addition of Iris® connectivity to Root® and Patient SafetyNet™ provides multiple advantages to hospitals, such as allowing standalone device information to be remotely viewed at a Patient SafetyNet™ view station, transmitted through notification systems to clinicians regardless of location or sent to electronic health record systems. This may enhance patient assessment, clinical workflows and decision support. In addition, bringing data from disparate devices together facilitates more integrated patient care and provides a flexible and cost-effective platform, while avoiding installation of separate costly systems and potentially reducing costs by leveraging existing network infrastructure.

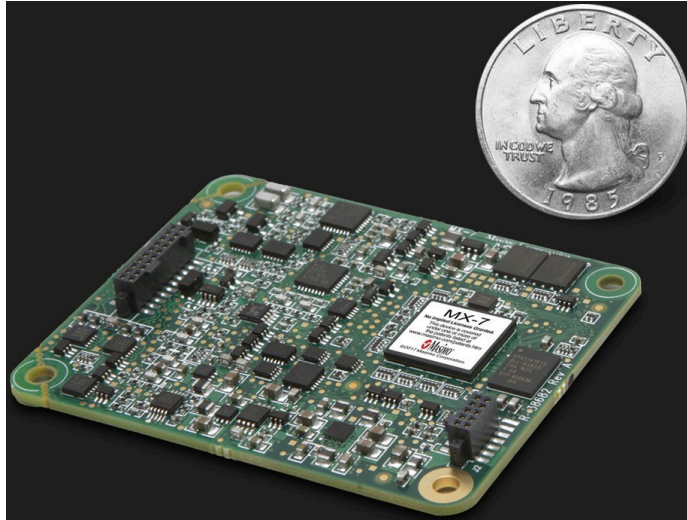
⁽¹⁾ The use of the trademark Patient SafetyNet™ is under license from the University HealthSystem Consortium.

Our Products and Markets

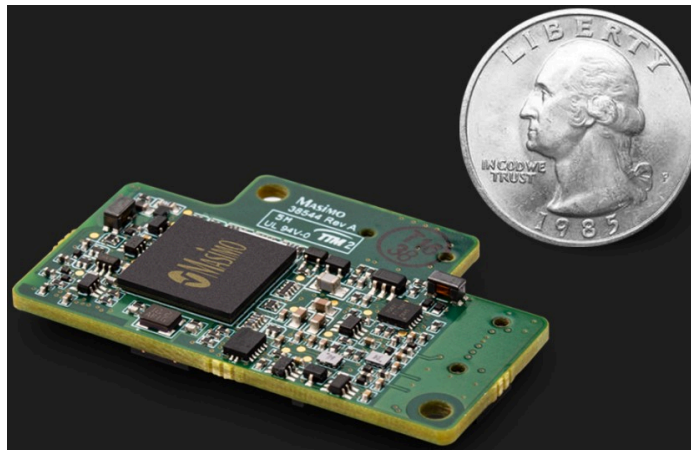
Noninvasive Monitoring Solutions:

OEM Solutions, Circuit Boards and Modules

Our Masimo circuit boards perform all signal processing and other pulse oximetry functions incorporating the Masimo SET[®], Masimo rainbow[®] Pulse CO-Oximetry or rainbow Acoustic Monitoring[®] technology with specific functionality or measurements. Our MX-7[™] OEM circuit board is our latest and most advanced rainbow SET[®] board, offering more efficient power utilization, and designed for integration into the more than 200 multi-parameter monitors available from our more than 90 OEM partners. The MX-7[™] has the ability to support all 13 of Masimo's SET[®] pulse oximetry and rainbow[®] Pulse CO-Oximetry measurements.



Our MSX-2040 board uses about a third of the power and is only half the physical size of previously available Signal Extraction Technology[®] pulse oximetry solutions, while providing the same proven Measure-through Motion and Low Perfusion capabilities. The MSX-2040 board is also available as an external “board-in-cable” solution embedded within a completely self-contained patient cable (uSpO2[®]), providing Masimo SET[®] pulse oximetry measurements and Pleth Variability Index (PVi[®]) externally for existing devices not presently compatible with integrated pulse oximetry solutions.



Bedside Monitors and Handheld Devices

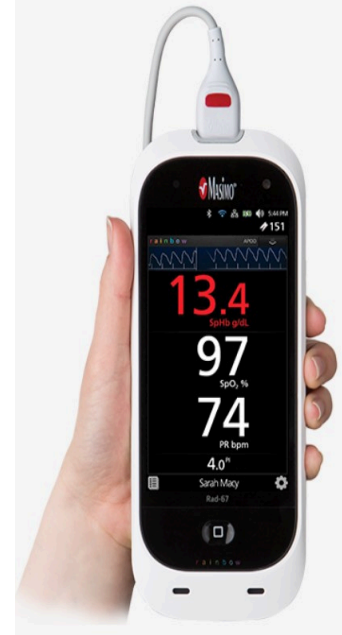
We offer a variety of continuous bedside monitoring and handheld devices suitable for all patient populations. Fueled by clinically proven Masimo SET® pulse oximetry and advanced rainbow® Pulse CO-Oximetry and additional noninvasive monitoring technologies, these highly versatile and configurable monitors are designed to accommodate patient scenarios across the continuum of care, from high-acuity ICUs and surgical suites, to low-acuity general floors and recovery units, to long-term care facilities and beyond.



The Masimo Rad-97® device offers advanced patient monitoring technologies in a compact, portable, and highly configurable standalone device. Powered by Masimo SET® Measure-through Motion and Low Perfusion™ pulse oximetry with upgradeable rainbow SET® technology, the Rad-97® is customizable to suit various clinical needs, delivering pertinent patient data at a glance. It is also available with integrated noninvasive blood pressure or capnography



The Rad-G® (*image above left*), is a rugged, handheld spot-check pulse oximeter that is used to quickly assess patients and make more informed care decisions on the go. The Rad-G® is a robust device, that is strong, light and slim for easy transport, making it very portable. Powered by reliable, accurate Masimo SET® Measure-through Motion and Low Perfusion™ spot-check pulse oximetry, the Rad-G® is compatible with single-patient and reusable sensors.



The Rad-67®'s (*image above right*) ability to provide portable spot-check monitoring measurements of both oxygen saturation and noninvasive hemoglobin makes it a single-device solution in multiple clinical and non-clinical settings, such as emergency rooms, pre-/post-surgery settings, and physicians' offices. When used with the rainbow® DCI®-mini sensor, the Rad-67® provides spot-check monitoring with Next Generation SpHb technology. This technology significantly advances the forefront of noninvasive portable hemoglobin spot-check monitoring.

Patient Monitoring and Connectivity Platform

Radius VSM® is a wearable vital signs monitoring platform that includes three single-use sensors: a chest patch, a blood pressure cuff, and a finger sensor. As an on-demand, connected, continuous vital signs monitoring platform, Radius VSM® is designed to streamline workflows, reduce nurse burn-out and increase throughput. Radius VSM® is intended for a range of care areas including: the waiting room, emergency room departments, critical care and ambulatory surgery centers. Radius VSM® monitors a wide range of measurements on a modular form; components can be customized based on each patient's monitoring needs and provides waveform and parameter trend data on its built-in multi touch LED display, allowing clinicians to stay informed about patient status while moving about with the patient



Patient Monitoring and Connectivity Platform (Continued)

Our patient monitoring and connectivity platforms are expandable, customizable patient monitoring and connectivity hubs that integrate an array of technologies, devices and systems to provide multimodal monitoring and connectivity solutions in a single, clinician-centric platform. With plug-and-play expansion capabilities, clinicians can centralize patient monitoring by bringing together advanced rainbow SET® Pulse CO-Oximetry, brain function monitoring, regional oximetry and capnography measurements on an easy-to-interpret, customizable display, empowering them with more information for making patient assessments. Further, acting as a central connectivity hub, with automated electronic charting of Masimo and third-party device data to patient data management systems (PDMS), the hub can help with manual data documentation.

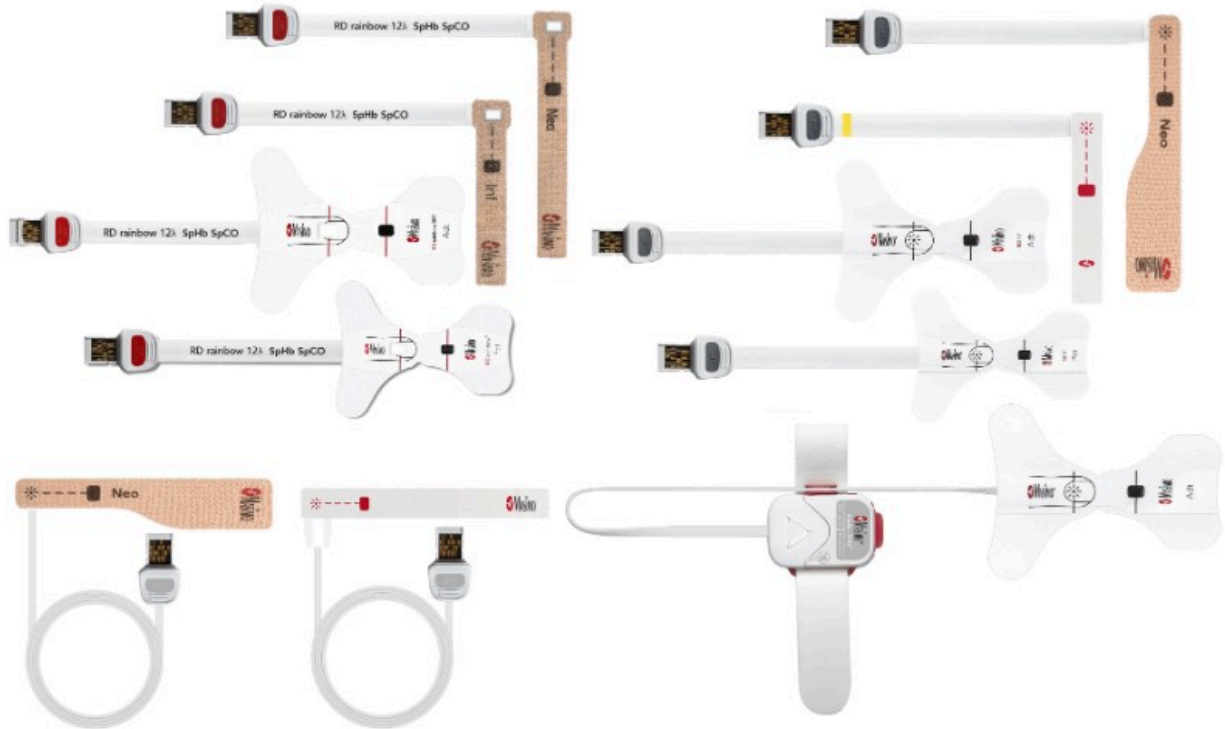


Root® with Radius VSM™, Root® with NIBP and Root® with Next Generation SedLine® (*image shown above*), integrates noninvasive blood pressure (NIBP) and temperature and connects third-party devices such as IV pumps, ventilators, beds and other patient monitors to automate data transfer to the EMR.



Sensors and Cannulas

Our innovative noninvasive monitoring devices depend on reliable, high-quality sensors, cannulas, and accessories to capture the accurate, high-fidelity patient data trusted by clinicians all over the world. We offer a wide variety of these components, all manufactured to the highest standards, many in both single-patient-use and reusable configurations, to meet a broad spectrum of monitoring needs across all patient populations and care scenarios.



We offer a complete portfolio of capnography and gas monitoring solutions, both sidestream and mainstream, to meet the challenges of ventilation and gas monitoring across care areas, from pre-hospital and in-hospital to transport, long-term care, home care and more. Solutions range from external “plug in and measure” gas analyzers, to bedside and handheld devices, to flexible, integrated OEM offerings.

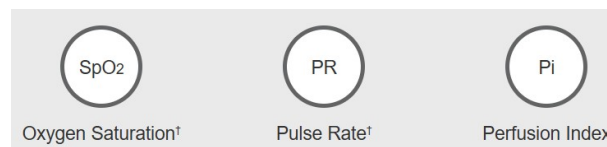
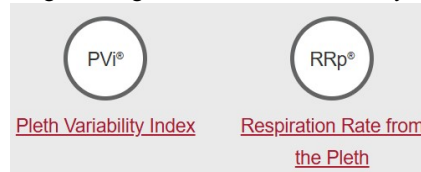


Masimo SET[®] Technology

Masimo sensors offer a unique array of breakthrough parameters, such as:



At Masimo, our innovative technologies also go beyond basic pulse oximetry to include a unique array of advanced parameters (noted in red circles) obtained through rainbow[®] multi-wavelength (4+ LEDs) sensors. By utilizing these parameters, clinicians can gain visibility to patients' fluid responsiveness status, respiration rate, oxygenation in the moderate hyperoxic range, hemoglobin concentration, and dyshemoglobin levels.



Hospital Automation[®] and Connectivity Suite

(e.g., Iris[®] Connectivity, Iris Gateway[®], iSirona[™], Patient SafetyNet[™], UniView[®], UniView: 60[™], Replica[®], Iris[®] Analytics, and Halo ION[®] (shown below))

As increasing amounts of patient information become available to clinicians, new opportunities to enhance the care experience for both the clinician and the patient abound. Our automation solutions are revolutionizing not only the kind of patient data that can be collected and moved through the continuum of care, but also how that information can empower clinicians to deliver superior, evidence-based care.

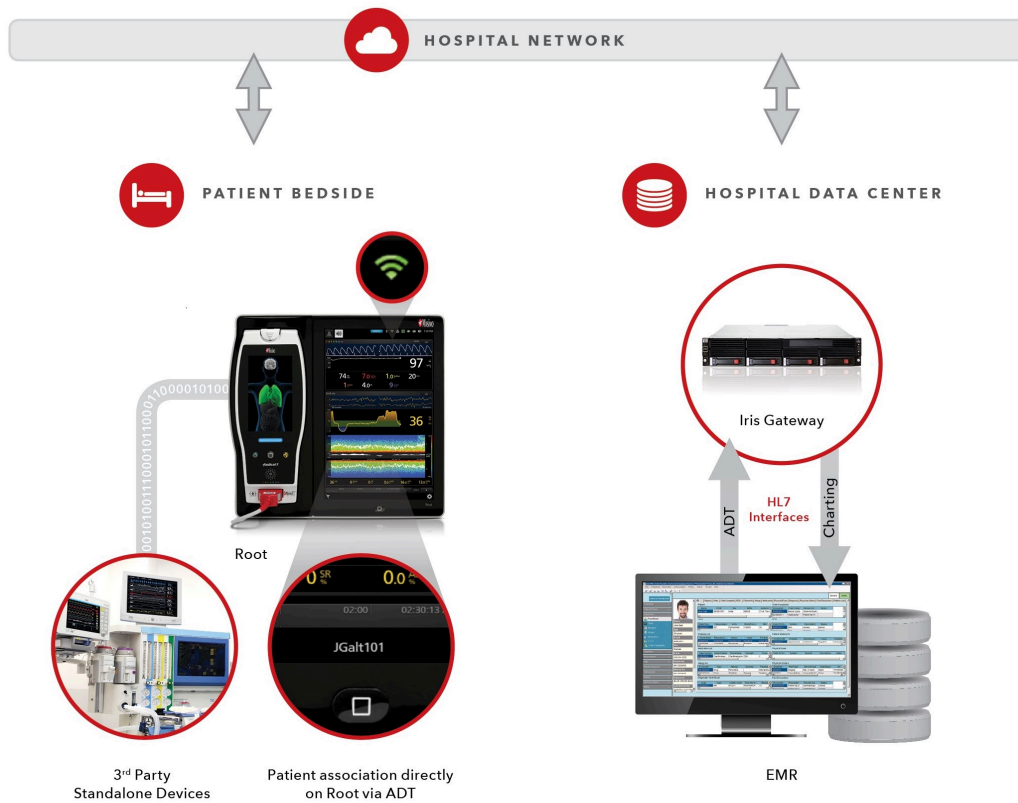
Our hospital automation integrates patient monitoring, driven by clinically proven SET[®] pulse oximetry and rainbow[®] Pulse CO-Oximetry, with sophisticated connectivity and interoperability solutions to seamlessly provide access to the most accurate, relevant patient data in the most helpful ways at the most important moments, improving workflow efficiencies and helping clinicians deliver the best care possible.



Software and hardware enables third-party devices to connect through Patient SafetyNet[™] and to document data in the EMR.



Hospital Automation® and Connectivity Suite - (Continued)



Medical Device Integration

iSirona™ is a versatile, easy-to-use connectivity hub designed for use with the Masimo Hospital Automation™ platform, which facilitates the physical integration of up to six medical devices at the patient bedside and enables the patient data collected from all devices to be automatically pushed to the patient electronic medical record (EMR). A fan-less design makes iSirona™ an ideal solution for connecting multiple patient monitors, anesthesia machines, pumps, and other medical device in space-restricted operating rooms and ICUs. iSirona™ is compatible with both wireless and patient-worn devices.



Medical Device Integration - (Continued)

Iris Gateway bridges the gap between device data generated at the patient bedside and documentation in patient data management systems such as EMRs by automating data transfers from medical devices into EMRs, which can improve productivity and reduce the likelihood of transcription errors. Existing approaches for device connectivity can clutter the patient room, burden IT management, and increase the complexity and cost of care.



Minimally Invasive and Noninvasive Advanced Hemodynamic Monitoring Solutions

The Masimo LidCO[®] Hemodynamic monitoring system provides beat-to-beat advanced monitoring to support informed decision-making in high-acuity care areas like an operating room. This platform uses an already existing arterial line and blood pressure transducer to monitor hemodynamic parameters through the use of the PulseCO[®] algorithm, which converts beat-to-beat blood pressure into its constituent parts, flow and resistance, which is scalable to each patient's age, height and weight.



Remote Patient Monitoring Solutions to Extend Care from the Hospital to the Home

Designed to help providers remotely manage patient care, Masimo SafetyNet® is a secure, scalable, cloud-based patient management platform featuring clinical-grade spot-checking and continuous measurements, digital care pathways and remote patient surveillance. Patients receive a multi-day supply of disposable sensors or reusable devices, along with access to the Masimo SafetyNet® mobile application.



Willow Laboratories, Inc.

Willow Laboratories, Inc. (Willow), formerly known as Cercacor Laboratories, Inc., is an independent entity spun-off from us to our stockholders in 1998. Joe Kiani, our former Chairman and Chief Executive Officer, is the Chairman and Chief Executive Officer of Willow. We are a party to a cross-licensing agreement with Willow (the Cross-Licensing Agreement), which purports to govern each party’s rights to certain intellectual property currently held by the two companies.

The following table outlines the rights relating to specific end-user markets and the related technology applications of specific measurements that the Cross-Licensing Agreement purports to grant to each party.

Measurements	End-User Markets	
	Professional Caregiver and Alternate Care Market	Patient and Pharmacist
Vital Signs ⁽¹⁾	Masimo (owns)	Willow (non-exclusive license)
Non-Vital Signs ⁽²⁾	Masimo (exclusive license)	Willow (owns or exclusive license)

⁽¹⁾ Vital signs measurements include, but are not limited to, SpO₂, peripheral venous oxygen saturation, mixed venous oxygen saturation, fetal oximetry, sudden infant death syndrome, ECG, blood pressure (noninvasive blood pressure, invasive blood pressure and continuous noninvasive blood pressure), temperature, respiration rate, CO₂, pulse rate, cardiac output, EEG, perfusion index, depth of anesthesia, cerebral oximetry, tissue oximetry and/or EMG, and associated features derived from these measurements, such as 3D alarm®, PVi® and other features.

⁽²⁾ Non-vital signs measurements include the body fluid constituents other than vital signs measurements and include, but are not limited to, carbon monoxide, methemoglobin, blood glucose, hemoglobin and bilirubin.

See Note 3, “Related Party Transactions”, to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K for additional information on our related party transactions with Willow.

Government Regulation

As a global technology company, we are subject to significant government regulation, compliance requirements, fees and costs, both in the U.S. and abroad. These regulatory requirements subject our products and our business to numerous risks that are specifically discussed within [“Risks Related to Our Regulatory Environment” under Part I, Item 1A—“Risk Factors”](#) within this Annual Report on Form 10-K.

Due to the breadth of some of these laws, it is possible that some of our current or future practices might be challenged. In addition, we may be required to alter one or more of our practices to remain in compliance with these laws. Evolving interpretations of current laws or the adoption of new laws or regulations could adversely affect many of the arrangements we have with customers and physicians. Some of these laws are broad and open to varying interpretation, increasing our compliance risk. A summary of certain critical aspects of our regulatory environment is included below.

Product Clearance and Approval Requirements for Medical Devices

Many of our healthcare products are regulated by numerous government agencies, the most significant of which are the U.S. FDA, the national authorities in the European Union (EU) and the United Kingdom (UK), and the Ministry of Health, Labour and Welfare of Japan. In addition, there are government agencies for other countries that regulate our healthcare products for their countries. These requirements vary substantially from country to country. These agencies require us to comply with laws that regulate our quality system, design, development, clinical testing, verification and validation testing, manufacture, packaging, labeling, storage, distribution, import, export, promotion, and adverse event reporting of many of our products.

In the U.S., unless an exemption applies, each medical device that we wish to market in the U.S. must, generally, first receive from the FDA either 510(k) clearance, premarket approval (PMA), or a *de novo* classification grant. The appropriate process depends on the risk classification of the medical device. There are three classifications, from Class I (low risk) to Class III (high risk). For certain Class I and Class II medical devices, the FDA's 510(k) clearance process can be used. It requires us to show that our new medical device is substantially equivalent to a legally marketed "predicate" medical device and can take from four to nine months but may take longer. Class III medical devices require a PMA. The PMA process requires us to demonstrate through valid scientific evidence that there is reasonable assurance of safety and effectiveness of the device for its intended use. The PMA process is much more costly, lengthy and uncertain than the process of obtaining 510(k) clearance. Devices that have not been classified and cannot demonstrate substantial equivalence through the 510(k) process are automatically classified as Class III medical devices by statute, but for such devices that are low or moderate risk, the *de novo* classification process can be used. The *de novo* classification process authorizes the marketing of the device and also creates a new classification for the device type into Class I or Class II. The *de novo* process requires us to demonstrate the benefits and risks of the device to show that either general controls (for Class I) or general controls and special controls (for Class II) are sufficient to provide reasonable assurance of the safety and effectiveness of the device. 510(k), PMA and *de novo* submissions are subject to user fees. The majority of our current regulated medical products fit into Class II device types, requiring 510(k) clearance, while some have been deemed Class I devices or exempt from a 510(k) clearance.

Most of our OEM partners are required to obtain clearance or approval of their devices that incorporate Masimo's healthcare technologies, like Masimo SET® technology, Masimo rainbow SET® technology, Masimo Board-in-Cable technology, or that are used with Masimo's sensors. We generally allow our OEM partners to cross-reference the 510(k) submission files from our cleared Masimo SET® circuit boards, sensors, cables and notification systems.

In the EU, medical devices are subject to Regulation (EU) No 2017/745 (EU MDR). Under the EU MDR, a medical device may only be placed on the market within the EU if it conforms to "General Safety and Performance Requirements," has been assessed pursuant to an appropriate conformity assessment procedure and bears a CE Mark. Key General Safety and Performance Requirements entail the medical device's achievement of its intended medical purpose for its intended population and supports its safe and effective use and that the clinical benefit outweighs the clinical risks. Each medical device that we wish to market in the EU must conform to these requirements. EU MDR provides risk categories for medical devices that range from Class I to Class III. A notified body must be involved in the review of the compliance of higher risk medical devices with the EU MDR and must also assess quality management systems. Individual countries within the EU also have their own notification or registration processes in order to import and distribute medical devices into and within their countries.

The UK exited the EU on December 31, 2020 (Brexit). The UK continues to follow the prior EU medical device laws (as set out in Directive 93/42/EEC) but has amended its national medical device regulations to include a requirement that medical devices must be registered with the UK Medicines and Healthcare products Regulatory Agency (MHRA) before they are placed on the market in Great Britain (England, Scotland and Wales). Currently, the UK will accept a CE Marked medical device to be registered and placed on the Great Britain market; however, in the future, medical devices marketed in Great Britain will likely need to complete a UK-specific conformity assessment procedure, the details of which are currently subject to consultation, and bear a UKCA Mark. The UKCA Mark is not recognized outside of the UK.

Continuing FDA Regulation for Medical Devices

Clinical trials involving medical devices in the U.S. are subject to FDA regulation. Among other requirements, clinical trial sponsors must comply with requirements related to informed consent, Institutional Review Board (IRB) approval, monitoring, reporting, record-keeping, labeling and promotion. If the study involves a significant risk device, the sponsor must obtain FDA approval of an investigational device exemption application in addition to IRB approval prior to beginning the study. Information regarding certain device clinical trials must also be submitted to a public database maintained by the National Institutes of Health.

After a device is approved and placed on the market, numerous regulatory requirements continue to apply. These regulatory requirements in the U.S. include, but are not limited to, the following: device listing and establishment registration; adherence to the Quality System Regulation (QSR) which requires stringent testing, control, documentation and other quality assurance procedures for the design, manufacture, storage and handling of devices; labeling requirements and FDA prohibitions against the promotion of off-label uses or indications; adverse event and device malfunction reporting; post-approval restrictions or conditions, including post-approval clinical trials or other required testing for certain devices; post-market surveillance requirements for certain devices; the FDA's recall authority, whereby it can require the recall of products from the market; and requirements relating to voluntary corrections or removals. Device manufacturers are subject to announced and unannounced inspections by the FDA to evaluate compliance with these requirements.

Failure to comply with applicable regulatory requirements, which are subject to new legislation and change, can result in enforcement action by the FDA, or other federal and state government agencies, which may include, but may not be limited to, any of the following sanctions or consequences: warning letters or untitled letters; fines, injunctions and civil penalties; recall, seizure or import holds of our products; operating restrictions, suspension or shutdown of production; refusing to issue certificates to foreign governments needed to export products for sale in other countries; refusing our request for 510(k) clearance or premarket approval of new or modified products; withdrawing premarket approvals that are already granted; and criminal prosecution.

Advertising and Promotion of Medical Devices

Advertising and promotion of medical devices in the U.S., in addition to being regulated by the FDA, are also regulated by the Federal Trade Commission (FTC) and by federal and state regulatory and enforcement authorities, including the Department of Justice, the Office of Inspector General of the Department of Health and Human Services (OIG), and various state attorneys general. Although physicians are permitted to use their medical judgment to use medical devices for indications other than those cleared or approved by the FDA, we may not promote our products for such "off-label" uses and can only market our products for cleared or approved uses. Other companies' promotional activities for their FDA-regulated products have been the subject of DOJ and FTC enforcement actions brought under healthcare reimbursement laws and consumer protection statutes, respectively. DOJ and FTC enforcement actions often result in consent decrees that constrain future actions. In addition, under the federal Lanham Act and similar state laws, competitors and others can initiate litigation relating to advertising claims. Government agencies in the EU, UK, Japan and other countries and jurisdictions have similar regulations on the advertising and promotion of medical devices.

Import and Export Requirements Applicable to Medical Devices

To import a device into the U.S., the importer must file an entry notice and bond with the United States Bureau of Customs and Border Protection (CBP). All devices are subject to FDA examination before release from CBP. Any article that appears to be in violation of the Federal Food, Drug and Cosmetics Act (FDCA) may be refused admission and a notice of detention and hearing may be issued. If the FDA ultimately refuses admission, the CBP may issue a notice for redelivery and, if a company fails to redeliver the goods or otherwise satisfy CBP and the FDA with respect to their disposition, may assess liquidated damages for up to three times the value of the lot. The CBP also imposes its own regulatory requirements on the import of our products, including inspection and possible sanctions for noncompliance.

Medical device products exported from the U.S. are subject to foreign countries' import requirements and the exporting requirements of the FDA. In particular, international sales of medical devices manufactured in the U.S. that are not approved or cleared by the FDA for use in the U.S., or that are banned or deviate from lawful performance standards, are subject to FDA export requirements.

Foreign countries often require, among other things, a Certificate of Foreign Government (CFG) for export. To obtain a CFG, the device manufacturer must apply to the FDA. The FDA certifies that the product has been granted clearance or approval in the United States and that the manufacturing facilities were in compliance with the FDA's QSR regulations at the time of the last FDA inspection.

Anti-Kickback Regulations

In the U.S., there are federal and state anti-kickback laws that generally prohibit the payment or receipt of kickbacks, bribes or other remuneration in exchange for the referral of patients or other health-related business. The Federal Anti-Kickback Statute (AKS) prohibits anyone from, among other things, knowingly and willfully offering, paying, soliciting or receiving any bribe, kickback or other remuneration intended to induce the referral of patients for, or the purchase, order or recommendation of, health care products and services reimbursed by a federal health care program, including Medicare and Medicaid. Recognizing that the federal anti-kickback law is broad and potentially applicable to many commonplace arrangements, Congress and the OIG have created statutory “exceptions” and regulatory “safe harbors”. Exceptions and safe harbors exist for a number of arrangements relevant to our healthcare business, including, among other things, payments to bona fide employees, certain discount and rebate arrangements, and certain payment arrangements involving Group Purchasing Organizations (GPOs).

Although an arrangement that fits into one or more of these exceptions or safe harbors is immune from prosecution, arrangements that do not fit squarely within an exception or safe harbor do not necessarily violate the law, but the OIG or other government enforcement authorities may examine the practice to determine whether it involves the sorts of abuses that the statute was designed to combat. Violations of the AKS can result in significant penalties, including imprisonment, monetary fines and assessments, and exclusion from Medicare, Medicaid and other federal health care programs. Exclusion of a manufacturer, like us, would preclude any federal health care program from paying for its products.

In addition to the AKS, many states have their own laws that are analogous to the AKS, but may apply regardless of whether any federal or state health care program business is involved. Federal and state anti-kickback laws may affect our sales, marketing and promotional activities, educational programs, pricing and discount practices and policies, and relationships with health care providers by limiting the kinds of arrangements we may have with hospitals, alternate care market providers, GPOs, physicians, payers and others in a position to purchase or recommend our healthcare products.

False Claims Laws and Fraud Statutes

Federal and state false claims laws prohibit anyone from presenting, or causing to be presented, claims for payment to third-party payers that are false or fraudulent. The Federal Civil False Claims Act (FCA) imposes liability on any person or entity who, among other things, knowingly and willfully presents, or causes to be presented, a false or fraudulent claim for payment by a federal health care program, including Medicaid and Medicare. Some suits filed under the FCA, known as “qui tam” actions, are brought by a “whistleblower” or “relator” on behalf of the government and such individuals may share in any amounts paid by the entity to the government in fines or settlement. Manufacturers, like us, can be held liable under the FCA, even if they do not submit claims to the government, where they are found to have caused submission of false claims by, among other things, providing incorrect coding or billing advice about their products to customers that file claims, or by engaging in kickback arrangements or off-label promotion with customers that file claims. A number of states also have false claims laws, and some of these laws may apply to claims for items or services reimbursed under Medicaid and/or commercial insurance. Sanctions under these federal and state fraud and abuse laws may include civil monetary penalties and criminal fines, exclusion from government health care programs and imprisonment.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) created new federal crimes, including health care fraud and false statements related to health care matters. The health care fraud statute prohibits, among other things, knowingly and willfully executing a scheme to defraud any health care benefit program, including those offered by private payers. The false statements statute prohibits, among other things, knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for health care benefits, items or services. A violation of either statute is a felony and may result in fines, imprisonment and other significant penalties.

Transparency Regulations

The Physician Payment Sunshine Act (Sunshine Act), which was enacted by Congress as part of the Patient Protection and Affordable Care Act (ACA), requires medical device companies to track and publicly report, with limited exceptions, all payments and transfers of value to physicians, advance practice nurses, physician assistants, and teaching hospitals in the U.S. Companies are required to track payments made and to report such payments to the government by March 31 of each year. Several states have similar requirements. In addition to the burden of establishing processes for compliance, if we fail to provide these reports, or if the reports we provide are not accurate, we could be subject to significant penalties.

Anti-Corruption Laws

Our international operations are subject to the U.S. Foreign Corrupt Practices Act of 1977 (FCPA), the U.K. Bribery Act 2010 and other global anti-corruption laws. The FCPA and similar worldwide anti-bribery laws generally prohibit companies from directly or indirectly promising, offering, or giving anything of value to a non-U.S. official corruptly to influence the official for the purpose of gaining an improper advantage to assist in obtaining or retaining business. We interact with foreign officials because our business is regulated in every country where we operate, and in many countries outside of the U.S., we sell our products to government entities or to health care providers employed by the government who may be considered foreign officials. Failing to comply with the FCPA or any other applicable anti-corruption law could result in fines, penalties or other adverse consequences.

Third-Party Reimbursement for Medical Devices

Health care providers in the U.S., including hospitals, that purchase our products generally rely on third-party payers, including the Medicare and Medicaid programs and private payers, including indemnity insurers and managed care plans, to cover and reimburse all or part of the cost of our products and the procedures in which they are used. As a result, demand for our products is dependent in part on the coverage and reimbursement policies of these payers. No uniform coverage or reimbursement policy for medical technology exists among all third-party payers, and coverage and reimbursement can differ significantly from payer to payer.

Because a large percentage of our products are used by Medicare beneficiaries, Medicare's coverage and reimbursement policies are particularly significant to our business. Generally, Medicare will cover a medical product or procedure when the product or procedure is included within a statutory benefit category and is reasonable and necessary for the diagnosis or treatment of an illness or injury, or to improve the functioning of a malformed body part. Even if the medical product or procedure is considered medically necessary and coverage is available, Medicare may place restrictions on the circumstances where it provides coverage. Because payments through the prospective payment system in both the hospital inpatient and outpatient settings are based on predetermined rates and may be less than a hospital's actual costs in furnishing care, hospitals have incentives to lower their operating costs by utilizing products that will reduce the length of inpatient stays, decrease labor costs or otherwise lower their costs. If hospitals cannot obtain adequate coverage and reimbursement for our products, or the procedures in which they are used, we cannot be certain that they will purchase our products, despite the clinical benefits and opportunity for cost savings that we believe can be derived from their use.

Our success with rainbow SET® technologies in the U.S. market in settings of care with reimbursable monitoring procedures, such as hospital emergency departments, hospital clinical labs and physician offices, may largely depend on the ability of providers to receive reimbursement for such procedures. While private insurance payers often follow Medicare coverage and payment rates, we cannot be certain of this and, in many cases, cannot control the coverage or payment rates that private insurance payers put in place.

Our success in non-U.S. markets depends largely upon the availability of coverage and reimbursement from the third-party payers through which health care providers are paid in those markets. Health care payment systems in non-U.S. markets vary significantly by country, and include single-payer government managed systems, as well as systems in which private payers and government managed systems exist side-by-side. Our ability to achieve market acceptance or significant sales volume in international markets we enter will be dependent in large part on the availability of reimbursement for procedures performed using our products under health care payment systems in such markets.

Other U.S. and Foreign Regulation

We must comply with numerous federal, state and local laws, as well as laws in other jurisdictions, relating to matters such as safe working conditions, manufacturing practices, environmental protection, fire hazard control and hazardous substance disposal. We may be required to incur significant costs to comply with these laws and regulations in the future. Unanticipated changes in existing regulatory requirements, adoption of new requirements and increased compliance costs could hurt our business, financial condition and results of operations.

Data Privacy and Protection of Health and Other Personal Information

Both at the federal and state levels, the U.S. has increased legislative activity in connection with data privacy and data security. In addition to the California Privacy Rights Act (CPRA) which went into effect on January 1, 2023, a number of other states have passed comprehensive consumer privacy laws or have introduced related bills. On the federal level, an omnibus privacy bill (the American Data Privacy and Protection Act) was proposed and is currently under congressional review. If enacted, the law will dramatically increase oversight of how companies collect, use, and store the personal data. Federal agencies such as the FTC and the Securities and Exchange Commission (SEC) have increased their scrutiny and enforcement of how companies disclose their use of personal data to consumers, secure personal data, and report unauthorized disclosures of personal data. In particular, the FTC has issued statements that indicate increase in enforcement action against deceptive marketing practices that use cookies, pixels and other tracking tags to monitor consumer behavior. Moreover, there has been a similar increase in privacy-related class action litigation in connection with the use of consumers' personal data.

Internationally, in addition to the General Data Protection Regulation (GDPR) in Europe, other jurisdictions have adopted their own data privacy and protection laws. China, Canada, the Kingdom of Saudi Arabia, the UAE, Australia, Argentina and India have all passed new privacy and data protection laws. We have implemented, and continue to implement, procedures and processes to comply with these various laws and regulations. As international data privacy and protection laws continue to evolve, and as new regulations, interpretive guidance and enforcement information become available, we may incur incremental costs to modify our business practices to comply with these requirements. In addition, our internal control policies and procedures may not always protect us from reckless or criminal acts committed by third-parties, nation states, our employees or agents.

Recently, we have seen a global rise in scrutiny and legislative activity in connection with data breaches of health information in medical devices. Data security related to medical devices has been a priority for us and will continue to be so as we strive to safeguard the health information of our device users and of our customers' patients. We may be required to make costly system and device modifications to comply with privacy and security requirements. Our failure to comply may result in liability and adversely affect our business.

Additionally, in the U.S., HIPAA applies to covered entities and extends to their business associates. Covered entities include many healthcare facilities that purchase and use our products. The HIPAA Privacy Rule restricts the use and disclosure of protected health information (PHI) and requires covered entities and their business associates to safeguard that information. The HIPAA Security Rule establishes detailed technical, administrative and physical requirements for safeguarding PHI transmitted or stored electronically. Although we are not a covered entity, we are sometimes deemed by our U.S. customers to be a business associate due to activities that we perform for or on behalf of covered entity customers. As business associates, we may be subject to many of the requirements of HIPAA and could be directly subject to HIPAA civil and criminal enforcement and the associated penalties for violation of the Privacy, Security and Breach Notification Rules. Moreover, even when we are not a business associate, healthcare facilities impose contractual limitations on the use and disclosure of their patients' health information, and otherwise require additional safeguards to protect that information. These laws, as well as any new developing laws around health data, could create liability for us and increase our cost of doing business as well as increase costs associated with complying with these various laws both in the U.S. and globally.

Environmental Regulations

We are subject to stringent international, federal, state and local laws relating to the protection of the environment, including those governing the use, handling and disposal of hazardous materials and wastes. Products that we sell in Europe are subject to regulation in EU markets under the Restriction of Hazardous Substances Directive (RoHS). RoHS prohibits companies from selling products that contain certain hazardous materials in EU member states. Other regulations which affect the product content, manufacturing, packaging and disposal of our products include, for example, the Registration, Evaluation, Authorization and Restriction of Chemical substances, the Waste Electrical and Electronic Equipment Directive, and the Directive on Packaging and Packaging Waste enacted in the EU which require the registration of and regulate the use of certain hazardous substances and chemicals in certain products we manufacture, and require the collection, reuse and recycling of waste product and packaging from certain products we manufacture. Similar legislation that has been or is in the process of being enacted in Japan, China, other foreign countries and various states of the U.S. may require us to re-design our products to ensure compliance with the applicable standards, for example by requiring the use of different types of materials or adding country specific product and/or packaging labeling. Any redesigns or alternative materials may detrimentally impact the performance of our products, add greater testing lead-times for product introductions, result in additional costs or have other similar negative effects.

Future environmental laws may require us to alter our manufacturing processes, thereby increasing our manufacturing costs. We believe that our products and manufacturing processes at our facilities comply in all material respects with applicable environmental laws and worker health and safety laws; however, the risk of environmental liabilities cannot be completely eliminated.

Markets

Competitive Conditions

We compete in many healthcare electronic markets across the globe. These markets are highly competitive and are characterized by continual change and improvements in technology. Many of our competitors have substantially greater financial resources, broader product portfolios and more aggressive advertising and marketing strategies and may be able to adapt to market preferences or consumer demands more rapidly than us. Competitors may develop superior products or products of similar quality for sale at the same or lower prices. Moreover, our products could be rendered obsolete by changes to industry standards or guidelines or advances in technology.

Our primary competitor in the healthcare market is Medtronic plc, who currently holds a substantial share of the pulse oximetry market. In addition, large technology companies that have not historically operated in the healthcare or medical device space, such as Alphabet Inc. (Alphabet), Amazon, Apple Inc. (Apple), Samsung Electronics Co., Ltd. (Samsung) and others, have developed or may develop products and technologies that may compete with our current or future products and technologies in the professional healthcare marketplaces.

We believe that the principal competitive factors in the markets in which we operate include:

- brand recognition, perception of innovation abilities, and reputation;
- product technology and innovation;
- product quality and safety;
- quality, cost-effectiveness and price;
- breadth of product lines, network of technology and content partners;
- access to hospitals which are members of GPO and OEM partners; and
- patent protection.

Market Demand

We currently sell our products directly to hospitals and various distributors in the U.S. and around the world, including Europe, the Middle East and Asia Pacific, through our direct sales force.

Our sales and marketing strategy for pulse oximetry has been, and will continue to be, focused on building end-user awareness of the clinical and cost-saving benefits of our technologies. Our sales representatives' primary focus is to facilitate the conversion of competitor accounts to our Masimo SET® pulse oximetry and rainbow SET® Pulse CO-Oximetry products, to expand the use of Masimo SET® and Patient SafetyNet™ on the general hospital floor and to create and expand the use of rainbow® measurements in both critical care and non-critical care areas. In addition to sales representatives, we employ clinical specialists to work with our sales representatives to educate end-users on the benefits of Masimo SET® and assist with the introduction and implementation of our technology and products to their sites.

For the year ended January 3, 2026, one just-in-time distributor represented approximately 18.8% of our total revenue. This was the only customer that represented 10% or more of our revenue for the year ended January 3, 2026. Importantly, this distributor takes and fulfills orders from our direct customers, many of which have signed long-term sensor purchase agreements with us. If a specific just-in-time distributor is unable to fulfill these orders, the orders would be redirected to other distributors or fulfilled directly by us.

Additionally, we sell certain of our products through our OEM partners who incorporate our technologies into their monitors and sometimes resell our sensors to their installed base. Our OEM agreements allow us to expand the availability of our technologies through the sales and distribution channels of each OEM partner. To facilitate clinician awareness of Masimo technologies, our OEM partners have generally agreed to place the applicable Masimo trademark prominently on their instruments.

In order to facilitate our U.S. direct sales to hospitals, we have signed contracts with what we believe to be the five largest national GPOs in the U.S., based on the total volume of negotiated purchases. In return for the GPOs putting our products on contract, we have agreed to pay the GPOs a percentage of our revenue from their member hospitals. In 2025 and 2024, revenues from the sale of our pulse oximetry products to hospitals that are associated with GPOs amounted to \$872.8 million and \$794.0 million, respectively.

Seasonality

Our quarterly revenues are influenced by many factors, including new product releases, acquisitions, regulatory approvals, holiday schedules, hospital census, the timing of influenza season, competitive pricing, adaptation of new technologies, among other factors.

Our revenues in the third quarter of our fiscal years have generally historically represented a lower percentage of segment revenues due to the seasonality of the U.S., European and Japanese markets, where summer vacation schedules normally result in fewer medical procedures utilizing our products.

Resources

Intellectual Property

We believe that in order to maintain a competitive advantage in the marketplace, we must develop and maintain protection of the proprietary aspects of our technology. The ownership of intellectual property rights is an important factor in our business. We rely on a combination of patents, trademarks, trade secrets, copyrights, know-how, continuing technological innovations, licensing opportunities, internet domain names and other intellectual property rights and measures to protect our intellectual property in the U.S. and a number of foreign countries.

We have developed a diverse intellectual property portfolio internally, and through acquisitions and licensing, that covers many aspects of our product offerings. In aggregate, our intellectual property is of material importance to our business; however, we believe that no single intellectual property asset or license is material on its own to the healthcare segment of our business or to our business as a whole.

The Cross-Licensing Agreement purports to allocate between us and Willow proprietary ownership of technology developed based on the functionality of the technology. Under the terms of the Cross-Licensing Agreement, we have proprietary ownership, including ownership of all patents, copyrights and trade secrets, of all technology related to the noninvasive monitoring of vital signs measurements. The Cross-Licensing Agreement purports to give Willow proprietary ownership of all technology related to the noninvasive monitoring of non-vital signs measurements.

We have been issued hundreds of patents and trademarks and currently have hundreds of pending patent and trademark applications in the U.S. and abroad and continue to file for additional patent and trademark protection where appropriate and cost effective. We intend to hold these patents and trademarks as part of our strategy to protect and defend our technology and branding, including to protect and defend our company in patent-related and trademark-related litigation. We believe that our intellectual property has significant value and is important to our brand-building efforts and the marketing of our products and services. We cannot predict, however, whether steps taken by us to protect our proprietary rights will be adequate to prevent misappropriation of any of these rights.

Some of our competitors may seek to compete primarily through aggressive pricing and low-cost structures while infringing on our intellectual property. Third parties may also design around our proprietary rights, which may render our protected products less valuable if the design around is favorably received in the marketplace. Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity, misappropriation, or other claims. There is no guarantee that we will prevail on our litigation claims against third parties and any such litigation could result in substantial costs and diversion of our resources. Moreover, any settlement of or adverse judgment resulting from such litigation could require us to obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. Any required licenses may not be available to us on acceptable terms, if at all. If we attempt to design around the technology at issue or to find another provider of suitable alternative technology to permit us to continue offering applicable software or product solutions, our continued supply of software or product solutions could be disrupted or our introduction of new or enhanced software or products could be significantly delayed.

We seek to protect our trade secrets and proprietary know-how, in part, with confidentiality agreements with consultants, vendors and employees, although we cannot be certain that the agreements will not be breached or that we will have adequate remedies for any breach.

There are risks related to our intellectual property rights. For further detail on these risks, see “Risks Related to Our Intellectual Property” under Item 1A —“Risk Factors” in this Annual Report on Form 10-K.

Research and Product Development

We believe that ongoing research and product development (R&D) efforts are essential to our success. Our R&D efforts focus on continuing to enhance our technical expertise toward our existing product portfolios, expanding our technological leadership in each of the markets we serve with new innovations, entering into strategic partnerships with third parties to fund the development of certain new technologies, driving growth in emerging markets and introducing new products necessary to maintain market superiority.

Manufacturing

Our strategy is to manufacture products in-house when it is efficient and cost-effective for us to do so. We manufacture products at facilities located in various countries throughout the world and maintain captive contract maquiladora operations for key components. For information related to our manufacturing facilities, refer to “Item 2. Properties” in this Annual Report on Form 10-K.

We will continue to utilize third-party contract manufacturers for products and subassemblies that can be more efficiently manufactured by these parties, such as our circuit boards, speakers and certain audio components. We monitor our third-party manufacturers and perform inspections and product tests at various steps in the manufacturing cycle to ensure compliance with our specifications. We also do full functional testing of our circuit boards.

For raw materials, we and our contract manufacturers may rely on sole source suppliers for some components. We and our contract manufacturers have taken steps to minimize the impact of a shortage or stoppage of shipments of key components by maintaining a safety stock of component inventory and by redesigning certain products to allow for more universal sub-components. Generally, we have been able to obtain adequate supplies of such raw materials and components. However, we may not be able to quickly establish additional or replacement sources for certain components or materials if we experience a sudden or unexpected reduction or interruption in supply and are unable to develop alternative sources.

We have agreements with certain major suppliers and each agreement provides for varying terms with respect to contract expiration, termination and pricing. Most of these agreements allow for termination upon specified advance notice of various periods to the non-terminating party. Certain of these agreements with our major suppliers allow for pricing adjustments and each agreement provides for annual pricing negotiation.

Sustainability

As a global manufacturer of healthcare products, we understand the materials we use and the products we manufacture can have an impact on the environment, and our commitment to sustainability is integral to our role as a global healthcare technology leader. As we design and manufacture advanced patient monitoring solutions used around the world, we recognize that our environmental practices impact not only our own operations, but also the broader healthcare systems we serve. By prioritizing energy efficiency, waste reduction, and responsible material use, we work to reduce our environmental footprint, manage risk, and meet the evolving expectations of hospitals, partners, and investors.

Our social and community initiatives further reflect our mission to improve patient outcomes and reduce the cost of care. Partnerships with organizations like the World Health Organization and support for humanitarian and nonprofit groups reinforce Masimo’s core purpose—improving patient outcomes globally—and strengthens key stakeholder relationships.

We are committed to operating in an environmentally responsible manner and support the internationally recognized environmental principles set forth in the United Nations Global Compact. We strive to identify new opportunities to improve the sustainability of our business and encourage our employees to join in our efforts. The Nominating, Compliance and Corporate Governance Committee oversees our efforts regarding corporate responsibility and sustainability and implements policies and practices that foster our business sustainability initiatives. In furtherance of these commitments, we reinforce the following sustainability principles:

- **Environmental.** We undertake initiatives to promote greater environmental responsibility and incorporate energy efficiency measures in all areas of our business. We comply with applicable environmental protection laws in all areas of our business.
- **Social.** We train and encourage our employees to conduct their activities in an environmentally responsible and sustainable manner.
- **Economic.** We continuously take steps to minimize material waste and energy inefficiencies in our products and manufacturing processes.

- **Communities.** We have a long and proud history of investing in and giving back to the communities in which we live and work, as well as providing aid around the globe. Through the partnerships with organizations like the World Health Organization, we give back by providing grants to humanitarian aid organizations and offering in-kind donations of medical equipment. In addition, our employees also actively support causes by raising awareness and funds for non-profit organizations. Organizations that our employees have supported in recent years include: Rise Against Hunger, Doctors Without Borders, Feeding America and March of Dimes.

Human Capital Resources

Core to our long-term strategy for human capital is attracting, developing and retaining the best talent globally with the right skills to drive our future success. We consider our employees to be a key factor in our future innovation and success. We seek to attract and retain highly talented, experienced and well-educated individuals to support our long-term growth and profitability goals.

We have developed key recruitment and retention strategies that we focus on as part of our overall management of our business. These include:

- **Compensation.** Our compensation programs are designed to align the compensation of our employees with their performance and to provide the proper incentives to attract and retain employees while motivating them to achieve superior results. The structure of our compensation programs balance incentive earnings for both short-term and long-term performance.
 - Our executive compensation is aligned with stockholder interests by aligning pay-for-performance metrics and is overseen by the Compensation Committee of the Board.
 - We utilize nationally-recognized compensation consultants to evaluate our executive compensation benefit programs and provide benchmarking against our peer groups.
 - We provide employee wages that are consistent with employee positions, experience, skills, knowledge and geography.
 - Base compensation adjustments and incentive compensation are based on market data and awarded based on individual performance and Company performance.
 - We offer a wide variety of benefits, including health insurance, paid time off, retirement plans, and voluntary benefits such as financial and personal wellness benefits, etc.
- **Developing Leaders of Tomorrow/Succession Planning.** We are committed to identifying and developing the talents of our next generation of leaders. Our executive management team conducts organization and leadership reviews of all business leaders, focusing on our high-performing and high potential talent, diversity, and the succession planning for critical roles. Executive management succession planning is overseen by the Nominating, Compliance and Corporate Governance Committee of the Board.
- **Employee Feedback and Retention.** To assess and improve employee retention and engagement, we survey employees on an annual basis and take actions to address areas of employee concerns.
- **Employee Composition.** In fiscal 2025, our full-time employees decreased from approximately 3,600 as of December 28, 2024 to 2,200 as of January 3, 2026, primarily due to the sale of Sound United, which was completed on September 23, 2025. Our dedicated contract personnel worldwide decreased from approximately 5,600 as of December 28, 2024 to approximately 5,300 as of January 3, 2026. Of our full-time employees, approximately 62% were male and 38% were female, and women represented approximately 28% of our management/leadership roles. Minorities represented approximately 54% of our U.S. workforce, and approximately 46% of our management/leadership roles.

Governance

Our Board and board committees provide oversight on certain human capital resource matters. The Compensation Committee acts on behalf of the Board to review, adopt and approve our compensation strategy, policies, plans and programs, including, among others, reviewing and approving corporate performance goals and objectives relevant to the compensation of our executive officers and other senior leadership and management, evaluating and approving the compensation plans and programs advisable for us, and administration of our equity compensation plans, stock repurchase plans and incentive compensation programs. The Nominating, Compliance and Corporate Governance Committee of the Board oversees governance related risks, such as board independence, conflicts of interest, related party transactions, and executive management succession planning.

Sale of Non-Healthcare Consumer Business

As of December 28, 2024, the non-healthcare consumer business remained part of the Company's continuing operations, but was being evaluated for divestiture. Subsequent to year end, the sales evaluation process continued to progress in early 2025, and as of March 29, 2025, the non-healthcare consumer business was classified as held-for-sale and reported as discontinued operations. On May 6, 2025, the Company announced that it entered into a definitive agreement to sell Viper Holdings Corporation, a Delaware corporation which previously owned and operated the Company's non-healthcare business (together with its subsidiaries, "Sound United") to Harman International Industries, Incorporated, a wholly-owned subsidiary of Samsung Electronics., Ltd. On September 23, 2025, the Company completed the sale of Sound United.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, proxy statements, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge at our website, www.masimo.com, as soon as reasonably practicable after electronically filing such reports with the SEC. Any information contained on, or that can be accessed through, our website is not incorporated by reference into, nor is it in any way a part of, this Annual Report on Form 10-K. The SEC also maintains a website that contains our filings with the SEC. The address of the website is www.sec.gov.

ITEM 1A. RISK FACTORS

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the following risks come to fruition, our business, financial condition, results of operations and future growth prospects would likely be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and you could lose all or part of your investment.

Summary of Material Risk Factors

Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this summary, and other risks that we face, can be found following this summary and should be carefully considered together with all of the other information appearing in this Annual Report on Form 10-K.

- We may not complete the proposed Merger within the timeframe we anticipate or at all, which could have an adverse effect on our business, financial results and/or operations.
- The Merger is subject to the expiration or termination of applicable waiting periods and the receipt of approvals, consents or clearances from several regulatory authorities that, if not obtained, could prevent completion of the Merger.
- Uncertainties associated with the Merger could adversely affect our business, results of operations, cash flows and financial condition.
- The Merger Agreement contains provisions that could discourage a potential competing acquirer of the Company or could result in a competing acquisition proposal being at a lower price than it might otherwise be.
- We have incurred, and will continue to incur, direct and indirect costs as a result of the Merger.
- Our directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of our other stockholders.
- If the Merger is completed, our stockholders will forgo the opportunity to benefit from potential future appreciation in the value of the Company.
- We currently derive a significant portion of our revenue from our Masimo SET® platform, Masimo rainbow SET® platform and related products. If these technologies and related products do not continue to achieve market acceptance, our business, financial condition and results of operations would be adversely affected.
- Some of our products are in development or have been recently introduced into the market and may not achieve market acceptance, which could limit our growth and adversely affect our business, financial condition and results of operations.
- Our Cross-Licensing Agreement with Willow Laboratories, Inc. (Willow), formerly known as Cercacor Laboratories, Inc., by its terms, purports to limit Masimo's ability to commercialize new products, new or improved technologies and additional applications for Masimo SET® and our licensed rainbow® technology, which may impair our growth and adversely affect our business, financial condition and results of operations.
- We depend on our domestic and international original equipment manufacturer (OEM) partners for a portion of our revenue. If they do not devote sufficient resources to the promotion of products that use our technologies, our business would be harmed.
- If we fail to maintain or develop relationships with Group Purchasing Organizations, sales of our products would decline.
- Inadequate levels of coverage or reimbursement from governmental or other third-party payers for our products, or for procedures using our products, may cause our revenue to decline or prevent us from realizing revenues from future products.
- The loss of any large customer or distributor, or any cancellation or delay of a significant purchase by a large customer or international tender, or any non-payment, non-performance or disagreement or dispute with any customer or distributor could reduce our net sales and harm our operating results.
- Counterfeit Masimo sensors and third-party reprocessed single-patient-use Masimo sensors may harm our reputation and adversely affect our business, financial condition and results of operations.
- If the patents we own or license, or our other intellectual property rights, do not adequately protect our technologies, we may lose market share to our competitors and be unable to operate our business profitably.
- If third-parties claim that we infringe their intellectual property rights, we may incur liabilities and costs and may have to redesign or discontinue selling certain products.

- We believe competitors may currently be violating and may in the future violate our intellectual property rights. As a result, we may initiate litigation to protect and enforce our intellectual property rights, which may result in substantial expense and may divert management's attention from implementing our business strategy.
- Our failure to obtain and maintain FDA clearances or approvals on a timely basis, or at all, would prevent us from commercializing our current, upgraded or new products in the U.S., which could severely harm our business.
- If our products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury, we will be subject to medical device reporting regulations and other applicable laws and may need to initiate voluntary or mandatory corrective actions, such as the recall of our products.
- Promotion of our products using claims that are off-label, unsubstantiated, false or misleading could subject us to substantial penalties.
- The regulatory environment governing information, data security and privacy is increasingly demanding and evolving. Many of the laws and regulations in this area are subject to uncertain interpretation, and our failure to comply could result in claims, penalties or increased costs or otherwise harm our business.
- We may be subject to or otherwise affected by federal and state healthcare laws, including fraud and abuse laws, and could face substantial penalties if we are unable to fully comply with these laws.
- Changes to regulatory, funding, staffing, trade, and other policies and actions by the U.S. government could adversely affect our business operations.
- Under the Cross-Licensing Agreement, by its terms, we would be required to assign to Willow certain products and technologies we develop that relate to the monitoring of non-vital sign parameters.
- In the event that the Cross-Licensing Agreement is terminated for any reason, or Willow grants a license to rainbow® technology to a third-party, our business could be adversely affected.
- If we are unable to obtain key materials and components from sole or limited source suppliers, we will not be able to deliver our products to customers.
- Future strategic transactions, including acquisitions or separations of businesses and strategic investments or joint ventures, could negatively affect our business, financial condition and results of operations if we fail to integrate the acquired businesses and their employees successfully into our existing operations or achieve the desired results of our initiatives.
- Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits.
- Our Credit Facility contains certain covenants and restrictions that may limit our flexibility in operating our business.
- We may need additional capital and failure to raise additional capital on terms favorable to us, or at all, could limit our ability to grow our business and develop or enhance our service offerings to respond to market demand or competitive challenges.
- Concentration of ownership of our stock among our existing directors, executive officers and principal stockholders may prevent new investors from influencing significant corporate decisions.
- We may be unable to accurately forecast our financial and operating results and appropriately plan our expenses in the future, or we may fail to meet our publicly announced guidance about our business and future operating results.
- Our corporate documents, and Delaware law contain provisions that could discourage, delay or prevent a change in control of our company, prevent attempts to replace or remove current management and reduce the market price of our stock.
- Recent changes to our senior leadership and our Board could create uncertainties and adversely impact our business.
- Exclusive forum provisions in our bylaws could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Risks Related to the Proposed Merger

We may not complete the proposed Merger within the timeframe we anticipate or at all, which could have an adverse effect on our business, financial results and/or operations.

Completion of the Merger is subject to a number of closing conditions, including the adoption of the Merger Agreement by the holders of a majority of the voting power represented by the outstanding shares of our common stock that are entitled to vote thereon and expiration or termination of any applicable waiting periods (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain non-U.S. antitrust and foreign direct investment approvals with respect to the Merger. We can provide no assurance that all required consents and approvals will be obtained or that all closing conditions will otherwise be satisfied (or waived, if applicable), and, even if all required consents and approvals can be obtained and all closing conditions are satisfied (or waived, if applicable), we can provide no assurance as to the terms, conditions and timing of such consents and approvals or the timing of the completion of the Merger. Many of the conditions to completion of the Merger are not within our control, and we cannot predict when or if these conditions will be satisfied (or waived, if applicable). Any adverse consequence of the pending Merger could be exacerbated by any delays in completion of the Merger or termination of the Merger Agreement.

Each party's obligation to consummate the Merger is also subject to the accuracy of the representations and warranties of the other party (subject to customary materiality qualifications) and compliance in all material respects with the covenants and agreements contained in the Merger Agreement as of the closing of the Merger, including, among others, with respect to us, covenants to use commercially reasonable efforts to conduct our business in the ordinary course of business and to refrain from taking certain types of actions without Danaher's consent and to not engage in certain kinds of material transactions prior to closing without Danaher's consent. In addition, the Merger Agreement may be terminated under certain specified circumstances, including, among others, in connection with a change in the recommendation of our Board to enter into an agreement for a Superior Proposal (as defined in the Merger Agreement). As a result, we cannot assure you that the Merger will be completed, even if our stockholders approve the Merger, or that, if completed, it will be exactly on the terms set forth in the Merger Agreement or within the expected timeframe.

If the Merger is not completed within the expected timeframe, or at all, our ongoing business may be materially adversely affected, and we would be subject to a number of risks, including the following:

- we may experience negative reactions from the financial markets, including negative impacts on our stock price, particularly to the extent that the current market price of our common stock reflects an assumption that the Merger will be completed, and it is uncertain when, if ever, the price of our shares would return to the prices at which our shares currently trade;
- we may experience negative publicity, which could have an adverse effect on our ongoing operations including, but not limited to, retaining and attracting employees, customers, partners, suppliers and others with whom we do business;
- investor confidence in us could decline, and stockholder litigation could be brought against us or members of our Board or our officers, which may require us to commit significant time and resources defending and which could prevent or delay completion of the Merger;
- we have incurred, and will continue to incur, significant costs relating to the Merger, such as legal, accounting, financial advisory, printing and other professional services fees, which may relate to activities that we would not have undertaken other than in connection with the Merger;
- we may be required to pay a cash termination fee to Danaher, as required under the Merger Agreement under certain circumstances;
- while the Merger Agreement is in effect, we are subject to restrictions on our business activities, including, among other things, restrictions on our ability to engage in certain kinds of material transactions, which could prevent us from pursuing strategic business opportunities, taking actions with respect to our business that we may consider advantageous and responding effectively and/or timely to competitive pressures and industry developments, and may as a result materially adversely affect our business, results of operations and financial condition; and
- matters relating to the Merger require substantial commitments of time and resources by our management, which could result in the distraction of management from ongoing business operations and pursuing other opportunities that could have been beneficial to us.

If the Merger is not completed, our stockholders will not receive any payment for their shares of our common stock in connection with the Merger. Instead, we will remain a public company, our common stock will continue to be listed and traded on Nasdaq and registered under the Exchange Act of 1934, as amended, and we will be required to continue to file periodic reports with the SEC.

The Merger is subject to the expiration or termination of applicable waiting periods and the receipt of approvals, consents or clearances from several regulatory authorities that, if not obtained, could prevent completion of the Merger.

Before the Merger may be completed, the applicable waiting period (and any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, relating to the completion of the Merger must have expired or been terminated and we must have received certain non-U.S. antitrust and foreign direct investment approvals with respect to the Merger under certain other applicable foreign regulatory laws. In deciding whether to grant the required regulatory authorization or consent, the relevant governmental entities will consider the effect of the Merger within their relevant jurisdiction, including, among other things, the impact on the parties' respective customers and suppliers and the impact of the parties' foreign investment in the jurisdiction.

The approvals that are granted may impose terms and conditions, limitations, obligations or costs, or place restrictions on Danaher's conduct in operating the business following the closing or require changes to the terms of the Merger Agreement. There can be no assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the Merger.

Under the Merger Agreement, the Company and Danaher have agreed to use their respective reasonable best efforts to take or cause to be taken all actions necessary or advisable on its part under the Merger Agreement and applicable laws to consummate the Merger as promptly as practicable. However, Danaher and Merger Sub are not required to take any action, (i) relating to Danaher or any of its subsidiaries or any of their respective assets or businesses, or (ii) relating to the Company or any of our subsidiaries or any of our respective assets or businesses that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on us and our subsidiaries, taken as a whole.

Uncertainties associated with the Merger could adversely affect our business, results of operations, cash flows and financial condition.

The announcement and pendency of the Merger, as well as any delays in the expected timeframe, could cause disruption in our business and create uncertainties, which could have an adverse effect on our business, results of operations, cash flows and financial condition, regardless of whether the Merger is completed. These risks and uncertainties include, but are not limited to:

- the possibility that our relationship with suppliers, customers and employees could be adversely affected, including if our suppliers, customers or others attempt to negotiate changes in existing business relationships, consider entering into business relationships with parties other than us, delay or defer decisions concerning their business with us, or terminate their existing business relationships with us during the pendency of the Merger;
- uncertainties caused by any negative sentiment in the marketplace with respect to the Merger, which could adversely impact investor confidence in the Company;
- a diversion of a significant amount of management time and resources toward the completion of the Merger;
- a distraction of our current employees as a result of the Merger, which could result in a decline in their productivity or cause distractions in the workplace;
- being subject to certain restrictions on the conduct of our business;
- possibly foregoing certain business opportunities that we might otherwise pursue absent the pending Merger;
- difficulties in attracting and retaining key employees due to uncertainties related to the Merger;
- impact of costs related to completion of the Merger; and
- other developments beyond our control, including, but not limited to, changes in domestic or global economic conditions that may affect the timing or success of the Merger.

The adverse effects of the pendency of the Merger could be exacerbated by any delays in completion of the Merger or termination of the Merger Agreement. As a result, there can be no assurance that our business, results of operations, cash flows and financial condition will not be adversely affected, as compared to prior to the announcement of the Merger Agreement.

The Merger Agreement contains provisions that could discourage a potential competing acquirer of the Company or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

Under the Merger Agreement, we are subject to customary “no shop” restrictions on the Company’s ability to solicit any Acquisition Proposal (as defined in the Merger Agreement) and to enter into any Alternative Acquisition Agreement (as defined in the Merger Agreement). Prior to entering into the Merger Agreement, the Company engaged with other potential acquirors as part of a targeted auction process and one or more potential counterparties (including those that had prior engagement with the Company) could make an Acquisition Proposal in the future. Notwithstanding the limitations applicable under the “no-shop” restrictions, if, after the date of the Merger Agreement and prior to the date on which the Requisite Company Vote (as defined in the Merger Agreement) is obtained, the Company receives a *bona fide* Acquisition Proposal that did not result from a material breach of the Company’s obligations under the “no-shop” restrictions and our Board determines in good faith, after consultation with its outside financial advisors and outside legal counsel, constitutes or would reasonably be expected to lead to a Superior Proposal and the failure to take such action would be inconsistent with its fiduciary duties under applicable law, the Company may engage in discussions or negotiations with and may provide non-public information relating to the Company to the person making such Acquisition Proposal and change its recommendation that the Company’s stockholders approve the adoption of the Merger Agreement, subject to certain notice rights and match rights in favor of Danaher.

Under the terms of the Merger Agreement, we may be required to pay a termination fee of \$305 million to Danaher following or in connection with the termination of the Merger Agreement in certain circumstances, including if the Company terminates the Merger Agreement in order to accept a Superior Proposal as set forth in the Merger Agreement.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of the Company’s business from considering or making a competing acquisition proposal, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than the per share value proposed to be received or realized in the Merger, or might cause a potential competing acquirer to propose to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances under the Merger Agreement.

We have incurred, and will continue to incur, direct and indirect costs as a result of the Merger.

We have incurred, and will continue to incur, costs and expenses, including fees for professional services and other transaction costs in connection with the Merger, for which we will have received little or no benefit if the Merger is not completed. There are a number of factors beyond our control that could affect the total amount or the timing of these costs and expenses. Many of these fees and costs will be payable by us even if the Merger is not completed and may relate to activities that we would not have undertaken other than to complete the Merger.

Our directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of our other stockholders.

Our directors and executive officers have financial interests in the Merger that may be different from, or in addition to, the interests of our other stockholders. These interests may include:

- the treatment of Company long-term incentive awards;
- severance entitlements and other benefits in the case of certain qualifying terminations under the terms of an individual employment agreement or Company severance plan;
- retention arrangements for the benefit of certain Company employees; and
- continued indemnification and insurance coverage under the Merger Agreement, the Company’s organizational documents and indemnification agreements the Company has entered into with its directors and executive officers.

Litigation challenging the Merger Agreement may prevent the Merger from being consummated within the expected timeframe or at all.

Lawsuits may be filed against us, our Board or our officers or other parties to the Merger Agreement, challenging the Merger or making other claims in connection therewith. Such lawsuits may be brought by our purported stockholders and may seek, among other things, to enjoin consummation of the Merger. One of the conditions to the consummation of the Merger is that the consummation of the Merger is not made unlawful, restrained, enjoined or otherwise prohibited by any order or legal or regulatory restraint or prohibition of a court of competent jurisdiction or any governmental entity. As such, if the plaintiffs in such potential lawsuits are successful in obtaining an injunction prohibiting the defendants from completing the Merger on the agreed upon terms, then such injunction may prevent the Merger from becoming effective, or from becoming effective within the expected timeframe. Additionally, the amount of fees and costs of defense, including costs associated with the indemnification of directors and officers, and other liabilities that may be incurred in connection with lawsuits and other negative effects, such as diversion of resources from the Merger and ongoing business activities, negative publicity or damage to our relationships with business partners, suppliers and customers, could have a material adverse effect on our business, results of operations, cash flows and financial condition.

If the Merger is completed, our stockholders will forgo the opportunity to benefit from potential future appreciation in the value of the Company.

The Merger Agreement provides for the stockholders of record of the Company's common stock to receive cash consideration of \$180.00 per share of Company common stock, without interest and subject to any applicable withholding taxes, upon the closing of the Merger. The amount of cash per outstanding share of our common stock to be paid under the Merger Agreement is fixed and will not be adjusted for changes in our business, assets, liabilities, prospects, outlook, financial condition or operating results or in the event of any change in the market price of, analyst estimates of, or projections relating to, our common stock. If the transaction is consummated, our stockholders will no longer hold interests in the Company and, therefore, will not be entitled to benefit from any potential future appreciation in the value of the Company. In the absence of the Merger, we could have various opportunities to enhance the Company's value, including, but not limited to, entering into a transaction that values the shares of our common stock higher than the value provided for in the Merger Agreement. Therefore, if the Merger is completed, our stockholders will forgo potential future appreciation, if any, in the value of the Company and the opportunity to participate in any other potential transactions that may have resulted in a higher price per share than the price to be paid in the Merger.

Risks Related to Our Revenues

We currently derive a significant portion of our revenue from our Masimo SET® platform, Masimo rainbow SET® platform and related products. If these technologies and related products do not continue to achieve market acceptance, our business, financial condition and results of operations would be adversely affected.

Our business is highly dependent upon the continued success and market acceptance of our proprietary Masimo SET® and Masimo rainbow SET® technologies that serve as the basis of our primary product offerings. Continued market acceptance of products incorporating these technologies will depend upon us continuing to provide evidence to the medical community that our products are cost-effective and offer significantly improved performance compared to conventional pulse oximeters. Healthcare providers that currently have significant investments in competitive pulse oximetry products may be reluctant to purchase our products. If hospitals and other healthcare providers do not believe our Masimo SET® and Masimo rainbow SET® platforms are cost-effective, safe or more accurate or reliable than competitive pulse oximetry products, they may not buy our products in sufficient quantities to enable us to generate revenue growth from the sale of these products. In addition, allegations regarding the safety and effectiveness of our products, whether or not substantiated, may impair or impede the acceptance of our products.

Some of our products are in development or have been recently introduced into the market and may not achieve market acceptance, which could limit our growth and adversely affect our business, financial condition and results of operations.

Many of our noninvasive measurement technologies are considered disruptive. These technologies have performance levels that we believe are acceptable for many clinical environments but may be insufficient in others. In addition, these technologies may perform better in some patients and settings than others. Over time, we hope to continue to improve the performance of these technologies and educate the clinical community on how to properly evaluate them. If we are successful in these endeavors, we expect these technologies will become more useful in more environments and will become more widely adopted. Our product portfolio continues to expand, and we are investing significant resources to enter into, and in some cases, create new markets for our products. See the risk factor with the heading "Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits, which could adversely affect our business, reputation or financial results" for additional risks related to this expansion of our business.

We are continuing to invest in sales and marketing resources to achieve market acceptance of our products but are unable to guarantee that our technologies will achieve general market acceptance.

The degree of market acceptance of our products will depend on a number of factors, including but not limited to:

- perceived clinical benefits from our products;
- perceived cost effectiveness of our products;
- perceived safety and effectiveness of our products;
- reimbursement available through government and private healthcare programs for using some of our products; and
- introduction and acceptance of competing products or technologies.

Our Cross-Licensing Agreement with Willow Laboratories, Inc. (Willow), formerly known as Cercacor Laboratories, Inc., by its terms, purports to limit Masimo’s ability to commercialize new products, new or improved technologies and additional applications for Masimo SET® and our licensed rainbow® technology, which may impair our growth and adversely affect our business, financial condition and results of operations.

Since 1998, we have been a party to a cross-licensing agreement with Willow (as amended, the Cross-Licensing Agreement), under which we purportedly granted Willow:

- an exclusive, perpetual and worldwide license, with sublicense rights, to use all Masimo SET® technology owned by us, including all improvements to this technology, for the monitoring of non-vital signs parameters and to develop and sell devices incorporating Masimo SET® for monitoring non-vital signs parameters (alone or in combination with vital signs parameters) in any product market in which a product is intended to be used by a patient or pharmacist rather than by a professional medical caregiver, which the agreement refers to as the “Willow Market”; and
- an option for a non-exclusive, perpetual and worldwide license, with sublicense rights, to use all Masimo SET® technology owned by us for measurement of vital signs in the “Willow Market”.

Under the terms of the Cross-Licensing Agreement, non-vital signs measurements consist of body fluid constituents other than vital signs measurements, including, but not limited to, carbon monoxide, methemoglobin, blood glucose, hemoglobin and bilirubin. Under the Cross-Licensing Agreement, we are only permitted to sell devices utilizing Masimo SET® for the monitoring of non-vital signs parameters in markets where the product is intended to be used by a professional medical caregiver, including, but not limited to, hospital caregivers and alternate care facility caregivers, rather than by a patient or pharmacist, which the agreement refers to as the “Masimo Market”.

Accordingly, under the terms of the Cross-Licensing Agreement, our ability to commercialize new products, new or improved technologies and additional applications for Masimo SET® would be limited. In particular, any inability under the contract to expand beyond the “Masimo Market” may limit our ability to maintain or increase our revenue and impair our growth.

Pursuant to the Cross-Licensing Agreement, we have licensed from Willow the right to make and distribute products in the “Masimo Market” that utilize rainbow® technology for certain noninvasive measurements. As a result, under the terms of the Cross-Licensing Agreement, the opportunity to expand the market for our products incorporating rainbow® technology would also be limited, which could limit our ability to maintain or increase our revenue and impair our growth.

The Company has a dispute with Willow over the Cross-Licensing Agreement, described in further detail below under the risk factor, *A dispute with Willow with respect to the Cross-Licensing Agreement could result in damages awarded against the Company or could adversely affect our business.* As part of that dispute and the Company’s review of the facts and agreements, the Company will contest several of the rights and obligations under the Cross-Licensing Agreement, including, but not limited to, Masimo’s ownership of the rainbow® technology that Willow purportedly licensed to Masimo.

We depend on our domestic and international original equipment manufacturer (OEM) partners for a portion of our revenue. If they do not devote sufficient resources to the promotion of products that use our technologies, our business would be harmed.

We are, and will continue to be, dependent upon our domestic and international OEM partners for a portion of our revenue through their marketing, selling and distribution of certain of their products that incorporate our technologies. Although we expect that our OEM partners will accept and actively market, sell and distribute products that incorporate our technologies, they may not do so. Because products that incorporate our technologies may represent a relatively small percentage of business for some of our OEM partners, they may have less incentive to promote these products over other products that do not incorporate these technologies.

In addition, some of our OEM partners offer products that compete with ours and also may be involved in intellectual property disputes with us. Therefore, we cannot guarantee that our OEM partners, or any company that may acquire any of our OEM partners, will vigorously promote products incorporating our technologies. The failure of our OEM partners to successfully market, sell or distribute products incorporating our technologies, the termination of OEM agreements, the loss of OEM partners or the inability to enter into future OEM partnership agreements would have a material adverse effect on our business, financial condition and results of operations.

If we fail to maintain or develop relationships with Group Purchasing Organizations, sales of our products would decline.

Our ability to sell our products to hospitals depends, in part, on our relationships with Group Purchasing Organizations (GPOs). Many existing and potential customers for our products are members of GPOs. GPOs negotiate pricing arrangements and contracts with medical supply manufacturers and distributors that may include provisions for sole sourcing and bundling, which generally reduce the choices available to member hospitals.

These negotiated prices are made available to a GPO's members. If we are not one of the providers selected by a GPO, the GPO's members may be less likely or unlikely to purchase our products. If a GPO has negotiated a strict sole source, market share compliance or bundling contract for another manufacturer's products, we may be prohibited from making sales to members of such GPO for the duration of such contractual arrangement. Shipments of our pulse oximetry products to customers that are members of GPOs represent approximately 91.2% of our U.S. product sales. Our failure to renew our contracts with GPOs may cause us to lose market share and could have a material adverse effect on our business, financial condition and results of operations. In addition, if we are unable to develop new relationships with GPOs, our competitive position would likely suffer and our opportunities to grow our revenues and business would be harmed.

Inadequate levels of coverage or reimbursement from governmental or other third-party payers for our products, or for procedures using our products, may cause our revenue to decline or prevent us from realizing revenues from future products.

Sales of our products depend in part on the reimbursement and coverage policies of governmental and private healthcare payers. The lack of adequate coverage and reimbursement for our products or the procedures in which our products are used may deter customers from purchasing our products.

We cannot guarantee that governmental or third-party payers will reimburse or begin reimbursing a customer for the cost of our products or the procedures in which our products are used. In addition, we may incur significant expenses to generate clinical data to demonstrate not only the safety and efficacy, but also the cost-effectiveness of our products in order to obtain favorable reimbursement policies from payers.

We do not control payer decision-making with respect to coverage and payment levels for our products. Additionally, we expect many payers to continue to explore cost-containment strategies (e.g., comparative and cost-effectiveness analyses, so-called "pay-for-performance" programs implemented by various public government healthcare programs and private third-party payers, and expansion of payment bundling initiatives, and other such methods that shift medical cost risk to providers) that may potentially impact coverage and/or payment levels for our current products or products we develop in the future.

Outside of the U.S., reimbursement systems vary by country. These systems are often subject to the same pressures to curb rising healthcare costs and control healthcare expenditures as those in the U.S. In addition, as economies of emerging markets develop, these countries may implement changes in their healthcare delivery and payment systems. If adequate levels of reimbursement from third-party payers outside of the U.S. are not obtained, sales of our products outside of the U.S. may be adversely affected.

These trends could lead to pressure to reduce prices for our current and future products, hinder our ability to obtain market adoption, cause a decrease in the size of the market or potentially increase competition, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our customers may reduce, delay or cancel purchases due to a variety of factors, such as lower hospital census levels or third-party guidelines, which could adversely affect our business, financial condition and results of operations.

Our customers are facing growing levels of uncertainties, including variations in overall hospital census for paying patients and the impact of such census variations on hospital budgets. As a result, many hospitals are reevaluating their entire cost structure, including the amount of capital they allocate to medical device technologies and products. In addition, certain of our products, including our rainbow® measurements such as carbon monoxide, methemoglobin and hemoglobin, that are sold with upfront license fees and more complex and expensive sensors, could also be impacted by hospital budget reductions. Any reductions in capital spending budgets by hospitals could have a significant negative impact on our OEM customers who, due to their traditionally larger capital equipment sales model, could see declines in purchases from their hospital customers. This, in turn, could reduce our board sales to our OEM customers.

From time to time, states and other local regulatory authorities may issue guidelines regarding the appropriate scope and use of our products. For example, some of our noninvasive monitoring devices may be subject to authorization by individual states as part of the Emergency Medical Services (EMS) scope of practice procedures. A lack of inclusion into scope of practice procedures may limit adoption of our products.

Additionally, increases in demand resulting from global medical crises, such as the increase in demand we experienced during the COVID-19 pandemic, may be short lived. If the increased demand results in a stockpiling of our products by, or excess inventory at, our customers, future orders may be delayed or canceled until such on-hand inventory is consumed. We may be unable to accurately forecast our financial and operating results and appropriately plan our expenses in the future, or we may fail to meet our publicly announced guidance about our business and future operating results. Continued stockpiling or excess inventory as a result of lower hospital census could also negatively impact our revenue in future periods.

The loss of any large customer or distributor, or any cancellation or delay of a significant purchase by a large customer or international tender, or any non-payment, non-performance or disagreement or dispute with any customer or distributor could reduce our net sales and harm our operating results.

Our business has a concentration of OEM, distributor and direct customers. For example, sales to one just-in-time distributor represented 10% or more of our revenue for the year ended January 3, 2026.

We cannot provide any assurances that we will retain our current customers, they will maintain their current or forecasted demand for our products, or that we will be able to attract and retain additional customers in the future. If for any reason we were to lose our ability to sell to a specific group or class of customers or through a large distributor, we could experience a significant reduction in revenue or loss of market share, which would adversely impact our operating results.

Our revenues could also be negatively affected by any rebates, discounts or fees that are required by, or offered to, GPOs and customers, including wholesalers or distributors. An increase in distributor or GPO rebates, discounts or fees, or the risks associated with selling directly to our customers in the event that a distributor relationship is terminated, could have a material adverse effect on our business, financial condition and results of operations.

Counterfeit Masimo sensors and third-party reprocessed single-patient-use Masimo sensors may harm our reputation and adversely affect our business, financial condition and results of operations.

We believe that other entities are manufacturing and selling counterfeit Masimo sensors. In addition, certain medical device reproducers have been collecting our used single-patient-use sensors from hospitals and then reprocessing, repackaging and reselling those sensors to hospitals. These counterfeit and third-party reprocessed sensors are sold at lower prices than new Masimo sensors. Our experience with both these counterfeit sensors and third-party reprocessed sensors is that they provide inferior performance, increased sensor consumption, reduced comfort and a number of monitoring problems. Notwithstanding these limitations, some of our customers have indicated a willingness to purchase some of their sensor requirements from these counterfeit manufacturers and third-party reproducers in an effort to reduce their sensor costs.

These counterfeit and reprocessed sensors have led and may continue to lead to confusion with our genuine Masimo products, have reduced and may continue to reduce our revenue, and, in some cases, have harmed and may continue to harm our reputation if customers conclude incorrectly that these counterfeit or reprocessed sensors are original Masimo sensors.

In addition, we have expended a significant amount of time and expense investigating issues caused by counterfeit and reprocessed sensors, troubleshooting problems stemming from such sensors, educating customers about why counterfeit and reprocessed sensors do not perform to their expectations, enforcing our proprietary rights against the counterfeit manufacturers and reproducers, and enforcing our contractual rights.

In response to these counterfeit sensors and third-party reproducers, we have incorporated X-Cal® technology into certain products to ensure our customers get the performance they expect by using genuine Masimo sensors and that such sensors do not continue to be used beyond their useful life. However, some customers may object to the X-Cal® technology, potentially resulting in the loss of customers and revenues.

Risks Related to Our Intellectual Property

If the patents we own or license, or our other intellectual property rights, do not adequately protect our technologies, we may lose market share to our competitors and be unable to operate our business profitably.

Our success depends significantly on our ability to protect our rights to the technologies used in our products. Our utilization of patent protection, trade secrets and a combination of copyright and trademark laws, as well as nondisclosure, confidentiality and other contractual arrangements, to protect our intellectual property afford us only limited protection and may not adequately protect our rights or permit us to gain or maintain any competitive advantage.

Certain of our patents related to our technologies have expired. Upon the expiration of our issued or licensed patents, we generally lose some of our rights to exclude competitors from making, using, selling or importing products using the technology based on the expired patents.

Furthermore, in recent years, the U.S. Supreme Court has ruled on several patent cases, and several laws have been enacted that, in certain situations, potentially narrow the scope of patent protection available and weaken the rights of patent owners. As a result, we believe large technology companies may be pursuing an “efficient infringement” strategy, having concluded that it is cheaper to infringe third-party intellectual property rights than to acquire, license or otherwise respect them. There can be no assurance that we will be successful in securing additional patents on commercially desirable improvements, that such additional patents will adequately protect our innovations or offset the effect of expiring patents, or that competitors will not be able to design around our patents.

In addition, third-parties have challenged, and may continue to challenge, our issued patents through procedures such as Inter-Partes Review (IPR). In many IPR challenges, the U.S. Patent and Trademark Office (PTO) cancels or significantly narrows issued patent claims. IPR challenges could increase the uncertainties and costs associated with the maintenance, enforcement and defense of our issued and future patents and could have a material adverse effect on our business, financial condition and results of operations. Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we have licensed or that we may obtain in the future. For example, the complexity and uncertainty of European patent laws have also increased in recent years. In Europe, in June 2023, a new unitary patent system was introduced, which significantly impacts European patents, including those granted before the introduction of the system. Under the unitary patent system, after a European patent is granted, the patent proprietor can request unitary effect, thereby getting a European patent with unitary effect (Unitary Patent). Each Unitary Patent is subject to the jurisdiction of the Unitary Patent Court (UPC). As the UPC is a new court system, there is no precedent for the court, increasing the uncertainty of any litigation. Patents granted before the implementation of the UPC will have the option of opting out of the jurisdiction of the UPC and remaining as national patents in the UPC countries. Patents that remain under the jurisdiction of the UPC may be potentially vulnerable to a single UPC-based revocation challenge that, if successful, could invalidate the patent in all countries who are signatories to the UPC. We cannot predict with certainty the long-term effects of the new unitary patent system.

We also utilize unpatented proprietary technology and know-how and often rely on confidentiality agreements and intellectual property assignment agreements with our employees, OEM partners, independent distributors and consultants to protect such unpatented proprietary technology and know-how. However, such agreements may not be enforceable or may not provide meaningful protection for our proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements, or in the event that our competitors discover or independently develop similar or identical designs or other proprietary information.

We rely on the use of registered and common law trademarks with respect to our brands and the names of some of our products. Common law trademarks provide less protection than registered trademarks. Loss of rights in our trademarks could adversely affect our business, financial condition and results of operations.

If third-parties claim that we infringe their intellectual property rights, we may incur liabilities and costs and may have to redesign or discontinue selling certain products.

Searching for existing intellectual property rights may not reveal important intellectual property and our competitors may also have filed for patent protection, which may not be publicly-available information, or claimed trademark rights that have not been revealed through our searches. In addition, some of our employees were previously employed at our competitors. We may be subject to claims that our employees have disclosed, or that we have used, trade secrets or other proprietary information of our employees' former employers. Our efforts to identify and avoid infringing on third-parties' intellectual property rights may not always be successful. Any claims of patent or other intellectual property infringement against us, even those without merit, could:

- be expensive and time-consuming to defend and result in payment of significant damages to third-parties;
- force us to stop making or selling products that incorporate the intellectual property;
- require us to redesign, reengineer or rebrand our products, product candidates and technologies;
- require us to enter into royalty agreements that would increase the costs of our products;
- require us to indemnify third-parties pursuant to contracts in which we have agreed to provide indemnification for intellectual property infringement claims;
- divert the attention of our management and other key employees; and
- result in our customers or potential customers deferring or limiting their purchase or use of the affected products impacted by the claims until the claims are resolved;

any of which could have a material adverse effect on our business, financial condition and results of operations. In addition, new patents obtained by our competitors could threaten the continued commercialization of our products in the market even after they have already been introduced.

We believe competitors may currently be violating and may in the future violate our intellectual property rights. As a result, we may initiate litigation to protect and enforce our intellectual property rights, which may result in substantial expense and may divert management's attention from implementing our business strategy.

We believe that the success of our business depends, in part, on obtaining patent protection for our products and technologies, defending our patents and preserving our trade secrets. We have historically been involved in significant litigation to protect our patent positions related to some of our pulse oximetry signal processing patents that resulted in various settlements. We believe some of the new market entrants in the healthcare and monitoring space, including some of the world's largest technology companies, may be infringing our intellectual property, and we may be required to engage in additional litigation to protect our intellectual property in the future. In addition, we believe that certain individuals who previously held high level technical and clinical positions with us misappropriated our intellectual property for the benefit of themselves and other companies. For example, on January 9, 2020, we initiated litigation against Apple Inc. for infringement of a number of patents, for trade secret misappropriation and for ownership and correction of inventorship of a number of Apple Inc. patents that list one of our former employees as an inventor. For additional information on the current status of our litigation with Apple Inc., please see Note 24, "Commitments and Contingencies", to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K. Our on-going and future litigation could result in significant additional costs and further divert the attention of our management and key personnel from our business operations and the implementation of our business strategy and may not be successful or adequate to protect our intellectual property rights.

Risks Related to Our Regulatory Environment

Our failure to obtain and maintain FDA clearances or approvals on a timely basis, or at all, would prevent us from commercializing our current, upgraded or new products in the U.S., which could severely harm our business.

Unless an exemption applies, each medical device that we market in the U.S. must first undergo premarket review pursuant to the Federal Food, Drug, and Cosmetic Act (FDCA) by receiving clearance of a 510(k) premarket notification, receiving grant of a *de novo* classification request or obtaining approval of a premarket approval (PMA) application. Even if regulatory clearance or approval of a product is granted, the U.S. Food and Drug Administration (FDA) may clear or approve our products only for limited indications for use. Additionally, the FDA may not grant 510(k) clearance on a timely basis, if at all, for new products or new uses that we propose for Masimo SET® or licensed rainbow® technology.

The traditional FDA 510(k) clearance process for our medical devices has generally taken between four to nine months. However, our more recent experience and interactions with the FDA, along with information we have received from other medical device manufacturers, suggests that, in some cases, the FDA is requiring applicants to provide additional or different information and data for 510(k) clearance than it had previously required, and that the FDA may not rely on approaches that it had previously accepted to support 510(k) clearance. As a result, FDA 510(k) clearance can be delayed for our products in some cases.

To support our product applications to the FDA, we frequently are required to conduct clinical testing of our products. Such clinical testing must be conducted in compliance with FDA requirements pertaining to human research. Among other requirements, we must obtain informed consent from study subjects and approval by institutional review boards before such studies may begin. We must also comply with other FDA requirements such as monitoring, record-keeping, reporting and the submission of information regarding certain clinical trials to a public database maintained by the National Institutes of Health. In addition, if the study involves a significant risk device, we are required to obtain the FDA's approval of the study under an Investigational Device Exemption (IDE). Compliance with these requirements can require significant time and resources. In addition, public health emergencies and other extraordinary circumstances may disrupt the conduct of our clinical trials. If the FDA determines that we have not complied with such requirements, the FDA may refuse to consider the data to support our applications or may initiate enforcement actions.

Even though 510(k) clearances have been obtained, if safety or effectiveness problems are identified with our products, we may need to initiate a recall of such products. Furthermore, our new products or significantly modified marketed products could be denied 510(k) clearance and be required to undergo the more burdensome PMA or *de novo* classification review processes. The process of obtaining a *de novo* classification or PMA approval is much more costly, lengthy and uncertain than the process for obtaining 510(k) clearance.

De novo classification review generally takes six months to one year from the time of submission of the *de novo* request, although it can take longer. Approval of a PMA generally takes one year from the time of submission of the PMA but may be longer.

Some of our products or product features may not be subject to the 510(k) process and/or other regulatory requirements in accordance with specific FDA guidance and policies, such as the FDA guidance related to mobile medical applications. In addition, some of our products or product features may not be subject to device regulation pursuant to Section 520(o) of the FDCA, which excludes certain software functions from the statutory definition of a device. If the FDA changes its policies or concludes that our marketing of these products is not in accordance with its current policies and/or Section 520(o) of the FDCA, we may be required to seek clearance or approval of these devices through the 510(k), *de novo* classification review or PMA processes.

In the past year, the U.S. federal government experienced a shutdown that resulted in delays in certain regulatory approvals, including FDA clearances and other agency actions. Such shutdowns can disrupt our ability to bring new products to market, delay clinical trials, and impact our interactions with regulatory authorities. Prolonged or repeated government shutdowns could have a material adverse effect on our business, financial condition, and results of operations.

The failure of our OEM partners to obtain required FDA clearances or approvals for products that incorporate our technologies could have a negative impact on our revenue.

Our OEM partners are required to obtain their own FDA clearances in the U.S. for most products incorporating our technologies. The FDA clearances we have obtained may not make it easier for our OEM partners to obtain clearances of products incorporating these technologies, or the FDA may not grant clearances on a timely basis, if at all, for any future products incorporating our technologies that our OEM partners propose to market.

We are subject to on-going post-market regulation by regulatory authorities and if we fail to comply with these regulatory requirements we could be subject to enforcement actions, penalties or other harm to our business.

Our products, along with the manufacturing processes, labeling and promotional activities for those products, are subject to continual review and periodic inspections by the FDA and other regulatory bodies. Among other requirements, we and certain of our suppliers are required to comply with the FDA's Quality System Regulation (QSR), which governs the methods and documentation of the design, control testing, production, component suppliers' control, quality assurance, complaint handling, labeling control, packaging, storage and shipping of our products. The FDA enforces the QSR through announced and unannounced inspections. We are also subject to similar state requirements and licenses. In February 2026, the FDA is expected to replace the QSR with a new Quality Management System Regulatory (QMSR), which has the potential to increase the scope of the FDA to review, inspect, management review of quality audits and supplier audit reports.

In addition to the FDA, from time to time we are subject to inspections by the California Food and Drug Branch, international regulatory authorities and other similar governmental agencies. The standards used by these regulatory authorities are complex and may differ from those used by the FDA.

Failure by us or one of our suppliers to comply with statutes and regulations administered by the FDA and other regulatory bodies or failure to adequately respond to any FDA Form 483 observations, any California Food and Drug Branch notices of violation or any similar reports could result in, among other things, any of the following:

- warning letters or untitled letters issued by the FDA;
- fines, civil penalties, in rem forfeiture proceedings, injunctions, consent decrees and criminal prosecution;
- import alerts;
- unanticipated expenditures to address or defend such actions;
- delays in clearing or approving, or refusal to clear or approve, our products;
- withdrawals or suspensions of clearance or approval of our products or those of our third-party suppliers by the FDA or other regulatory bodies;
- product recalls or seizures;
- orders for physician notification or device repair, replacement or refund;
- interruptions of production or inability to export to certain foreign countries; and
- operating restrictions.

In addition, many of our products are subject to various laws, regulations and legal requirements, including those governing product import and export, hazardous materials usage and discharge, product related energy consumption, electrical safety, wireless emissions, cybersecurity, packaging and recycling. Compliance with these requirements, which vary widely depending on jurisdiction, is time consuming and expensive.

If we fail to comply with applicable legal requirements, it would harm our reputation and adversely affect our business, financial condition and results of operations.

Failure to obtain regulatory authorizations in foreign jurisdictions may prevent us from marketing our products abroad.

We currently market and intend to continue to market our products internationally. Outside of the U.S., we can generally market our products only if we receive a marketing authorization (and/or meet certain pre-marketing requirements) and, in some cases, pricing approval, from the appropriate regulatory authorities. The regulatory registration/licensing process varies among international jurisdictions and may require additional or different product testing than required to obtain FDA clearance. FDA clearance does not ensure new product registration/licensing by foreign regulatory authorities, and we may be unable to obtain foreign regulatory registration/licensing on a timely basis, if at all.

In addition, clearance by one foreign regulatory authority does not ensure clearance by any other foreign regulatory authority or by the FDA. If we fail to receive necessary approvals to commercialize our products in foreign jurisdictions on a timely basis, or at all, our business, financial condition and results of operations could be adversely affected.

Furthermore, foreign regulatory requirements may change from time to time, which could adversely affect our ability to market new products, and/or continue to market existing products, internationally.

Modifications to our marketed medical devices may require new regulatory clearances or premarket approvals, or may require us to cease marketing or to recall the modified devices until clearances or approvals are obtained.

We have made modifications to our medical devices in the past and we may make additional modifications in the future. Any modification to a medical device that is cleared by the FDA that could significantly affect its safety or effectiveness or that could constitute a major change in its intended use would require a new clearance or approval and certain modifications to devices cleared or approved by foreign regulatory authorities may also require a new clearance or approval.

We may not be able to obtain such clearances or approvals in a timely fashion, or at all. Delays in obtaining future clearances or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would have an adverse effect on our business, financial condition and results of operations.

For device modifications that we conclude do not require a new regulatory clearance or approval, we may be required to recall and to stop marketing the modified devices if the government agency disagrees with our conclusion and requires new clearances or approvals for the modifications. This could have an adverse effect on our business, financial condition and results of operations.

If our products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury, we will be subject to medical device reporting regulations and other applicable laws and may need to initiate voluntary or mandatory corrective actions, such as the recall of our products.

Regulatory agencies in many countries require us to report anytime our products cause or contribute to a death or serious injury, or malfunction in a way that would likely cause or contribute to a death or serious injury. For example, under the FDA medical device reporting regulations, we are required to report to the FDA any incident in which a product of ours may have caused or contributed to a death or serious injury or in which a product of ours malfunctioned and, if the malfunction were to recur, would be likely to cause or contribute to death or serious injury. In addition, all manufacturers placing medical devices on the market in the EU are legally required to report any serious or potentially serious incidents involving devices produced or sold by the manufacturer to the relevant authority in those jurisdictions where any such incident occurred.

The FDA and similar foreign regulatory authorities have the authority to require the recall of our commercialized products in the event of material deficiencies or defects in, for example, design, labeling or manufacture. The FDA must find that there is a reasonable probability that the device would cause serious adverse health consequences or death in order to require a recall. The standard for recalling deficient products may be different in foreign jurisdictions. Manufacturers may, under their own initiative, recall a product if any material deficiency is found in a device or they become aware of a safety issue involving a marketed product. A government-mandated or voluntary recall by us or by one of our distributors could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues.

We may initiate certain field actions, such as a product correction or removal of our products in the future. In addition, third- parties that commercialize products incorporating our technologies may initiate similar actions or product corrections. Any correction or removal initiated by us to reduce a health risk posed by our device, or to remedy a violation of the FDCA caused by the device that may present a risk to health, must be reported to the FDA. If the FDA subsequently determines that a report was required for a correction or removal of our products that we did not believe required a report, we could be subject to enforcement actions.

Any recalls or corrections of our products or third-party products that incorporate our technologies, or enforcement actions would divert managerial and financial resources and could have an adverse effect on our financial condition and results of operations. In addition, given our dependence upon patient, physician and customer perceptions, any negative publicity associated with any recalls could materially and adversely affect our business, financial condition, results of operations and growth prospects.

In August 2023, we decided to conduct a voluntary recall of select Rad-G® products in connection with an issue that can result in an unintentional change in the power state of the device. On February 14, 2024, we initiated the voluntary recall. On February 21, 2024, we received a subpoena from the Department of Justice (DOJ) seeking documents and information related to our Rad-G® and Rad-97® products, including information relating to complaints surrounding the products and our decision to recall the Rad-G®. Additionally, on March 25, 2024, we received a civil investigative demand from the DOJ seeking documents and information related to customer returns of our Rad-G® and Rad-97® products, including returns related our recall of select Rad-G® products in 2024.

We are investigating the reasons for the delay between August 2023 and February 2024 when the recall was initiated. We are cooperating with the government and may expend significant financial and managerial resources in connection with responding to the subpoena and the investigative demand and any related investigation or any other future requests for information.

Promotion of our products using claims that are off-label, unsubstantiated, false or misleading could subject us to substantial penalties.

Obtaining 510(k) clearance permits us to promote our products for the uses cleared by the FDA. Use of a device outside its cleared or approved indications is known as “off-label” use. Physicians may use our products off-label because the FDA does not restrict or regulate a physician’s choice of treatment within the practice of medicine, but we may not promote our products “off-label”. While we may request additional cleared indications for our current products, the FDA may deny those requests, require additional expensive clinical data to support any additional indications or limit the cleared indications for use when clearing a device. If the FDA determines that our products were promoted for off-label use or that false, misleading or inadequately substantiated promotional claims have been made by us or our OEM partners, it could request that we or our OEM partners modify those promotional materials or it could take regulatory or enforcement actions, including the issuance of an untitled letter, warning letter, injunction, seizure, civil fine and criminal penalties. While certain U.S. courts have held that truthful, non-misleading, off-label information is protected under the First Amendment under certain circumstances, the FDA continues to take the position that off-label promotion is subject to enforcement action.

It is also possible that other federal, state or foreign enforcement authorities may act if they consider our communications, including promotional or training materials, to constitute promotion of an uncleared or unapproved use. If not successfully defended, enforcement actions related to off-label promotion could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In any such event, our reputation could be damaged, adoption of our products could be impaired and we could be subject to extensive fines and penalties.

Additionally, we must have adequate substantiation for the claims we make for our products. If any of our claims are determined to be false, misleading or deceptive, our products could be considered misbranded under the FDCA or in violation of the Federal Trade Commission Act. We could also face lawsuits from our competitors under the Lanham Act alleging that our marketing materials are false or misleading.

Government agencies in the EU, UK, Japan and other countries and jurisdictions have similar regulations on the advertising and promotion of medical devices. If we fail to comply with any of these regulations, our reputation could be damaged, adoption of our products could be impaired and we could be subject to extensive fines and penalties.

The regulatory environment governing information, data security and privacy is increasingly demanding and evolving. Many of the laws and regulations in this area are subject to uncertain interpretation, and our failure to comply could result in claims, penalties or increased costs or otherwise harm our business.

Personal privacy and data security have become significant issues in the U.S., Europe, the Middle East, Canada, China and many other jurisdictions where we offer our products. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future.

A growing number of U.S. states have passed comprehensive privacy laws. These state laws govern the processing of residents' personal information. Among many new requirements, some of the state privacy laws expand consumers' rights (such as opting out of the sale of personal information to third parties and targeted advertising, restricting certain uses and disclosures of sensitive data, and requesting access, deletion, or correction of personal information). Some state laws also minimize what data can be collected from consumers and how businesses may use and disclose it. These state privacy laws also require businesses to make disclosures to consumers about data collection, use and sharing practices, and some state privacy laws require that businesses obtain consent from consumers for certain uses and disclosures of their sensitive data, including health information. In addition, some of these state privacy laws, along with other standalone state health privacy laws, subject certain health-related information to additional safeguards and disclosures. There is significant uncertainty regarding how regulators will interpret and enforce this patchwork of new laws, particularly to the extent there are inconsistencies or differences in their requirements. In addition, in states that allow for a private right of action to enforce these laws, we are subjected to a higher risk of individual and class action lawsuits. Further, many states have implemented biometric privacy laws that have resulted in individual and class-action lawsuits against businesses as well as state enforcement. Moreover, we have observed an increase in plaintiffs seeking to apply older privacy laws such as the Video Privacy Protection Act and the California Invasion of Privacy Act to newer technologies to allege claims of invasion of privacy rights.

We continue to be subject to federal privacy laws, such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), in certain circumstances, in connection with any personal health information or medical information that we may obtain or have access to in connection with the operation of our business. Further, we are subject to regulation by the Federal Trade Commission (FTC), which, in recent years, has increased its scrutiny of the practices of entities that collect certain health-related information from consumers. Moreover, comprehensive federal data privacy legislation has been proposed and, if passed, would further change the privacy and data security compliance landscape. In addition, on July 26, 2023, the SEC adopted rules requiring registrants to disclose material cybersecurity incidents they experience and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy and governance. The U.S. Cybersecurity and Infrastructure Security Agency (CISA) is in the process of implementing rules that would require that entities in certain critical infrastructure sectors, including health care, report any cybersecurity incidents or ransom payments in connection with a ransomware attack, among other requirements.

All 50 U.S. states have data breach notification laws that, if violated, could result in penalties, fines and litigation. The full impact of these laws on our business is yet to be determined, but it could result in increased operating expenses as well as additional exposure to the risk of litigation by or on behalf of consumers. In addition, Colorado has enacted comprehensive legislation to regulate certain artificial intelligence systems that will subject businesses that develop and deploy these systems to increased compliance obligations, and a number of other states have proposed legislation to regulate the use of artificial intelligence.

Internationally, the European Data Protection Board continues to release guidelines for industries and impose fines related to the General Data Protection Regulation (GDPR), some of which have been very significant. To improve coordination among EU supervisory authorities, the European Commission has proposed a new regulation that would help to streamline enforcement of the GDPR in cross-border cases. Meanwhile, there continues to be persistent uncertainty relating to the transfer of personal data from Europe to the U.S., or other non-adequate countries, following the Schrems II decision. On July 10, 2023, the European Commission adopted its adequacy decision on the EU-U.S. Data Privacy Framework (DPF). The decision, which took effect on the day of its adoption, concludes that the United States ensures an adequate level of protection for personal data transferred from the EEA to companies certified to the DPF. However, it remains too soon to tell how the future of Privacy Shield 2.0 will evolve and what impact it will have on our international activities. At least one challenge to the DPF is pending before the Court of Justice of the European Union. In addition, data processing in the UK is governed by a UK version of the GDPR (combining the GDPR and the Data Protection Act 2028), exposing us to two parallel regimes, each of which authorizes similar fines and other potentially divergent enforcement actions for certain violations.

Other international jurisdictions, including Canada, China, India, Saudi Arabia, South Africa, the UAE, Singapore, South Korea, Mexico, Australia, Argentina, India and Brazil, among others, have also implemented, or are in the process of implementing laws relating to data privacy and protection that are all already in effect or are anticipated to go into effect soon, or are amending existing laws. In addition, several jurisdictions such as South Korea have shown increased enforcement of their existing data privacy and security laws. Although we believe that we are complying with the GDPR and similar laws, these laws are still relatively new. Therefore, as international data privacy and protection laws continue to evolve, and as new regulations, interpretive guidance and enforcement information become available, we may incur additional costs to modify our business practices to comply with these requirements.

We may be required to make costly system modifications to comply with applicable data privacy and security laws. Violations of these laws, or allegations of such violations, could subject us to criminal or civil, monetary and/or non-monetary penalties, disrupt our operations, involve significant management distraction, negatively impact our brand image, subject us to class action lawsuits and result in a material adverse effect on our business, financial condition and results of operations.

We may be subject to or otherwise affected by federal and state healthcare laws, including fraud and abuse laws, and could face substantial penalties if we are unable to fully comply with these laws.

Healthcare fraud and abuse laws potentially applicable to our operations include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully offering, paying, soliciting or receiving any bribe, kickback or other remuneration intended to induce the purchase, order or recommendation of an item or service reimbursable under a federal healthcare program (such as the Medicare or Medicaid programs);
- the federal False Claims Act and other federal laws which prohibit, among other things, knowingly and willfully presenting, or causing to be presented, claims for payment from Medicare, Medicaid, other government payers or other third-party payers that are false or fraudulent;
- the Physician Payments Sunshine Act, which requires medical device companies to track and publicly report, with limited exceptions, all payments and transfers of value to certain healthcare professionals and teaching hospitals in the U.S.; and
- state laws analogous to each of the above federal laws, such as state anti-kickback and false claims laws that may apply to items or services reimbursed by governmental programs and non-governmental third-party payers, including commercial insurers.

If we are found to have violated any such laws or other similar governmental regulations, including their foreign counterparts, that are directly or indirectly applicable to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion of our products from reimbursement under Medicare, Medicaid and other federal healthcare programs, and the curtailment or restructuring of our operations. Any penalties could adversely affect our ability to operate our business and our financial results. Any action against us for violation of these laws, even if we successfully defend against such action, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business.

Changes to regulatory, funding, staffing, trade, and other policies and actions by the U.S. government could adversely affect our business operations.

Domestic and international policy shifts may introduce considerable uncertainty to the macroeconomic and regulatory landscape in which we operate. Some of our customers include the U.S. government, companies and hospitals that rely on government funding and reimbursements, and patients that rely on Medicare/Medicaid for reimbursement of medical coverages and procedures.

Since January 2025, the current U.S. administration has enacted and proposed substantial policy changes that affect federal health agencies, public health priorities, and international trade. These measures ranging from staffing and budget reductions at the FDA to sweeping tariff actions may significantly disrupt the medical device ecosystem in which we operate.

In 2025, the FDA laid off approximately 3,500 employees, representing approximately 19% of its workforce at the beginning of the year. Such workforce reductions at the FDA have raised some concerns regarding the agency's capacity to perform timely regulatory reviews and approvals of medical devices. Recent and/or potential further reductions in workforce or other personnel changes at the FDA, including terminations, may disrupt the agency's review and approval processes, potentially impacting our ability to timely and effectively release new products in our product pipeline portfolio, disrupt research and development of new products and commercial viability, all of which could adversely impact our operating and financial results.

On July 4, 2025, the One Big Beautiful Bill Act was signed into law. Included in the bill was an estimated \$1 trillion in cuts to Medicaid spending, implemented through Medicaid work requirements, patient cost-sharing, and a phase down of Medicaid provider taxes and state-directed payments. Such reductions in Medicaid spending could result in reductions in hospital revenues resulting from reduced patient reimbursements for the use of our sensors, adversely impacting sensor utilization, order patterns, all of which could adversely impact our operating and financial results.

Risks Related to Our Business and Operations

Under the Cross-Licensing Agreement, by its terms, we would be required to assign to Willow certain products and technologies we develop that relate to the monitoring of non-vital sign parameters.

Under the Cross-Licensing Agreement, by its terms, if we develop certain products or technologies that relate to the noninvasive monitoring of non-vital sign parameters, including improvements to Masimo SET® for the noninvasive monitoring of non-vital sign parameters, we would be required to assign these developments to Willow.

In addition, under the Cross-Licensing Agreement, by its terms, we would not be reimbursed by Willow for our expenses relating to the development or improvement of any such products or technologies, which expenses may be significant. As a result of these terms, we may not generate any revenue from the further development of certain products and technologies for the monitoring of non-vital sign parameters, including improvements to Masimo SET®, which could adversely affect our business, financial condition and results of operations.

In the event that the Cross-Licensing Agreement is terminated for any reason, or Willow grants a license to rainbow® technology to a third-party, our business could be adversely affected.

Willow claims to own all of the proprietary rights to certain rainbow® technology developed by Masimo with our proprietary Masimo SET® for products intended to be used in the "Willow Market", and all rights to any non-vital signs measurement for which we do not exercise an option pursuant to the Cross-Licensing Agreement. In addition, the Cross-Licensing Agreement purports to provide Willow the right to terminate the Cross-Licensing Agreement or grant licenses covering rainbow® technology to third-parties if we breach certain terms of the agreement, including any failure to meet our minimum royalty payment obligations or failure to use commercially reasonable efforts to develop or market products incorporating licensed rainbow® technology. In connection with our dispute with Willow, Willow disagrees with us regarding the interpretation or enforceability of certain terms in the Cross-Licensing Agreement and we cannot guarantee that any such dispute will be resolved in our favor. Willow has also asserted that it may terminate the Cross-Licensing Agreement based on alleged breaches of the Cross-Licensing Agreement, before a court or arbitral tribunal has found any breach of the agreement. We believe the Company has strong grounds to oppose termination of the Cross-Licensing Agreement, but there is no guarantee that the Company's arguments will prevail. If the Cross-Licensing Agreement is terminated, our business could be adversely affected, including by potentially losing our exclusive license to rainbow® technology. If we lose our exclusive license to rainbow® technology, we would lose the ability to prevent others from making, using, selling or importing products using rainbow® technology in our market. As a result, we would likely be subject to increased competition within our market, and Willow or competitors who obtain a license to rainbow® technology from Willow would be able to offer related products.

We may not be able to commercialize our products incorporating licensed rainbow® technology cost-effectively or successfully.

As a result of the royalties that the Cross-Licensing Agreement purportedly obligates us to pay to Willow, it is generally more expensive for us to make products that incorporate licensed rainbow® technology than products that do not include licensed rainbow® technology.

Accordingly, we may not be able to sell products incorporating licensed rainbow® technology at a price the market is willing to accept. If we cannot commercialize our products incorporating licensed rainbow® technology successfully, we may not be able to generate sufficient revenue from these products to be profitable, which could adversely affect our business, financial condition and results of operations.

Our dispute with Willow with respect to the Cross-Licensing Agreement could result in damages awarded against the Company or could adversely affect our business.

After the Company raised royalty overpayment claims against Willow, on May 26, 2025, Willow filed a demand for arbitration (the Demand) against the Company with the American Arbitration Association. Willow asserts in the Demand and Statements of Additional Claims filed on November 28, 2025, and January 16, 2026, that it is entitled to declaratory judgment on the parties' respective rights under the Cross-Licensing Agreement, including that Willow does not owe the Company repayment for any past royalty overpayments. Willow also claims the Company breached the Cross-Licensing Agreement, including by failing to pay adequate royalties, provide Willow with pricing for certain products, place certain technology in escrow, and provide Willow with engineering support. Willow seeks, among other things, (i) monetary damages of at least \$6.1 million and (ii) specific performance compelling the Company to provide price lists for certain products, permit Willow's chosen auditor to conduct an audit of the Company's books and records, place certain technology in escrow, and provide Willow with engineering support.

The Company has asserted counterclaims against Willow and the Company's former CEO Joe Kiani, seeking, among other things, (i) repayment of historical royalty overpayments, (ii) for Willow to re-assign to the Company intellectual property rights that are owned by the Company, (iii) declaratory judgment that provisions under the Cross-Licensing Agreement are not enforceable, and (iv) to the extent the agreement is enforceable, declaratory judgment on the parties' respective rights under the Cross-Licensing Agreement, including the scope of the Company's royalty obligations, if any.

We believe the Company has strong defenses to Willow's claims, and that the Company's counterclaims are meritorious. However, there is no guarantee that the Company will prevail in its dispute with Willow. That dispute could be costly and become a distraction to our management and employees and adversely affect our business. Any costs incurred to resolve any dispute, money damages that may be awarded to Willow, or declarations as to the Company's rights and obligations under the Cross-Licensing Agreement could have a material adverse effect on our financial condition.

If we are unable to obtain key materials and components from sole or limited source suppliers, we will not be able to deliver our products to customers.

We depend on certain sole or limited source suppliers for certain key materials and components, including digital signal processor chips and analog-to-digital converter chips for certain products. These suppliers are located around the world, and the production and shipment of such materials and components may be constrained globally due to freight carrier delays and other disruptions to the supply chain. These disruptions may continue or worsen due to ongoing geopolitical conflicts and trade restrictions. We may experience manufacturing problems related to these suppliers and other outside sources if such suppliers fail to develop, manufacture or ship products and components to us on a timely basis, or provide us with products and components that do not meet our quality standards and required quantities. From time to time there have been industry-wide shortages of certain components that we use in certain products. We may also experience price increases for materials, components and shipping with no guarantee that such increases can be passed along to our customers, which could adversely impact our gross margins. If any of these problems occur, we may be unable to obtain substitute sources for these products and components on a timely basis or on terms acceptable to us, which could harm our ability to manufacture our own products and components profitably or on time.

Future strategic transactions, including acquisitions or separations of businesses and strategic investments or joint ventures, could negatively affect our business, financial condition and results of operations if we fail to integrate the acquired businesses and their employees successfully into our existing operations or achieve the desired results of our initiatives.

We have acquired several businesses since our inception and we may acquire additional businesses in the future. Future acquisitions may require additional debt or equity financing, which could be dilutive to our existing stockholders or reduce our earnings per share or other financial metrics. Even if we complete acquisitions, there are many factors that could affect whether such acquisition, will be beneficial to our business, including, without limitation:

- payment of above-market prices for acquisitions and higher than anticipated acquisition costs;
- issuance of common stock as part of the acquisition price or a need to issue stock options or other equity-based compensation to newly-hired employees of target companies, resulting in dilution of ownership to our existing stockholders;
- reduced profitability if an acquisition is not accretive to our business over either the short-term or the long-term;

- difficulties in integrating any acquired companies, personnel, products and other assets into our existing business;
- delays in realizing the benefits of the acquired company, products or other assets;
- regulatory challenges and becoming subject to additional regulatory requirements;
- cybersecurity and compliance-related issues;
- diversion of our management's time and attention from other business concerns;
- limited or no direct prior experience in new markets or countries we may enter;
- unanticipated issues dealing with unfamiliar suppliers, service providers or other collaborators of the acquired company;
- higher costs of integration than we anticipated;
- write-downs or impairments of goodwill or other intangible assets associated with the acquired company;
- difficulties in retaining key employees of the acquired business who are necessary to manage these acquisitions;
- negative impacts on our relationships with our employees, clients, customers or collaborators;
- intellectual property and other litigation, other claims or liabilities in connection with the acquisition; and
- changes in the overall financial model as certain acquired companies may have a different revenue, gross profit margin or operating expense profile.

Further, our ability to benefit from future acquisitions and/or external strategic investments, joint ventures or any other business combinations depends on our ability to successfully conduct due diligence, negotiate acceptable terms, evaluate prospective opportunities and bring acquired technologies and/or products to market at acceptable margins and operating expense levels.

We may also discover deficiencies in internal controls, data adequacy and integrity, product quality, regulatory compliance, product liabilities or other undisclosed liabilities that we did not uncover prior to our acquisition or investment, which could result in us becoming subject to penalties, other liabilities or asset impairments. In addition, if we do not achieve the anticipated benefits of an acquisition or other external investment as rapidly as expected, or at all, investors or analysts may downgrade our stock.

We also expect to continue to carry out internal strategic initiatives that we believe are necessary to grow our revenues and expand our business. For example, we have continued to invest in international expansion programs designed to increase our worldwide presence and take advantage of market expansion opportunities around the world. Although we believe our investments in these initiatives continue to be in the long-term best interests of Masimo and our stockholders, there are no assurances that such initiatives will yield favorable results for us. Accordingly, if these initiatives are not successful, our business, financial condition and results of operations could be adversely affected.

Our new products and changes to existing products could fail to attract or retain users or generate revenue and profits.

Over time, we have expanded our business and product strategy to include other products to integrate with our successful medical technology businesses. Further, we may introduce certain changes to our existing products or introduce new and unproven products. We expect this will be a complex, evolving, and long-term strategic initiative that will involve the development of new and emerging technologies, continued investment in medical technology and collaboration with other companies, developers, partners and other participants. We may be unsuccessful in our research and product development efforts, including if we are unable to develop relationships with key industry participants. Our new strategic efforts may also divert resources and management attention from other areas of our business. As a result of these or other factors, certain strategic investments may not be successful in the foreseeable future, or at all, which could adversely affect our business, reputation, or financial results.

Our Credit Facility contains certain covenants and restrictions that may limit our flexibility in operating our business.

Our Credit Facility contains various affirmative covenants and restrictions that limit our ability to engage in specified types of transactions, including:

- incurring specified types of additional indebtedness, there can be no assurance that we will be able to obtain any additional debt or equity financing at the time needed or that such financing will be available on terms that are favorable or acceptable to us (including guarantees or other contingent obligations);
- paying dividends on, repurchasing or making distributions in respect of our common stock or making other restricted payments, subject to specified exceptions;
- making specified investments (including loans and advances);
- selling or transferring certain assets;

- creating certain liens;
- consolidating, merging, selling or otherwise disposing of all or substantially all of our assets; and
- entering into certain transactions with any of our affiliates.

In addition, under our Credit Facility, we are required to satisfy and maintain specified financial ratios and other customary affirmative and negative covenants. Our ability to meet those financial ratios and affirmative and negative covenants could be affected by events beyond our control and, therefore, we cannot be assured that we will be able to continue to satisfy these requirements. A breach of any of these ratios or covenants could result in a default under our Credit Facility. Upon the occurrence of an event of default, the Lenders could elect to declare all amounts outstanding under our Credit Facility immediately due and payable, terminate all commitments to extend further credit and pursue legal remedies for recovery, all of which could adversely affect our business and financial condition. See Note 15, “Debt”, to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K for additional information on our Credit Facility.

Our ability to arrange additional financing and make payments of principal and interest on our indebtedness will depend on our future performance, which will be subject to general economic, financial, and business conditions as well as other factors affecting our operations, many of which are beyond our control.

We may need additional capital and failure to raise additional capital on terms favorable to us, or at all, could limit our ability to grow our business and develop or enhance our service offerings to respond to market demand or competitive challenges.

We anticipate that our existing cash and cash equivalents, amounts available under our Credit Facility, and cash provided by operations, taken together, provide adequate resources to fund on-going operating and capital expenditures, working capital requirements, and other operational funding needs for the next 12 months. However, we may require additional cash resources due to changed business conditions or other future developments. If our existing resources are insufficient to satisfy cash requirements, we may seek to obtain one or more additional credit facilities, sell equity or debt securities or pursue other forms of financing. The incurrence of indebtedness would result in increased debt service obligations and could require us to agree to operating and financing covenants that could potentially restrict our operations. The sale of additional equity securities, or securities convertible into equity securities, could result in dilution to stockholders. In addition, actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems and could increase our costs of borrowing.

Our ability to obtain additional capital on acceptable terms is subject to a variety of uncertainties, including investors’ perception of, and demand for, our securities, conditions in the capital markets in which we may seek to raise funds, our future results of operations and financial condition, and general economic, macro-economic, political and geopolitical conditions. In addition, even if debt financing is available, the cost of additional financing may be significantly higher than those provided for in our current Credit Facility. Moreover, financing may not be available in amounts or on terms acceptable to us, or at all, or at times when we require it, each of which could limit our ability to grow and expand our business and operations and develop or enhance our products and offerings to respond to market demand or competitive or other business challenges.

Risks Related to Our Stock

Concentration of ownership of our stock among our existing directors, executive officers and principal stockholders may prevent new investors from influencing significant corporate decisions.

As of January 3, 2026, our current directors and executive officers and their affiliates, in the aggregate, beneficially owned approximately 9.1% of our outstanding stock. Subject to any fiduciary duties owed to our other stockholders under Delaware law, these stockholders may be able to exercise significant influence over matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, and will have some control over our management and policies in their roles as stockholders. Some of these persons or entities may have interests that are different from yours. For example, these stockholders may support proposals and actions with which you may disagree or which are not in your best interests.

The concentration of ownership could delay or prevent a change in control of us or otherwise discourage a potential acquirer from attempting to obtain control of us, which in turn could reduce the price of our stock.

In addition, these stockholders could use their voting influence to maintain our existing management and directors in office or support or reject other management and Board proposals that are subject to stockholder approval, such as amendments to our employee stock plans and approvals of significant financing transactions.

We may be unable to accurately forecast our financial and operating results and appropriately plan our expenses in the future, or we may fail to meet our publicly announced guidance about our business and future operating results.

From time to time, we release earnings guidance or other financial guidance in our quarterly and annual earnings conference calls or otherwise, regarding our future performance that represents our management's estimates as of the date of release. Our guidance includes forward-looking statements based on projections prepared by our management. Projections are based upon a number of assumptions and estimates that are based on information known when they are issued, and, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies relating to our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. Some of those key assumptions include broader macro-economic conditions, tariff rates, and the resulting impact of these factors on our business. These assumptions are inherently difficult to predict, particularly in the long term. Additionally, forecasted financial and operating results may differ materially from actual results, which may materially adversely affect our financial condition and stock price. For example, if certain of our assumptions or estimates prove to be wrong, including any of the economic trends and developments affecting our business discussed in Part II, Item 7 of this Annual Report on Form 10-K, this could cause us to miss our earnings guidance or negatively impact the results we report, either of which could negatively impact our stock price and expose us to potential stockholder litigation.

We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to imply that actual results could not fall outside of the suggested ranges. Furthermore, analysts and investors may develop and publish their own projections of our business, which may form a consensus about our future performance. Our actual business results may vary significantly from such guidance or estimates or that consensus due to a number of factors, many of which are outside of our control, including global economic uncertainty and financial market conditions, geopolitical events, rising inflation, and rising interest rates, potential recessionary factors, and foreign exchange rate volatility, which could adversely affect our business and future operating results. We use the reports and models of economic experts in making assumptions relating to consumer discretionary spending and predictions as to timing and pace of any future economic impacts. If these models are incorrect or incomplete, or if we fail to accurately predict the full impact of certain factors, such as macro-economic factors, the guidance and other forward-looking statements we provide may also be incorrect or incomplete. Furthermore, if we make downward revisions of our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of analysts, investors, or other interested parties, the price of our common stock could decline. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock.

Our corporate documents, and Delaware law contain provisions that could discourage, delay or prevent a change in control of our company, prevent attempts to replace or remove current management and reduce the market price of our stock.

Provisions in our certificate of incorporation and bylaws may discourage, delay or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our certificate of incorporation authorizes our Board to issue up to 5.0 million shares of "blank check" preferred stock. As a result, without further stockholder approval, our Board has the authority to attach special rights, including voting and dividend rights, to this preferred stock, including pursuant to a stockholder rights plan, such as those underlying the Rights Agreement we previously adopted on September 9, 2022, which we terminated in accordance with the terms of the Amendment to the Rights Agreement we entered into effective as of March 22, 2023. We may implement a new stockholder rights plan in the future, which may have the effect of discouraging or preventing a change in control by, among other things, making it uneconomical for a third party to acquire us without the consent of our Board. With such rights, preferred stockholders could make it more difficult for a third-party to acquire us.

We are also subject to anti-takeover provisions under the General Corporation Law of the State of Delaware (DGCL). Under these provisions, if anyone becomes an "interested stockholder," we may not enter into a "business combination" with that person for three years without special approval, which could discourage a third-party from making a takeover offer and could delay or prevent a change in control of us. For purposes of these provisions, an "interested stockholder" generally means someone owning 15% or more of our outstanding voting stock or an affiliate of ours that owned 15% or more of our outstanding voting stock during the past three years, subject to certain exceptions as described in the DGCL.

Recent changes to our senior leadership and our Board could create uncertainties and adversely impact our business.

Our senior leadership and our Board have experienced recent personnel turnover. Changes in our executive leadership team and our Board may be disruptive to, or cause uncertainty in, our business and could have a negative impact on our ability to manage and grow our business effectively.

Exclusive forum provisions in our bylaws could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our bylaws provide that the state or federal courts located within the State of Delaware are the sole and exclusive forum for: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees or stockholders to our stockholders, (iii) any action asserting a claim against us arising pursuant to the DGCL, our certificate of incorporation or our bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine. However, this choice of forum provision does not apply to (a) actions in which the Court of Chancery in the State of Delaware concludes that an indispensable party is not subject to the jurisdiction of Delaware courts, or (b) actions in which a federal court has assumed exclusive jurisdiction to a proceeding. This choice of forum provision is not intended to apply to any actions brought under the Securities Act of 1933, as amended (the Securities Act), or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees or stockholders, which may discourage such lawsuits against us and our directors, officers and other employees or stockholders.

Furthermore, the enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provision in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition and results of operations.

General Risk Factors

We may experience significant fluctuations in our periodic financial results and may not maintain our current levels of profitability in the future.

Our operating results have fluctuated in the past and are likely to fluctuate in the future. Many of the countries in which we operate, including the U.S. and several of the members of the EU, have experienced and continue to experience uncertain economic conditions resulting from global as well as local factors. In addition, continuing uncertainty in the U.S. economy may result in continued inflationary pressures globally and in the U.S. in particular, which may contribute to future interest rate volatility.

Our business or financial results may be adversely impacted by these uncertain economic conditions, including: adverse changes in interest rates, foreign currency exchange rates, tax laws or tax rates; inflation; contraction in the availability of credit in the marketplace due to legislation or other economic conditions, which may potentially impair our ability to access the capital markets on terms acceptable to us or at all; changes in consumer spending during a recession; and the effects of government initiatives to manage economic conditions.

We are also unable to predict how changing global economic conditions or potential global health concerns will affect our critical customers, international tenders, suppliers and distributors. Any negative impact of such matters on our critical customers, international tenders, suppliers or distributors may also have an adverse impact on our results of operations or financial condition. Our expense levels are based, in part, on our expectations regarding future revenue levels and are relatively fixed in the short-term.

As a result, if our revenue for a particular period was below our expectations, we would not be able to proportionately reduce our operating expenses for that period. Any revenue shortfall would have a disproportionately negative effect on our operating results for the period.

In addition, the methods, estimates and judgments that we use in applying our accounting policies are, by their nature, subject to substantial risks, uncertainties and assumptions. Factors may arise over time that lead us to change our methods, estimates and judgments, the impact of which could significantly affect our results of operations. See "Critical Accounting Policies and Estimates" contained in Part II, Item. 7 of this Annual Report on Form 10-K.

Changes in accounting standards related to our embedded leases within certain deferred equipment agreements have also resulted in the acceleration of the timing related to our recognition of revenue and expenses associated with certain equipment provided to healthcare customers at no up-front charge. Since we cannot control the timing of when our customers will request us to deliver such equipment, our revenue and costs with respect to leased equipment could vary substantially in any given quarter or year, which could further increase quarterly or annual fluctuations within our financial results.

Due to these and other factors, you should not rely on our results for any one quarter as an indication of our future performance. If our operating results fail to meet or exceed the expectations of securities analysts or investors, our stock price could drop suddenly and significantly.

A dispute with our former Chairman and CEO, Mr. Kiani, with respect to his Amended Employment Agreement could be costly and adversely affect our business.

We are currently engaged in multiple legal disputes with Mr. Kiani relating to the circumstances of the termination of his employment and related issues. For additional information on the current status of our litigation with Mr. Kiani, please see Note 24, “Commitments and Contingencies”, to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

There is no guarantee that the Company will prevail in its disputes with Mr. Kiani. Those disputes could be costly and become a distraction to our management and employees and adversely affect our business. Any costs incurred to resolve these disputes, including severance or other compensation we may become obligated, or otherwise determine, to pay to Mr. Kiani, could have a material adverse effect on our financial condition.

If we lose the services of our key personnel, or if we are unable to attract and retain other key personnel, we may not be able to manage our operations or meet our growth objectives.

We are highly dependent on our senior management. We are also heavily dependent on our engineers and field sales team, including sales representatives and clinical specialists. We do not maintain any “key person” life insurance policies with respect to any of our key personnel.

To the extent that key personnel depart, we may be required to bring on new hires that require training and take time before they achieve full productivity. New employees may not become as productive as we expect, and we may be unable to hire or retain sufficient numbers of qualified individuals. In general, our key personnel may terminate their employment at any time and for any reason without notice, unless the individual is a participant in our 2007 Severance Protection Plan, in which case the individual has agreed to provide us with six months’ notice if such individual decides to voluntarily resign.

Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and its financial condition and results of operations.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems.

Although we assess our banking relationships as we believe necessary or appropriate, our access to funding sources and other credit arrangements in amounts adequate to finance or capitalize our current and projected future business operations could be significantly impaired by factors that affect us, the financial institutions with which we have credit agreements or arrangements directly, or the financial services industry or economy in general. These factors could include, among others, events such as liquidity constraints or failures, the ability to perform obligations under various types of financial, credit or liquidity agreements or arrangements, disruptions or instability in the financial services industry or financial markets, or concerns or negative expectations about the prospects for companies in the financial services industry. These factors could involve financial institutions or financial services industry companies with which we have financial or business relationships, but could also include factors involving financial markets or the financial services industry generally.

The results of events or concerns that involve one or more of these factors could include a variety of material and adverse impacts on our current and projected business operations and our financial condition and results of operations. These could include, but may not be limited to, the following:

- delayed access to deposits or other financial assets or the uninsured loss of deposits or other financial assets;
- loss of access to revolving existing credit facilities or other working capital sources and/or the inability to refund, roll over or extend the maturity of, or enter into new credit facilities or other working capital resources;

- potential or actual breach of contractual obligations that require us to maintain letters or credit or other credit support arrangements;
- potential or actual breach of financial covenants in our credit agreements or credit arrangements;
- potential or actual cross-defaults in other credit agreements, credit arrangements or operating or financing agreements; or
- termination of cash management arrangements and/or delays in accessing or actual loss of funds subject to cash management arrangements.

Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations, result in breaches of our financial and/or contractual obligations or result in violations of federal or state wage and hour laws. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our current and/or projected business operations and financial condition and results of operations.

In addition, any further deterioration in the macro-economic economy or financial services industry could lead to losses or defaults by our customers or suppliers, which in turn, could have a material adverse effect on our current and/or projected business operations and results of operations and financial condition. For example, a customer may fail to make payments when due, default under their agreements with us, become insolvent or declare bankruptcy, or a supplier may determine that it will no longer deal with us as a customer. In addition, a customer or supplier could be adversely affected by any of the liquidity or other risks that are described above as factors that could result in material adverse impacts on our company, including but not limited to delayed access or loss of access to uninsured deposits or loss of the ability to draw on existing credit facilities involving a troubled or failed financial institution. Any customer or supplier bankruptcy or insolvency, or the failure of any customer to make payments when due, or any breach or default by a customer or supplier, or the loss of any significant supplier relationships, could result in material losses to our company and may have material adverse impacts on our business.

Future changes in accounting pronouncements and tax laws, or the interpretation thereof, could have a significant impact on our reported results, and may affect our historical reporting of previous transactions.

New accounting pronouncements or taxation rules, and evolving interpretations thereof, have occurred and are likely to occur in the future. Future changes made by new accounting standards may apply prospectively or retrospectively, depending on the method of adoption, and may recast previously reported results. For additional information related to the impact of new accounting pronouncements, please see Note 2, “Summary of Significant Accounting Policies”, to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

In addition, future changes to the U.S. tax code and its regulations could have a material impact on our effective tax rate and the implementation of these changes could require us to make substantial changes to our business practices, allocate resources, and increase our costs, which could negatively affect our business, results of operations and financial condition. For example, the Trump administration has proposed various U.S. federal tax law changes, which if enacted could have a material impact on our business, cash flows, financial condition or results of operations. In addition, it is uncertain if and to what extent various states will conform to federal tax laws. Future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, and could increase our future U.S. tax expense.

The OECD (Organization for Economic Co-operation and Development) has proposed a global minimum tax of 15% of reported profits (Pillar Two) that has been agreed upon in principle by over 140 countries. The OECD continues to release additional guidance, including administrative guidance on how Pillar Two rules should be interpreted and applied by jurisdictions as they adopt Pillar Two. A number of countries have utilized the administrative guidance as a starting point for legislation that became effective January 1, 2024. We are continuing to evaluate the potential impact on future periods of Pillar Two, pending legislative adoption by individual countries.

Our retirement and post-retirement pension benefit plans are subject to financial market risks that could adversely affect our future results of operations and cash flows.

We sponsor several defined benefit plans with post-retirement benefits to certain employees in certain international markets. These defined benefit plans are funded with trust assets invested in a diversified portfolio of securities and other investments. Changes in interest rates, mortality rates, early retirement rates, investment returns, discount rates and the market value of plan assets could affect the funded status of our defined benefit plan and post-retirement benefit obligations, causing volatility in the net periodic benefit cost and future funding requirements of the plans. A significant increase in our obligations or future funding requirements could have a negative impact on our results of operations and cash flows from operations.

We are involved, and may become involved in the future, in disputes and other legal or regulatory proceedings that, if adversely decided or settled, could materially and adversely affect our business, financial condition and results of operations.

We are, and may in the future become, party to litigation, regulatory proceedings or other disputes. In general, claims made by or against us in disputes and other legal or regulatory proceedings can be expensive and time-consuming to bring or defend against, requiring us to expend significant resources and divert the efforts and attention of our management and other personnel from our business operations. These potential claims may include, but are not limited to personal injury and class action lawsuits, intellectual property claims and regulatory investigations relating to the advertising and promotional claims about our products and employee claims against us based on, among other things, discrimination, harassment or wrongful termination. In addition, we may become subject to claims against companies we acquire based on circumstances arising prior to the acquisition, and the sellers of the acquired company may have no obligation to reimburse us for any resulting damages or expenses.

Due to the complexity of our business and the variety of risks that we face, our internal risk mitigation policies and procedures may not always be sufficient to allow us to identify issues and take corrective action before a claim, lawsuit or regulatory action is initiated against us. Failure to detect and remediate issues at an early stage could have a material adverse effect on our business and result in increased liability in any ensuing proceeding.

Any litigation, proceedings or dispute, even those without merit, may divert our financial and management resources that would otherwise be used to benefit the future performance of our operations. Any adverse determination against us in these proceedings, or even the allegations contained in the claims, regardless of whether they are ultimately found to be without merit, may also result in settlements, injunctions or damages that could have a material adverse effect on our business, financial condition and results of operations.

Changes to government immigration regulations may materially affect our workforce and limit our supply of qualified professionals, or increase our cost of securing workers.

We recruit professionals on a global basis and must comply with the immigration laws in the countries in which we operate, including the U.S. Some of our employees are working under Masimo-sponsored temporary work visas, including H1-B visas. Recent changes and uncertainty in U.S. immigration policy, including potential reductions in available H1-B visas and increased scrutiny of work visa applications, may limit our ability to hire and retain skilled personnel. Statutory law limits the number of new H1-B temporary work permit petitions that may be approved in a fiscal year. Furthermore, there is a possibility that the current U.S. immigration visa program may be significantly overhauled, and the number of H1-B visas available, as well as the process and cost to obtain them, may be subject to significant change.

Any resulting changes to this visa program could impact our ability to recruit, hire and retain qualified skilled personnel. If we are unable to obtain work visas in sufficient quantities or at a sufficient rate for a significant period of time, our business, operating results and financial condition could be adversely affected.

The risks inherent in operating internationally, including the purchase, sale and shipment of our components and products across international borders, may adversely impact our business, financial condition and results of operations.

We currently derive approximately 37% of our net sales from international operations. A significant amount of our material components and sub-assemblies are sourced or manufactured from Mexico, China and Malaysia and other regions outside of the United States. The sale and shipment of our products across international borders, as well as the purchase of materials and components from international sources, subject us to extensive U.S. and foreign governmental trade regulations, including those related to duties, tariffs and conflict minerals. Compliance with such regulations is costly and we could be exposed to potentially significant penalties, fines and interest if we are found not to be in compliance. Any failure to comply with applicable legal and regulatory obligations could impact us in a variety of ways that include, but are not limited to, significant criminal, civil and administrative penalties, including imprisonment of individuals, fines and penalties, denial of export privileges, seizure of shipments, restrictions on certain business activities, and exclusion or debarment from government contracting. We have historically engaged in transactions with entities related to or located in countries subject to certain U.S. export restrictions. For example, we have had sales of medical products destined for Iran. Although these activities have not been financially material to our business, financial condition or results of operations, and were undertaken in accordance with general licenses authorizing such activities issued by the U.S. Treasury Department's Office of Foreign Assets Control, we may not be successful in ensuring compliance with limitations or restrictions on business in Iran or any other countries subject to economic sanctions and embargoes imposed by the U.S. Additionally, the export of U.S. technology or goods manufactured in the U.S. to some jurisdictions requires special U.S. export authorization or local market controls that may be influenced by factors, including political dynamics, outside our control. Also, the failure to comply with applicable legal and regulatory obligations could result in the disruption of our shipping, manufacturing and sales activities.

Recently, the U.S. government implemented substantial changes to U.S. trade policies, including increased tariffs and changes to multilateral trade agreements. Additionally, the President of the United States has directed various federal agencies to further evaluate key aspects of U.S. trade policy and there has been ongoing discussion and commentary regarding potential significant changes to U.S. trade policies, treaties and tariffs. Global trade policy continues to evolve and the ultimate impact of recent developments with respect to U.S. tariffs is unclear. On February 20, 2026, the United States Supreme Court issued a ruling striking down certain tariffs previously imposed under the International Emergency Economic Powers Act (IEEPA). Following the Supreme Court's decision, the U.S. presidential administration announced its intention to invoke other laws to collect tariffs and announced new tariffs on imports from all countries, in addition to any existing non-IEEPA tariffs. There remains substantial uncertainty regarding the duration of existing and newly announced tariffs, potential changes or pauses to such tariffs, tariff levels, and whether further additional tariffs or other retaliatory actions may be imposed, modified, or suspended, and the impacts of such actions on our business. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the U.S. These changes could prevent or make it difficult or more expensive for us to obtain the materials or components needed for new products. Tariff increases could negatively impact our costs and/or require us to increase our prices, which likely would decrease customer demand for our products. Retaliatory tariff and trade measures imposed by other countries could affect our ability to export products and therefore adversely affect our sales. Any significant changes in current U.S. trade or other policies that restrict imports or increase import tariffs could have a material adverse effect upon our results of operations.

In addition, our international operations expose us and our representatives, agents and distributors to risks inherent in operating in foreign jurisdictions. These risks include, but are not limited to:

- the imposition of additional U.S. and foreign governmental controls or regulations;
- the imposition of costly and lengthy new export licensing requirements;
- a shortage of high-quality sales people and distributors;
- the loss of any key personnel who possess proprietary knowledge, or who are otherwise important to our success in certain international markets;
- changes in duties and tariffs, license obligations and other non-tariff barriers to trade;
- the imposition of new trade restrictions;
- the imposition of restrictions on the activities of foreign agents, representatives and distributors;
- compliance with foreign tax laws, regulations and requirements;
- pricing pressure;
- changes in foreign currency exchange rates;
- laws and business practices favoring local companies;
- political instability and actual or anticipated military or political conflicts, including the on-going conflict between Ukraine and Russia, the global impact of restrictions and sanctions imposed on Russia, the instability in Venezuela and the conflict between Israel-Palestine-Iran;
- financial and civil unrest worldwide;
- outbreaks of illnesses, pandemics or other local or global health issues;
- the inability to collect amounts paid by foreign government customers to our appointed foreign agents;
- longer payment cycles, increased credit risk and different collection remedies with respect to receivables; and
- difficulties in enforcing or defending intellectual property rights.

The U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws in non-U.S. jurisdictions generally prohibit companies and their intermediaries from promising or making improper payments to foreign officials for the purpose of obtaining an advantage to secure or retain business. Because of the predominance of government-sponsored healthcare systems around the world, many of our customer relationships outside of the U.S. are with governmental entities and are therefore subject to such anti-bribery laws. We have adopted policies and practices that help us ensure compliance with these anti-bribery laws. However, such policies and practice may require us to invest in additional monitoring resources or forgo certain business opportunities in order to ensure global compliance with these laws. Additionally, any alleged or actual violation could subject us to government scrutiny, severe criminal or civil fines, or sanctions on our ability to export product outside the U.S., which could adversely affect our reputation and financial condition.

Any material decrease in our international sales would adversely affect our business, financial condition and results of operations.

The laws of foreign countries may not adequately protect our intellectual property rights.

Intellectual property protection laws in foreign countries differ substantially from those in the U.S. If we fail to apply for intellectual property protection in foreign countries, or if we cannot adequately protect our intellectual property rights in these foreign countries, our competitors may be able to compete more effectively against us, which could adversely affect our competitive position, as well as our business, financial condition and results of operations.

Our operations may be adversely impacted by our exposure to risks related to foreign currency exchange rates.

We market our products in certain foreign markets through our subsidiaries and other international distributors. As a result, events that result in global economic uncertainty could significantly affect our results of operations in the form of gains and losses on foreign currency transactions and potential devaluation of the local currencies of our customers relative to the U.S. Dollar.

While a majority of our sales are transacted in U.S. Dollars, some of our sales agreements with foreign customers provide for payment in currencies other than the U.S. Dollar. These foreign currency revenues, when converted into U.S. Dollars, can vary depending on the approximation of the exchange rates applied during a respective period. Similarly, certain of our foreign subsidiaries transact business in their respective country's local currency, which is also their functional currency. In addition, certain production costs related to our manufacturing operations are denominated in local currency. As a result, expenses of these foreign subsidiaries and certain production costs, when converted into U.S. Dollars, can vary depending on average monthly exchange rates during a respective period.

We are also exposed to foreign currency gains or losses on outstanding foreign currency denominated receivables and payables, as well as cash deposits. When converted to U.S. Dollars, these receivables, payables and cash deposits can vary depending on the monthly exchange rates at the end of the period. In addition, certain intercompany transactions may give rise to realized and unrealized foreign currency gains or losses based on the currency underlying such intercompany transactions. Accordingly, our operating results are subject to fluctuations in foreign currency exchange rates.

The balance sheets of our foreign subsidiaries whose functional currency is not the U.S. Dollar are translated into U.S. Dollars at the rate of exchange at the balance sheet date and the statements of operations and cash flows are translated into U.S. Dollars using an approximation of the average monthly exchange rates applicable during the period. Any foreign currency exchange gain or loss as a result of translating the balance sheets of our foreign subsidiaries whose functional currency is not the U.S. Dollar is included in equity as a component of accumulated other comprehensive income (loss).

We currently do not hedge our foreign currency exchange rate risk. As a result, changes in foreign exchange rates could have a material adverse effect on our business, financial condition and results of operations. For additional information related to our foreign currency exchange rate risk, please see "Quantitative and Qualitative Disclosures about Market Risk" in Part I, Item 3 of this Annual Report on Form 10-K.

We currently manufacture our products at a limited number of locations and any disruption to, expansion of, or changes in trade programs related to such manufacturing operations could adversely affect our business, financial condition and results of operations.

We rely on manufacturing facilities in North America, the Middle East and Asia that may be affected by natural or man-made disasters. Earthquakes are of particular significance since some of our facilities are located in earthquake-prone areas. We are also vulnerable to damage from other types of disasters, including power loss, attacks from extremist or terrorist organizations, epidemics, communication failures, fire, floods, hurricanes and similar events. Our facilities and the manufacturing equipment we use to produce our products would be difficult to replace and could require substantial time to repair if significant damage were to result from any of these occurrences.

If one of our manufacturing facilities was affected by a natural or man-made disaster, we would be forced to rely on third-party manufacturers if we could not shift production to our other manufacturing facilities. Furthermore, our insurance for damage to our property and the disruption of our business from casualties may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all. If the lease for any of our leased facilities is terminated, we are unable to renew any of our leases or we are otherwise forced to seek alternative facilities, or if we voluntarily expand one or more of our manufacturing operations to new locations, we may incur additional transition costs and experience a disruption in the supply of our products until the new facilities are available and operating. Additionally, we have occasionally experienced seasonality and other shortages among our manufacturing workforce, and if we continue to experience such seasonality or other workforce shortages or otherwise have issues retaining employees or contractors at our manufacturing facilities, we may not be able to meet our customers' demands.

Our global manufacturing and distribution are dependent upon our manufacturing facilities in multiple countries, and the expedient importation of raw materials and exportation of finished goods between these facilities. Undue delays and/or closures of cross-border transit facilities, or any restrictions by local governments related to the movement of goods to or from the U.S., may adversely affect our ability to fulfill orders and supply our customers, as well as adversely impact our business, operating results and financial condition.

In addition, delays and closures of shipping ports, or ports of entry into and out of the U.S., including as a result of labor strikes or shortages, may delay our ability to fulfill order and supply of our products, which could also adversely impact our business, operating results and financial condition.

Our manufacturing facilities in Mexico are authorized to operate under the Mexican Maquiladora (IMMEX) program. The IMMEX program allows us to import certain items from the U.S. into Mexico duty-free, provided that such items, after processing, are exported from Mexico within a stipulated timeframe. Maquiladora status, which is renewed periodically, is subject to various restrictions and requirements, including compliance with the terms of the IMMEX program and other local regulations. Failure to comply with the IMMEX program regulations, including any changes thereto, could increase our manufacturing costs and adversely affect our business, operating results and financial condition.

If we do not accurately forecast customer demand, we may hold suboptimal inventory levels that could adversely affect our business, financial condition and results of operations.

If we are unable to meet the demand of our customers, our customers may cancel orders or purchase products from our competitors, which could reduce our revenue and profitability. Conversely, if product demand decreases, we may be unable to timely adjust our manufacturing cost structure, resulting in excess capacity, which would lower profitability. Similarly, if we are unable to forecast demand accurately, we could be required to record charges related to excess or obsolete inventory, which would also lower our profitability. Our business is influenced by many factors, including but not limited to: new product releases, acquisitions, regulatory approvals, holiday schedules, hospital census, the timing of the influenza season, among many other factors.

In addition, we may experience seasonal demand for our products. For example, revenues in the third quarter of our fiscal years have generally historically represented a lower percentage of revenues due to the seasonality of the U.S., European and Japanese markets, where summer vacation schedules normally result in fewer elective procedures utilizing our products. Any shortfalls in expected revenue due to a mismatch in supply of and demand for our products could cause our operating results to suffer significantly, and seasonal or similar variances may also result in fluctuations in our revenues.

If we fail to comply with the reporting obligations of the Exchange Act or if we fail to maintain adequate internal control over financial reporting, our business, results of operations and financial condition and investors' confidence in us could be adversely affected.

We are required to prepare and disclose certain information under the Exchange Act, in a timely manner and meet our reporting obligations in their entirety, and our failure to do so could subject us to penalties under federal securities laws and regulations of The Nasdaq Stock Market LLC, expose us to lawsuits and restrict our ability to access financing on favorable terms, or at all.

If we fail to maintain adequate internal controls over financial reporting, we may not be able to conclude on an on-going basis that we have effective internal control over financial reporting in accordance with the Sarbanes-Oxley Act. Moreover, any material weakness in our internal control environment could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business, negatively impact the trading price of our stock, and adversely affect investors' confidence in our company and our ability to access capital markets for financing.

Changing laws and increasingly complex corporate governance and public disclosure requirements could have an adverse effect on our business and operating results.

Changing laws, regulations and standards relating to corporate governance and public disclosure have created, and will create, additional compliance requirements for us. Complying with these rules and regulations has increased and will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, financial condition and results of operations.

We may also need to hire additional employees or engage outside consultants to comply with these requirements, which will increase our costs and expenses. To maintain high standards of corporate governance and public disclosure, we have invested in, and intend to continue to invest in, reasonably necessary resources to comply with evolving standards.

Our stockholders in certain instances have not approved our advisory vote on named executive officer compensation. If we are involved in a lawsuit related to compensation matters or any other matters not covered by our directors' and officers' liability insurance, we may incur significant expenses in defending against such lawsuits, or be subject to significant fines or required to take significant remedial actions, each of which could adversely affect our business, financial condition and results of operations.

If product liability claims are brought against us, we could face substantial liability and costs.

Our products expose us to product liability claims and product recalls, including, but not limited to, those that may arise from unauthorized off-label use, malfunctions, design flaws or manufacturing defects related to our products or the use of our products with incompatible components or systems. In addition, as we continue to expand our product portfolio, we may enter or create new markets, which may expose us to additional product liability risks.

We cannot be certain that our product liability insurance will be sufficient to cover any or all damages for product liability claims that may be brought against us in the future. Furthermore, we may not be able to obtain or maintain insurance in the future at satisfactory rates or in adequate amounts to protect us against any product liability claims.

Additionally, the laws and regulations regarding product liability are constantly evolving, both through the passage of new legislation at the state and federal levels and through new interpretations of existing legislation. As the legal and regulatory landscape surrounding product liability change, we may become exposed to greater liability than currently anticipated.

Any losses that we may suffer from product liability claims, and the effect that any product liability litigation may have upon the reputation and marketability of our technology and products, together with the corresponding diversion of the attention of our key employees, may subject us to significant damages and could adversely affect our business, financial condition and results of operations.

We may incur environmental and personal injury liabilities related to certain hazardous materials used in our operations.

Certain manufacturing processes for our products may involve the storage, use, generation and disposal of certain hazardous materials and wastes, including silicone adhesives, solder and solder paste, sealants, epoxies and various solvents such as methyl ethyl ketone, acetone and isopropyl alcohol. As a result, we are subject to certain environmental laws, as well as certain other laws and regulations, that restrict the materials that can be used in our products or in our manufacturing processes. For example, products that we sell in Europe are subject to regulation in the EU markets under the Restriction of the Use of Hazardous Substances Directive (RoHS). RoHS prohibits companies from selling products that contain certain hazardous materials in EU member states. In addition, the EU's Registration, Evaluation, Authorization, and Restriction of Chemicals Directive also restricts substances of very high concern in products. Compliance with such regulations may be costly and, therefore, we may incur significant costs to comply with these laws and regulations.

In addition, new environmental laws may further affect how we manufacture our products, how we use, generate or dispose of hazardous materials and waste, or further affect what materials can be used in our products. Any required changes to our operations or products may increase our manufacturing costs, detrimentally impact the performance of our products, add greater testing lead-times for product introductions or have other similar effects.

In connection with our research and manufacturing activities, we use, and our employees may be exposed to, materials that are hazardous to human health, safety or the environment. The risk of accidental injury to our employees or contamination from these materials cannot be eliminated, and we could be held liable for any resulting damages, the related liability for which could exceed our reserves. We do not specifically insure against environmental liabilities. If an enforcement action were to occur, our reputation and our business and financial condition may be harmed, even if we were to prevail or settle the action on terms favorable to us.

We rely significantly on information technology and any failure, inadequacy, interruption or security lapse of that technology, including any cybersecurity incidents, could harm our ability to operate our business effectively.

Increased global cybersecurity vulnerabilities, cybersecurity threats and sophisticated and targeted cybersecurity attacks pose a risk to the security of our systems and networks, including the confidentiality, availability and integrity of any underlying information and data, and those of our customers, partners, suppliers and third-party service providers. Recent global conflicts have increased the risk of cyberattacks targeting healthcare and technology companies, including ransomware and data breaches. Our ability to effectively manage and maintain our internal business information, and to ship products to customers and invoice them on a timely basis, depends significantly on our enterprise resource planning system and other information systems.

Portions of our information technology systems may experience interruptions, delays or cessations of service or produce errors in connection with on-going systems implementation work. In addition, interfaces between our products and our customers' computer networks could provide additional opportunities for cybersecurity attacks on us and our customers. The techniques used to attack computer systems are sophisticated, change frequently and may originate from less regulated and remote areas of the world. We have experienced a cybersecurity incident in the past, and we expect that we will continue to be subject to cybersecurity risks in the future. On April 27, 2025, we identified unauthorized activity on our on-premise network. As a result of this incident, certain of our manufacturing facilities temporarily operated at less than normal levels, and our ability to process, fulfill, and ship customer orders timely was temporarily impacted. Cybersecurity threats and attacks in particular are evolving and include, but are not limited to: malicious software, ransomware, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, misappropriation of confidential or otherwise protected information and corruption of data. There can be no assurance that our protective measures will prevent or detect security breaches that could have a significant impact on our business, reputation, financial condition and results of operations.

The failure of these systems to operate or integrate effectively with other internal, customer, supplier or third-party service provider systems and to protect the underlying information technology system and data integrity, including from cyber-attacks, intrusions or other breaches or unauthorized access of these systems, or any failure by us to remediate any such attacks or breaches, may also result in damage to our reputation or competitiveness, delays in product fulfillment and reduced efficiency of our operations, and could require significant capital investments to remediate any such failure, problem or breach, all of which could adversely affect our business, financial condition and results of operations. Failure to protect the confidentiality, integrity or availability of our systems and information contained within those systems could also subject us to significant litigation and regulatory enforcement risks in all of the jurisdictions in which we operate.

Artificial intelligence presents risks and challenges that can impact our business, including by posing security risks to our confidential information, proprietary information and personal data.

Issues in the development and use of artificial intelligence, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations. As with many technological innovations, artificial intelligence presents risks and challenges that could impact our business. We may adopt and integrate generative artificial intelligence tools into our systems for specific use cases reviewed by legal and information security. Our vendors may incorporate generative artificial intelligence tools into their offerings without disclosing this use to us, and the providers of these generative artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards with respect to privacy and data protection and may inhibit our or our vendors' ability to maintain an adequate level of service and experience. If we, our vendors, or our third-party partners experience an actual or perceived breach or privacy or security incident because of the use of generative artificial intelligence, we may lose valuable intellectual property and confidential information and our reputation and the public perception of the effectiveness of our security measures could be harmed. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and have a material adverse effect on our business, financial condition and results of operations.

The impact of the Russian invasion of Ukraine, ongoing instability in Venezuela and the Israel-Palestine-Iran Conflict, on the global economy, energy supplies and raw materials is uncertain, but may prove to negatively impact our business and operations.

The short and long-term implications of Russia's invasion of Ukraine, the instability in Venezuela and the conflict in the Middle East are difficult to predict. We continue to monitor any adverse impact that the outbreak of conflicts in Ukraine and the subsequent institution of sanctions against Russia by the U.S. and several European and Asian countries; other regional or international tensions, including ongoing uncertainty in Venezuela; along with the conflict in the Middle East, may have on the global economy in general, on our business and operations and on the businesses and operations of our suppliers and customers. For example, a prolonged conflict may result in challenges associated with timely receipt of customer payments and banking transactions in Russia, increased inflation, escalating energy prices and constrained availability, and thus increasing costs, of

raw materials. Furthermore, the conflict in the Middle East could negatively impact our operations in that region. We will continue to monitor these fluid situations and develop contingency plans as necessary to address any disruptions to our business operations as they develop.

Our stock price may be volatile, and your investment in our stock could suffer a decline in value.

There has been and could continue to be significant volatility in the market price and trading volume of equity securities. For example, our closing stock price ranged from \$127.40 to \$190.63 per share from December 29, 2024 to January 3, 2026. Factors contributing to our stock price volatility may include our financial performance, as well as broader economic, political and market factors. In addition to the other risk factors previously discussed in this Annual Report on Form 10-K, there are many other factors that we may not be able to control that could have a significant effect on our stock price. These include, but are not limited to:

- actual or anticipated fluctuations in our operating results or future prospects;
- our announcements or our competitors' announcements of new products;
- the public's reaction to our press releases, including those relating to our earnings or financial guidance, our other public announcements and our filings with the SEC;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in our growth rates or our competitors' growth rates;
- developments regarding our patents or proprietary rights or those of our competitors;
- on-going legal proceedings;
- our inability to raise additional capital as needed;
- concerns or allegations as to the safety or efficacy of our products;
- changes in financial markets or general economic conditions, including the effects of recession or slow economic growth in the U.S. and abroad;
- tariffs and changes to multilateral trade agreements;
- effects of public health crises, epidemics and pandemics;
- sales of stock by us or members of our management team, our Board or certain institutional stockholders;
- our evaluation of a proposed separation of our consumer businesses;
- shareholder activism;
- recent changes to our Board and management;
- changes in stock market analyst recommendations or earnings estimates regarding our stock, other comparable companies or our industry generally; and
- short selling or other hedging activity in our stock.

Therefore, you may not be able to resell your shares at or above the price you paid for them.

Our investors could experience substantial dilution of their investments as a result of subsequent exercises of our outstanding options, vesting of outstanding restricted stock units (RSUs) and performance stock units (PSUs), or the grant of future equity awards by us.

As of January 3, 2026, approximately 5.1 million shares of our common stock were reserved for issuance under our equity incentive plans, of which approximately 0.7 million shares were subject to options outstanding at such date at a weighted-average exercise price of \$117.87 per share, approximately 0.6 million shares were subject to outstanding RSUs, approximately 0.1 million shares were subject to outstanding PSUs and approximately 3.7 million shares were available for future awards under our 2017 Equity Incentive Plan. To the extent outstanding options are exercised or outstanding RSUs or PSUs vest, our existing stockholders may incur dilution.

We rely on equity awards to motivate current employees and to attract new employees. The grant of future equity awards by us to our employees and other service providers may further dilute our stockholders.

Future resales of our stock, including those by our insiders and a few investment funds, may cause our stock price to decline.

A significant portion of our outstanding shares are held by our directors, our executive officers and a few investment funds. Resales by these stockholders of a substantial number of such shares, announcements of any proposed resale of substantial amounts of our stock or the perception that substantial resales may be made, could significantly reduce the market price of our stock. Some of our directors and executive officers have entered into Rule 10b5-1 trading plans pursuant to which they have arranged to sell shares of our stock from time to time in the future. Generally, these sales require public filings. Actual or potential sales by these insiders, including those under a pre-arranged Rule 10b5-1 trading plan, could be interpreted by the market as an indication that the insider has lost confidence in our stock and reduce the market price of our stock.

We have registered and expect to continue to register shares reserved under our incentive equity plans pursuant to Registration Statements on Form S-8. All shares issued pursuant to a Registration Statement on Form S-8 can be freely sold in the public market upon issuance, subject to restrictions on our affiliates under Rule 144. If a large number of these shares are sold in the public market, the sales could reduce the trading price of our stock.

We may elect not to declare cash dividends on our stock, may elect to only pay dividends on an infrequent or irregular basis, or may elect not to make any additional stock repurchases. As a result, any return on your investment may be limited to the value of our stock. In addition, the payment of any future dividends or the repurchase of our stock might limit our ability to pursue other growth opportunities.

Our Board may from time to time declare, and we may pay, dividends on our outstanding shares in the manner and upon the terms and conditions permitted under applicable law. However, we may elect to retain all future earnings for the operation and expansion of our business, rather than paying cash dividends on our stock. In addition, under certain circumstances, our Credit Facility may limit our ability to pay cash dividends, repurchase our common stock or make other distributions to stockholders. Any payment of cash dividends on our stock will be at the discretion of our Board and will depend upon our results of operations, earnings, capital requirements, financial condition, business prospects, contractual restrictions and other factors deemed relevant by our Board. In addition, our Credit Facility places limitations on our ability to pay dividends. In the event our Board declares any dividends, there is no assurance with respect to the amount, timing or frequency of any such dividends.

Any repurchase of our common stock under the stock repurchase plan authorized by our Board in June 2022 (Repurchase Program) will be at the discretion of a committee comprised of our CEO and Chief Financial Officer, and will depend on several factors, including, but not limited to, results of operations, capital requirements, financial conditions, available capital from operations or other sources, including debt, and the market price of our common stock. In addition, any stock repurchases will be subject to an excise tax of 1% on the fair market value of net stock repurchases made after December 31, 2022. Therefore, there is no assurance with respect to the amount, price or timing of any such repurchases. We may elect to retain all future earnings for the operation and expansion of our business, rather than repurchasing additional outstanding shares. For additional information related to our Repurchase Program, please see Note 19, “Equity”, to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

In the event we pay dividends, or make any stock repurchases in the future, our ability to finance any material expansion of our business, including through acquisitions, investments or increased capital spending, or to fund our operations, may be limited. In addition, any repurchases we may make in the future may not prove to be at optimal prices. Our Board may modify or amend the Repurchase Program, or adopt a new stock repurchase program, at any time at its discretion without stockholder approval.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management & Strategy

Cybersecurity is integral to our risk management approach. We are reliant on information technology, and any interruption, failure, or security breach-including cybersecurity incidents-could adversely impact our operations and business continuity.

To address these risks, we maintain a comprehensive, risk-based cybersecurity program focused on protecting sensitive data and systems. Our approach includes:

- **Layered Security (defense-in-Depth):** Implementing multiple levels of controls to safeguard against cyber threats.
- **Employee Awareness:** Delivering mandatory cybersecurity training, conducting phishing simulations, and fostering a culture of vigilance.

- **Proactive Monitoring and Testing:** Leveraging real-time monitoring, regular vulnerability assessments, and external audits to continuously evaluate and enhance defenses.
- **Preparedness:** Maintaining and testing business continuity and disaster recovery plans with scenarios such as simulated cyberattacks.

For more information on risks related to cybersecurity and data security, see Item 1A. “[Risk Factors - Risks Related to Our Regulatory Environment](#)” and “[Risk Factors - General Risk Factors](#)”. On April 27, 2025, we identified unauthorized activity on our on-premise network. As a result of this incident, certain of our manufacturing facilities temporarily operated at less than normal levels, and our ability to process, fulfill, and ship customer orders timely was temporarily impacted. We have completed restoration of our affected systems and continue to monitor our environment. We have implemented additional security measures and continue to evaluate and enhance our cybersecurity policies, procedures, and controls. We continue to evaluate and refine our cybersecurity practices to help mitigate the risk of similar incidents in the future.

Key Elements of Our Cybersecurity Program

Our cybersecurity program emphasizes:

- **Threat Awareness and Risk Identification:** Engaging with industry groups and third-party experts to stay ahead of emerging threats.
- **Employee Training:** Conducting annual training and phishing simulations to reinforce best practices.
- **Advanced Safeguards:** Deploying comprehensive technical measures, including firewalls, intrusion detection systems, penetration tests, anti-malware, encryption, and access controls to secure our systems and data.
- **Vendor Management:** Requiring contractual data protection safeguards and screening vendors for compliance during onboarding.
- **Incident Response:** Maintaining up-to-date response and recovery plans, validated through regular tabletop exercises.
- **Compliance Standards:** Adhering to recognized standards such as HITRUST, NIST CSF, ISO 27001, and PCI DSS.
- **Insurance:** Partnering with leading insurers to maintain cyber liability coverage.

Governance

Our Audit Committee oversees our cybersecurity program and its alignment with overall risk management. This includes monitoring cybersecurity, data privacy and IT risks.

Leadership of our cybersecurity efforts is provided by our VP, Cybersecurity & Infrastructure, a seasoned expert with over a decade of experience. This role ensures continuous program improvement and alignments with evolving threats and standards.

Our executive team, including our Chief Financial Officer and Chief Information Officer, receive regular briefings on:

- Cybersecurity trends and evolving threats;
- Program effectiveness and risk mitigation strategies; and
- Updates to regulatory and legal requirements related to data security and privacy.

These briefings ensure cybersecurity considerations are integrated into strategic decisions, resource allocation, and risk mitigation planning. In accordance with our incident response plan, any material cybersecurity incidents are promptly reported to the Audit Committee to maintain transparency and oversight.

ITEM 2. PROPERTIES

Our U.S. corporate headquarters is located in Irvine, California. We own and or lease facilities globally that are utilized for research and development, engineering, sales, administrative, manufacturing, distribution and warehousing. The following is a summary of our material facilities:

Location	Ownership Status (Owned/Leased)	Approximate Square Footage	Lease Term	Business Segment	Primary Usage
Pasir Gudang, Malaysia	Leased	329,000	April 2029	Healthcare	Manufacturing, warehousing and distribution
Irvine, California	Owned	314,000	N/A	Healthcare	Executive offices, engineering, research and development
Mexicali, Mexico	Leased	291,700	May 2027, August 2029, December 2035	Healthcare	Manufacturing, warehousing and distribution
Irvine, California	Leased	103,000	November 2026, January 2032	Healthcare	Sales and administrative, warehousing, manufacturing and distribution
Hudson, New Hampshire	Owned	87,000	N/A	Healthcare	Manufacturing, warehousing and distribution
Neuchatel, Switzerland	Owned	79,000	N/A	Healthcare	Sales and administrative
Oude Meer, Netherlands	Leased	62,000	January 2030	Healthcare	Warehousing and distribution
Riyadh, Saudi Arabia	Leased	33,000	April 2026, October 2026	Healthcare	Manufacturing, warehousing, distribution and trading
San Luis Ray, Mexico	Leased	11,000	December 2028	Healthcare	Manufacturing, warehousing and distribution

We also lease and occupy various other facilities throughout the world to operate our business. We believe that our existing facilities are adequate to meet our needs and that existing needs and future growth can be accommodated by purchasing or leasing alternative or additional space.

ITEM 3. LEGAL PROCEEDINGS

The information set forth in Note 24, “Commitments and Contingencies” to our accompanying consolidated financial statements under the caption “Litigation” included in Part IV, Item 15(a) of this Annual Report on Form 10-K is incorporated herein by reference.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our stock is traded on the Nasdaq Global Select Market under the symbol “MASP”. As of January 30, 2026, the closing price of our stock was \$137.33 per share, and the number of stockholders of record, excluding persons whose stock is in nominee or “street name” accounts through brokers, was 26.

Dividend Policy

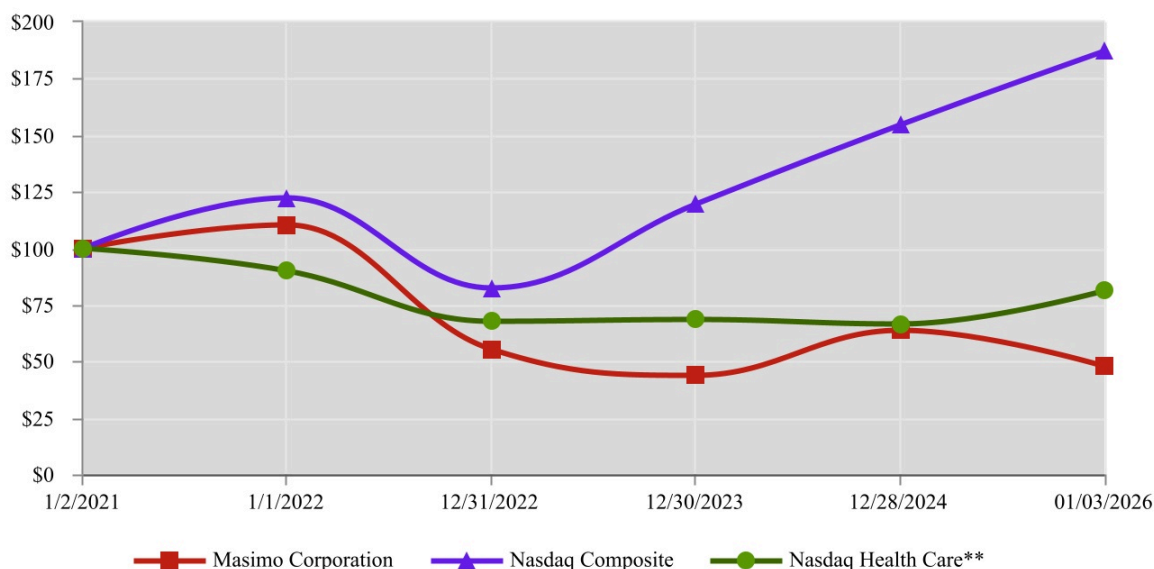
We have historically not paid dividends to our stockholders. Any determination to declare and pay dividends will be made by our Board and will depend upon our results of operations, earnings, capital requirements, financial condition, business prospects, contractual restrictions and other factors deemed relevant by our Board. In addition, under certain circumstances, our credit facility may limit our ability to pay cash dividends. In the event a dividend is declared, there is no assurance with respect to the amount, timing or frequency of any such dividends. The dividend declared in 2012 was deemed to be a special dividend and there is no assurance that special dividends will be declared again during the expected term.

Stock Performance Graph

The following stock performance graph and related information shall not be deemed “soliciting material” or to be “filed” with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act or Exchange Act, except to the extent that we specifically incorporate it by reference into such filing.

The following stock performance graph compares total stockholder returns for our common stock from January 2, 2021 through January 3, 2026 against the Nasdaq Market Composite Index and Nasdaq Health Care Index, assuming a \$100 investment made on January 2, 2021. Each of the two comparative measures of cumulative total return assumes reinvestment of dividends. The stock performance shown on the graph below is not necessarily indicative of future price performance.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
Among Masimo Corporation, the Nasdaq Market Composite Index, and the Nasdaq Health Care Index



*\$100 invested on 1/2/2021 in stock or in index, including reinvestment of dividends. Indexes calculated on month-end basis.

**During fiscal 2023, the Nasdaq Medical Equipment Index was discontinued and replaced with the Nasdaq Health Care Index.

Stock Repurchase Programs

In June 2022, our Board approved a stock repurchase program, authorizing us to purchase up to 5.0 million shares of our common stock on or before December 31, 2027 (Repurchase Program). The Repurchase Program became effective in July 2022. We expect to fund the Repurchase Program through our available cash, cash expected to be generated from future operations, our Credit Facility and other potential sources of capital. The Repurchase Program can be carried out at the discretion of a committee comprised of our CEO and CFO through open market purchases, one or more Rule 10b5-1 trading plans, block trades and privately negotiated transactions. Approximately 1.1 million shares were repurchased pursuant to the Repurchase Program during the quarter ended January 3, 2026. As of January 3, 2026, 2.5 million shares remained available for repurchase pursuant to the Repurchase Program.

During the three months ended January 3, 2026, we effected stock repurchases pursuant to the Repurchase Program. Shares repurchased by us or withheld to satisfy tax withholding obligations during each fiscal month of the quarter ended January 3, 2026 were as follows:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
September 27, 2025 to October 25, 2025	1,131,017	\$ 146.58	1,131,017	2,524,819
October 26, 2025 to November 22, 2025	—	—	—	2,524,819
November 23, 2025 to January 3, 2026	—	—	—	2,524,819
Total	1,131,017	\$ 146.58	1,131,017	2,524,819

⁽¹⁾ In June 2022, our board of directors authorized the Repurchase Program, whereby we may repurchase up to 5.0 million shares of our common stock. The Repurchase Program can be carried out at the discretion of a committee comprised of our CEO and CFO through open market purchases, one or more Rule 10b5-1 trading plans, block trades and privately negotiated transactions.

Issuer Repurchases and Withholdings of Equity Securities

During the year ended January 3, 2026, we satisfied certain U.S. federal and state tax withholding obligations due upon the vesting of equity grants by withholding shares of our common stock, with an aggregate fair market value on the date of vesting equal to the tax withholding obligations, from the shares of our common stock actually issued in connection with such award. Shares withheld to satisfy tax withholding obligations for the years ended January 3, 2026 and December 28, 2024 were as follows (in millions, except shares withheld and per share amounts):

	Three Months Ended		Year Ended	
	January 3, 2026	December 28, 2024	January 3, 2026	December 28, 2024
Shares withheld	29,687	34,976	109,323	80,643
Average cost per share	\$ 145.62	\$ 166.69	\$ 164.22	\$ 149.58
Value of shares withheld	\$ 4.3	\$ 5.8	\$ 18.0	\$ 12.1

ITEM 6. [RESERVED.]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read this discussion together with the financial statements, related notes and other financial information included in this Annual Report on Form 10-K. The following discussion may contain predictions, estimates and other forward-looking statements that involve a number of risks and uncertainties, including those discussed under Item 1A—"Risk Factors" and elsewhere in this Annual Report on Form 10-K. These risks could cause our actual results to differ materially from any future performance suggested below.

Recent Developments

On February 16, 2026, the Company entered into the Merger Agreement with Danaher and Merger Sub, pursuant to which, among other things, the Merger will occur, whereby Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of Danaher. As set forth in the Merger Agreement, at the effective time of the Merger, each share of common stock of the Company (other than any shares owned by Parent, Merger Sub or the Company or any of their wholly owned subsidiaries or shares in respect of which appraisal has been duly demanded, and not effectively withdrawn or otherwise waived or lost, pursuant to Section 262 of the General Corporation Law of the State of Delaware) issued and outstanding immediately prior to the effective time of the Merger will be automatically converted into the right to receive \$180.00 in cash, without interest. The Merger is expected to close in the second half of 2026, subject to customary closing conditions, including approval by our stockholders and the receipt of required regulatory approvals.

If the Merger is completed, our common stock will be delisted from the Nasdaq Stock Market and deregistered under the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable following the effective time.

In connection with the proposed Merger, we have incurred significant costs in the first quarter of fiscal 2026 and expect to continue to incur additional financial advisory, legal, accounting, and other professional fees prior to the completion of the Merger, which could be significant.

Additional information about the Merger Agreement and the Merger will be set forth in the Company's Definitive Proxy Statement on Schedule 14A that will be filed with the SEC.

Executive Overview

We are a global medical technology company that develops and produces a wide array of industry-leading monitoring technologies, including innovative measurements technologies, sensors, and patient monitors. Powered by the Masimo Hospital Automation™ and Masimo SafetyNet® platforms, Masimo connectivity, automation, telehealth and telemonitoring solutions are improving and automating patient care in the hospital.

Healthcare

Our healthcare business develops, manufactures and markets a variety of noninvasive patient monitoring technologies, hospital automation® and connectivity solutions and remote monitoring devices. Our healthcare products and patient monitoring solutions generally incorporate a monitor or circuit board, proprietary single-patient use or reusable sensors, software, cables and other services. We primarily sell our products to hospitals, emergency medical service (EMS) providers, home care providers, physician offices, veterinarians, long-term care facilities and through our direct sales force, distributors and original equipment manufacturer (OEM) partners, such as GE Healthcare, Hillrom, Mindray, Philips, Physio-Control, Zoll, among others.

Our core measurement technologies are our breakthrough Measure-through Motion and Low Perfusion™ pulse oximetry, known as Masimo Signal Extraction Technology® (SET®) pulse oximetry, and advanced rainbow® Pulse CO-Oximetry parameters such as noninvasive hemoglobin (SpHb®), alongside many other modalities, including brain function monitoring, hemodynamic monitoring, regional oximetry, acoustic respiration rate monitoring, capnography and gas monitoring, and telehealth solutions.

Our measurement technologies are available on many types of devices, from bedside hospital monitors like the Root® Patient Monitoring and Connectivity Hub, to various handheld and portable devices, and to the tetherless Radius PPG®, Radius VSM® and Masimo SafetyNet® remote patient surveillance solution. The Masimo Hospital Automation® Platform facilitates data integration, connectivity, and interoperability through solutions like Patient SafetyNet™, Iris®, iSirona®, Replica® and UniView® to facilitate more efficient clinical workflows and to help clinicians provide the best possible care, both in-person and remotely.

Outlook and Strategy

We are excited about the long-term prospects of patient care, hospital automation® and advancing our initiatives of expanding patient monitoring through the hospital, and into other growth markets such as outpatient and ambulatory surgery centers. The widespread caregiver shortage demands have created transformative changes in the healthcare space. Patients continue to gravitate toward products that can extend the reach of physicians without any compromise on the quality of care.

We continue to seek out differentiated growth opportunities to cross-leverage technologies, while continuing to advance our integration technologies into the hospital to advance hospital automation® connectivity and cloud-based technologies.

Economic Trends and Developments Affecting Our Business

The healthcare market we operate in is highly competitive, dynamic, and experienced a number of headwinds over the past two years. These included, but were not limited to supply chain volatility, inflationary pressures, interest rates volatility, fluctuations in energy costs, recessionary trends, foreign currency fluctuations, tariffs, increases in unemployment rates, geo-political uncertainty and the U.S. government shutdown. All of these have affected the global economic environment costs, along with the healthcare facility spending trends and consumer spending behaviors which ultimately affect our performance. While we experienced volatility in our healthcare business, we continue to be optimistic about our long-term growth and prospects.

During the fourth quarter of 2024, we implemented a strategic realignment initiative to refocus on profitability, maximizing our return on invested capital, in an effort to drive stronger returns for our stockholders going into 2025. In the second quarter of 2025, we announced that we had entered into a definitive agreement to sell our non-healthcare business, and subsequently in the third quarter of 2025, completed the sale. Please see “Separation of Non-Healthcare Operations” under Part I, Item 1—“Business” for additional details on the divestiture.

Tariffs

During the first quarter of 2025, the U.S. government imposed a series of tariffs on many products imported into the U.S. from China, Canada and Mexico. Since that time the U.S. government has increased some of those tariffs and postponed others. It has threatened to levy additional tariffs on some countries and new tariffs on additional countries, including those of the European Union, Asia and South America. Many of the countries on which those tariffs have been levied have imposed their own retaliatory tariffs or threatened to impose tariffs on goods they import from the U.S.

On February 20, 2026, the United States Supreme Court issued a ruling striking down certain tariffs previously imposed under the International Emergency Economic Powers Act (IEEPA). Following the Supreme Court’s decision, the U.S. presidential administration announced its intention to invoke other laws to collect tariffs and announced new tariffs on imports from all countries, in addition to any existing non-IEEPA tariffs. There remains substantial uncertainty regarding the duration of existing and newly announced tariffs, potential changes or pauses to such tariffs, tariff levels, and whether further additional tariffs or other retaliatory actions may be imposed, modified, or suspended, and the impacts of such actions on our business.

The Company’s production footprint includes operations in the U.S., Mexico and Malaysia. Currently, certain raw materials are imported from China, and certain subassemblies are imported from Malaysia and Mexico. These tariff costs are expected to reflect their impact in the costs of raw materials and subassemblies used in production, as well as costs we may incur on finished goods shipped to our customers. We are actively working to mitigate the operating profit impact of these tariffs with adjustments to our supply chain and manufacturing, as well as a significant amount of administrative effort to qualify our products for exemptions, including those under United States-Mexico-Canada Agreement. We are also pursuing longer-term mitigation measures to further reduce our tariff exposure and evaluating alternative suppliers for raw materials and cables currently sourced from China.

To the extent we are unable to offset the cost from the tariffs, or the tariffs negatively impact demand, our revenue and profitability could be adversely impacted. If additional tariffs come into effect or are adopted, we could incur additional tariff costs that could be material to our revenue and profitability, effecting our financial results.

Seasonality

Our business is influenced by many factors, including but not limited to: new product releases, acquisitions, regulatory approvals, holiday schedules, hospital census, clinicians, nurses and hospital personnel, the timing of the influenza season, inflationary and recessionary pressures, among many other factors.

Historically, revenues in the third quarter of each fiscal year have represented a lower percentage of revenue due to the seasonality of the U.S., European and Japanese markets, where summer vacation schedules normally result in fewer elective procedures utilizing our healthcare products.

Contract Conversions and Installations

During the second quarter and continuing into the third and fourth quarters of 2023, we achieved substantial market share gains through contract acquisitions as new hospital customers continued to switch to Masimo technology at rapid rates. However, conversions of new customers who have contracted to switch to Masimo were less than expected due to continued labor shortages in hospitals and our OEM partners not being able to provide the patient monitoring equipment needed to complete the installations in a timely manner; thereby impacting our second, third and fourth quarter 2023 healthcare revenues. The installation challenges we experienced in fiscal 2023 increased our backlog systems installations into fiscal 2024, which carried over into fiscal 2025. In fiscal 2025, we achieved record level of new customer conversions along with expanded hospital agreements with our existing customers, which has added to the installation backlogs.

While we previously faced obstacles such as labor shortages in hospitals, our 2025 performance serves as a positive indication that our growth strategy is working. We continue to be vigilant in our efforts to address the labor shortages, including engaging additional third-party installation service providers. Our hospital business continued to be strong, as our growth in contracting reflects.

Ongoing Russian-Ukraine Conflict, Israel-Palestine-Iran Conflicts

We continue to monitor the uncertainty and geopolitical instability resulting from the ongoing Russia-Ukraine conflict, the Israel-Palestine conflict, and the Israel-Iran conflict, including the involvement of the United States, with respect to on-going business in such regions, and are continuing to support existing patient populations while remaining compliant with all applicable U.S. and EU sanctions and regulations, where applicable. While none of Russia, the Ukraine or Israel constitute a material portion of our business, a significant escalation or expansion of economic disruption or the current scope of the conflicts in either geographic region, including the Middle East, could have an impact on our business. Future orders for Russia have been halted indefinitely. For the three and twelve months ended January 3, 2026, sales derived from customers based in Russia represented an immaterial percentage of our total revenue.

Results of Operations for the Years Ended January 3, 2026 and December 28, 2024

The following table sets forth, for the periods indicated, our results of operations expressed as U.S. Dollar amounts and as a percentage of revenue:

	Year Ended January 3, 2026		Year Ended December 28, 2024	
	Amount (in millions)	% of Revenue	Amount (in millions)	% of Revenue
Revenue:				
Product revenue	\$ 1,408.4	92.2 %	\$ 1,281.1	91.8 %
Related party revenue	118.5	7.8	114.1	8.2
Total revenue	1,526.9	100.0	1,395.2	100.0
Cost of goods sold	581.7	38.1	600.9	43.1
Gross profit	945.2	61.9	794.3	56.9
Operating expenses:				
Selling, general and administrative	506.0	33.1	548.6	39.3
Research and development	126.4	8.3	182.2	13.1
Litigation settlements	2.8	0.2	0.5	—
Total operating expenses	635.2	41.6	731.3	52.4
Operating income	310.0	20.3	63.0	4.5
Non-operating loss	(37.4)	(2.4)	(41.2)	(3.0)
Income from continuing operations before provision for income taxes	272.6	17.9	21.8	1.5
Provision for income taxes	64.9	4.3	5.6	0.4
Net income from continuing operations, net of tax	207.7	13.6	16.2	1.1
Net (loss) from discontinued operations, net of tax	(359.2)	(23.5)	(321.1)	(23.0)
Net (loss)	\$ (151.5)	(9.9)%	\$ (304.9)	(21.9)%

Comparison of the Year ended January 3, 2026 to the Year ended December 28, 2024

Revenue. Revenue is comprised of hospital products and services. The following table details our revenues for each of the years ended January 3, 2026 and December 28, 2024:

Revenue (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$1,526.9	100.0%	\$1,395.2	100.0%	\$131.7	9.4%

Revenue increased 9.4%, or \$131.7 million to \$1,526.9 million for the year ended January 3, 2026, compared to \$1,395.2 million for the year ended December 28, 2024. This increase was driven by higher growth in consumable sales, and the additional selling week over the prior year due to our conventional 52/53 fiscal calendar. Revenues were favorably impacted by approximately \$0.9 million of foreign exchange rate movements from the prior year period that increased the U.S. Dollar translation of foreign sales that were denominated in various foreign currencies.

Revenue generated through our direct and distribution sales channels increased \$113.3 million, or 9.0%, to \$1,376.9 million for the year ended January 3, 2026, compared to \$1,263.6 million for the year ended December 28, 2024. Revenues from our OEM channel increased \$18.4 million, or 14.0%, to \$150.0 million for the year ended January 3, 2026, as compared to \$131.6 million for the year ended December 28, 2024.

During the year ended January 3, 2026, we shipped approximately 270,600 noninvasive technology board monitors, an increase of approximately 36,000 units, or 15.3%, over the year ended December 28, 2024.

Gross Profit. Gross profit consists of revenue less cost of goods sold. Cost of goods sold includes labor, material, overhead and other similar costs related to the production, supply, distribution and support of our products. Our gross profit for the years ended January 3, 2026 and December 28, 2024 were as follows:

Gross Profit (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$945.2	61.9%	\$794.3	56.9%	\$150.9	19.0%

Gross profit increased \$150.9 million to \$945.2 million for the year ended January 3, 2026, from \$794.3 million for the year ended December 28, 2024, primarily due to increased sales volumes. Gross profit as a percentage of revenue, increased to 61.9% for the year ended January 3, 2026, from 56.9% for the year ended December 28, 2024.

The increase in gross profit for the year ended January 3, 2026, compared to the year ended December 28, 2024, was also driven by the absence of certain strategic realignment initiative charges recognized for the year ended December 28, 2024, which did not reoccur for the year ended January 3, 2026. As a result of the strategic realignment initiative, improved manufacturing efficiencies from the transition of high volume sensor manufacturing to Malaysia, and a beneficial product mix, the gross profit increased during the year ended January 3, 2026.

Selling, General and Administrative. Selling, general and administrative expenses consist primarily of salaries, stock-based compensation and related expenses for sales, marketing and administrative personnel, sales commissions, advertising and promotion costs, professional fees related to legal, accounting and other outside services, public company costs and other corporate expenses. Selling, general and administrative expenses for the years ended January 3, 2026 and December 28, 2024 were as follows:

Selling, General and Administrative (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$506.0	33.1%	\$548.6	39.3%	\$(42.6)	(7.8)%

Selling, general and administrative expenses decreased \$42.6 million, or 7.8%, to \$506.0 million for the year ended January 3, 2026, from \$548.6 million for the year ended December 28, 2024. This decrease was primarily attributable to lower legal and professional fees of approximately \$31.0 million, lower occupancy, offices and other expenses of approximately \$16.7 million, and lower advertising and marketing-related expenses of approximately \$12.4 million, which were offset by higher compensation and other employee-related costs of approximately \$16.4 million. Furthermore, the expenses for the year ended January 3, 2026, increased by approximately \$5.7 million related to the cybersecurity event offset partially by insurance reimbursement of approximately \$4.8 million.

The decrease in selling, general and administrative expenses for the year ended January 3, 2026, compared to the year ended December 28, 2024, was also driven by the absence of certain strategic realignment charges recognized for the year ended December 28, 2024, which did not reoccur for the year ended January 3, 2026.

Research and Development. Research and development expenses consist primarily of salaries, stock-based compensation and related expenses for engineers and other personnel engaged in the design and development of our products. These expenses also include third-party fees paid to consultants, prototype and engineering supply expenses and the costs of clinical trials. Research and development expenses for the years ended January 3, 2026 and December 28, 2024 were as follows:

Research and Development (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$126.4	8.3%	\$182.2	13.1%	\$(55.8)	(30.6)%

Research and development expenses decreased \$55.8 million, or 30.6%, to \$126.4 million for the year ended January 3, 2026 from \$182.2 million for the year ended December 28, 2024, primarily due to lower occupancy, offices and other expenses of approximately of \$33.5 million, lower compensation and employee-related costs of approximately \$22.0 million, lower patent and other amortization costs of approximately of \$5.8 million, and lower professional fees of approximately \$0.3 million, which were partially offset by higher engineering project costs of approximately \$5.8 million.

The decrease in research and development expenses for the year ended January 3, 2026, compared to the year ended December 28, 2024, was also driven by the absence of certain strategic realignment charges recognized for the year ended December 28, 2024, which did not reoccur for the year ended January 3, 2026.

Litigation settlements. Litigation settlements consist primarily of litigation related settlements and other legal expenses. Litigation settlements for the years ended January 3, 2026 and December 28, 2024 were as follows:

Litigation Settlements (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$2.8	0.2%	\$0.5	—%	\$2.3	460.0%

Litigation settlements increased \$2.3 million to \$2.8 million for the year ended January 3, 2026, as compared to \$0.5 million for the year ended December 28, 2024, related to litigation settlements in the current period, as these settlements vary in their characteristics and frequency.

Non-operating Loss. Non-operating loss consists primarily of interest income, interest expense and foreign exchange gains and losses. Non-operating loss for the years ended January 3, 2026 and December 28, 2024 was as follows:

Non-operating Loss (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	(Decrease)/ Increase	Percentage Change
\$(37.4)	(2.4)%	\$(41.2)	(3.0)%	\$3.8	(9.2)%

Non-operating loss was \$37.4 million for the year ended January 3, 2026 compared to \$41.2 million of non-operating loss for the year ended December 28, 2024. This reduction in non-operating loss of approximately \$3.8 million was primarily due to a decrease of interest expense incurred under our various lines of credit and the borrowing facilities of approximately \$33.2 million, which was offset by \$3.4 million of interest income on cash deposits in combination with approximately \$7.6 million of net realized and unrealized foreign currency denominated transactions during the year ended January 3, 2026.

Provision for Income Taxes. Our provision for income taxes for the years ended January 3, 2026 and December 28, 2024 were as follows:

(Benefit) Provision for Income Taxes (in millions, except percentages)					
Year Ended January 3, 2026	Percentage of Revenues	Year Ended December 28, 2024	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$64.9	4.3%	\$5.6	0.4%	\$59.3	1,058.9%

Our provision for income taxes was \$64.9 million for the year ended January 3, 2026 compared to \$5.6 million for the year ended December 28, 2024. Our effective tax rate was 23.8% for the year ended January 3, 2026 compared to 25.7% for the year ended December 28, 2024. This decrease in our effective tax rate for the year ended January 3, 2026 resulted primarily from changes in geographic composition of income.

We have made no provision for U.S. income taxes or foreign withholding taxes on approximately \$531.3 million in accumulated earnings from our foreign subsidiaries as we expect that such amounts will continue to be indefinitely reinvested in operations outside the U.S. Our actual future effective income tax rate will depend on various factors, including the geographic composition of our pre-tax income, the amount of excess tax benefits realized from U.S. stock-based compensation, the amount of our research and development tax credits, the deductibility of executive compensation, changes in tax laws, changes in deferred tax asset valuation allowances and the recognition and derecognition of tax benefits associated with uncertain tax positions.

Results of Operations for the Years Ended December 28, 2024 and December 30, 2023

The following table sets forth, for the periods indicated, our results of operations expressed as U.S. Dollar amounts and as a percentage of revenue:

	Year Ended December 28, 2024		Year Ended December 30, 2023	
	Amount (in millions)	% of Revenue	Amount	% of Revenue
Revenue:				
Product revenue	\$ 1,281.1	91.8 %	\$ 1,181.6	92.6 %
Related party revenue	114.1	8.2	93.9	7.4
Total revenue	1,395.2	100.0	1,275.5	100.0
Cost of goods sold	600.9	43.1	509.9	40.0
Gross profit	794.3	56.9	765.6	60.0
Operating expenses:				
Selling, general and administrative	548.6	39.3	451.3	35.4
Research and development	182.2	13.1	130.5	10.2
Litigation settlements	0.5	—	17.8	1.4
Total operating expenses	731.3	52.4	599.6	47.1
Operating income	63.0	4.5	166.0	12.9
Non-operating loss	(41.2)	(3.0)	(53.0)	(4.2)
Income from continuing operations before provision for income taxes	21.8	1.5	113.0	8.8
Provision for income taxes	5.6	0.4	5.3	0.4
Net income from continuing operations, net of tax	16.2	1.1	107.7	8.4
Net (loss) from discontinued operations, net of tax	(321.1)	(23.0)	(26.2)	(2.1)
Net (loss) income	\$ (304.9)	(21.9)%	\$ 81.5	6.3 %

Comparison of the Year ended December 28, 2024 to the Year ended December 30, 2023

Revenue (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Revenues	Year Ended December 30, 2023	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$1,395.2	100.0%	\$1,275.5	100.0%	\$119.7	9.4%

Revenue increased 9.4%, or \$119.7 million to \$1,395.2 million for the year ended December 28, 2024, compared to \$1,275.5 million for the year ended December 30, 2023. This increase was driven by continued growth in hospital contracting both inside and outside the U.S. as well as a return to normal hospital ordering patterns after a weak prior year. Revenues were unfavorably impacted by approximately \$4.9 million of foreign exchange rate movements from the prior year period that increased the U.S. Dollar translation of foreign sales that were denominated in various foreign currencies.

Revenue generated through our direct and distribution sales channels increased \$118.6 million, or 10.4%, to \$1,263.6 million for the year ended December 28, 2024, compared to \$1,145.0 million for the year ended December 30, 2023. Revenues from our OEM channel increased \$1.1 million, or 0.8%, to \$131.6 million for the year ended December 28, 2024, as compared to \$130.5 million for the year ended December 30, 2023.

During the year ended December 28, 2024, we shipped approximately 234,600 noninvasive technology board monitors, a decrease of approximately 28,400 units, or 10.8%, over the year ended December 30, 2023.

Gross Profit. Gross profit consists of revenue less cost of goods sold. Cost of goods sold includes labor, material, overhead and other similar costs related to the production, supply, distribution and support of our products. Our gross profit for the years ended December 28, 2024 and December 30, 2023 were as follows:

Gross Profit (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Revenues	Year Ended December 30, 2023	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$794.3	56.9%	\$765.6	60.0%	\$28.7	3.7%

Gross profit increased \$28.7 million to \$794.3 million for the year ended December 28, 2024, from \$765.6 million for the year ended December 30, 2023, primarily due to increased sales volumes offset by various charges for certain products that were earmarked “end of life” or included in the strategic realignment initiative, which are no longer going to be supported or expected to be brought to market. These inventory related charges also had a negative impact to our gross profit as a percentage of revenue, which decreased to 56.9% for the year ended December 28, 2024, from 60.0% for the year ended December 30, 2023.

Selling, General and Administrative. Selling, general and administrative expenses consist primarily of salaries, stock-based compensation and related expenses for sales, marketing and administrative personnel, sales commissions, advertising and promotion costs, professional fees related to legal, accounting and other outside services, public company costs and other corporate expenses. Selling, general and administrative expenses for the years ended December 28, 2024 and December 30, 2023 were as follows:

Selling, General and Administrative (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Net Revenues	Year Ended December 30, 2023	Percentage of Net Revenues	Increase/ (Decrease)	Percentage Change
\$548.6	39.3%	\$451.3	35.4%	\$97.3	21.6%

Selling, general and administrative expenses increased \$97.3 million, or 21.6%, to \$548.6 million for the year ended December 28, 2024 from \$451.3 million for the year ended December 30, 2023. This increase was primarily attributable to higher occupancy, offices and other expenses of approximately \$36.5 million, higher compensation and other employee-related costs of approximately \$34.1 million, higher legal and professional fees of approximately \$22.1 million, higher advertising and marketing-related expenses of approximately \$4.1 million, and higher patent and other amortization costs of approximately \$0.4 million.

Included within selling, general, and administrative expenses for the year ended December 28, 2024, was certain strategic realignment initiative charges of \$31.0 million, primarily consisting of severance packages related to workforce reductions, facility exit costs and lease impairments, and charges for patent and license abandonments.

Research and Development. Research and development expenses consist primarily of salaries, stock-based compensation and related expenses for engineers and other personnel engaged in the design and development of our products. These expenses also include third-party fees paid to consultants, prototype and engineering supply expenses and the costs of clinical trials. Research and development expenses for the years ended December 28, 2024 and December 30, 2023 were as follows:

Research and Development (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Net Revenues	Year Ended December 30, 2023	Percentage of Net Revenues	Increase/ (Decrease)	Percentage Change
\$182.2	13.1%	\$130.5	10.2%	\$51.7	39.6%

Research and development expenses increased \$51.7 million, or 39.6%, to \$182.2 million for the year ended December 28, 2024 from \$130.5 million for the year ended December 30, 2023. This increase was primarily attributable to higher occupancy, offices and other expenses of approximately \$30.6 million, higher compensation and other employee-related costs of approximately \$17.7 million, and higher patent and other amortization costs of approximately \$5.3 million, which were partially offset by lower engineering project costs of approximately \$1.1 million and lower legal and professional fees of approximately \$0.9 million.

Included within research and development expenses for the year ended December 28, 2024, was certain strategic realignment initiative charges of \$36.0 million, primarily consisting of severance packages related to workforce reductions, the write off of capitalized research and development costs for projects and products that are no longer being supported and/or expected to be brought to market.

Litigation settlements. Litigation settlements consist primarily of litigation related settlements and other legal expenses. Litigation settlements for the years ended December 28, 2024 and December 30, 2023 were as follows:

Litigation Settlements (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Revenues	Year Ended December 30, 2023	Percentage of Revenues	Increase/ (Decrease)	Percentage Change
\$0.5	—%	\$17.8	1.4%	\$(17.3)	(97.2)%

Litigation settlements decreased \$17.3 million to \$0.5 million for the year ended January 3, 2026, as compared to \$17.8 million for the year ended December 30, 2023. This decrease related to a litigation settlement of approximately \$17.8 million made to Politan’s lawsuit against Masimo during the year ended December 30, 2023.

Non-operating Loss. Non-operating loss consists primarily of interest income, interest expense and foreign exchange gains and losses. Non-operating loss for the years ended December 28, 2024 and December 30, 2023 were as follows:

Non-operating Loss (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Net Revenues	Year Ended December 30, 2023	Percentage of Net Revenues	Increase/ (Decrease)	Percentage Change
\$(41.2)	(3.0)%	\$(53.0)	(4.2)%	\$11.8	(22.3)%

Non-operating loss was \$41.2 million for the year ended December 28, 2024, as compared to \$53.0 million for the year ended December 30, 2023. This reduction in non-operating loss of approximately \$11.8 million was primarily due to a lower interest expense incurred under our various lines of credit and the borrowing facilities of approximately \$41.2 million, and net realized and unrealized losses on foreign currency denominated transactions of approximately \$4.4 million, which was offset by \$4.4 million of interest income on cash deposits during the year ended December 28, 2024.

Provision for Income Taxes. Our provision for income taxes for fiscal years December 28, 2024 and December 30, 2023 was as follows (dollars in millions):

Provision for Income Taxes (in millions, except percentages)					
Year Ended December 28, 2024	Percentage of Net Revenues	Year Ended December 28, 2024	Percentage of Net Revenues	Increase/ (Decrease)	Percentage Change
\$5.6	0.4%	\$5.3	0.4%	\$0.3	5.7%

Our provision for income taxes was \$5.6 million for the year ended December 28, 2024, as compared to \$5.3 million for the year ended December 30, 2023. Our effective tax rate was 25.7% for the year ended December 28, 2024 compared to 4.7% for the year ended December 30, 2023. This increase in our effective tax rate for the year ended December 28, 2024 resulted primarily from certain non-deductible items and income tax credits for the year ended December 30, 2023.

Liquidity, Capital Resources and Prospective Capital Requirements

Our principal sources of liquidity consist of existing cash and cash equivalents, future funds expected to be generated from operations and available borrowing capacity under our Revolving Credit Facility. This Credit Facility provides \$750.0 million in unsecured borrowings and a \$50.0 million sublimit for letters of credit. For further information, see Note 15, “Debt,” in Part IV, Item 15(a) of this Annual Report on Form 10-K.

As of January 3, 2026, we had approximately \$554.4 million in working capital, of which approximately \$152.3 million was in cash and cash equivalents, as compared to approximately \$608.1 million in working capital, of which approximately \$123.6 million was in cash and cash equivalents as of December 28, 2024. As of January 3, 2026, we had approximately \$467.6 million of available borrowing capacity (net of outstanding letters of credit) under our Credit Facility.

In managing our day-to-day liquidity and capital structure, we generally do not rely on foreign earnings as a source of funds. As of January 3, 2026, we had cash totaling \$50.4 million held outside of the U.S., of which approximately \$31.9 million was accessible without additional tax cost and approximately \$18.5 million was accessible at an incremental estimated tax cost of up to \$0.1 million. We currently have sufficient domestic funds on-hand and cash held outside the U.S. that is available without additional tax cost to fund our domestic operations. In the event funds that are treated as permanently reinvested are repatriated, we may be required to accrue and pay additional U.S. taxes to repatriate these funds.

Our cash requirements depend on numerous factors, including, but not limited to, market acceptance of our technologies, our continued ability to commercialize new products and to create or improve our technologies and applications, expansion of our global footprint through acquisitions and/or strategic investments in technologies or technology companies, hedging and derivative activities, investments in property and equipment, the impact of disruptions to the manufacturing industry supply chain for key components, inflation, repurchases of our stock under our authorized stock repurchase program, costs related to our domestic and international regulatory requirements and other long-term commitment and contingencies. For further information see Note 24, “Commitments and Contingencies” to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

Our total cash and cash equivalents and related cash flows may be affected by certain discretionary actions we may take with customers and suppliers to accelerate or delay certain cash receipts or payments to manage liquidity for our strategic business requirements. These actions may include, among others, negotiating with suppliers to optimize our payment terms and conditions, adjusting the timing of cash flows associated with customer sales programs and collections, managing inventory levels and purchasing practices, and selling certain of our accounts receivables on a non-recourse basis to third party financial institutions.

We anticipate that our existing cash and cash equivalents, amounts available under our Credit Facility and cash provided by operations and, taken together, provide adequate resources to fund ongoing operating and capital expenditures, working capital requirements, and other operational funding needs for the next 12 months.

Should we require additional funds in the future to support our working capital requirements or for other purposes, we may seek to raise such additional funds through debt financing, as well as from other sources such as through our effective automatic shelf registration statement on Form S-3 (File No. 333-285240) on file with the SEC, pursuant to which we may offer an unspecified amount of debt, equity, and other securities. No assurance can be given that additional financing will be available in the future or that if available, such financing will be obtainable on terms favorable when required.

Cash Flows

The following table summarizes our cash flows (in millions):

	Year Ended	
	January 3, 2026	December 28, 2024
Net cash provided by (used in):		
Operating activities	\$ 217.2	\$ 162.5
Investing activities	(3.4)	(24.9)
Financing activities	(518.1)	(133.4)
Effect of foreign currency exchange rates on cash	(0.3)	(6.4)
Increase in cash, cash equivalents, and restricted cash	\$ (28.1)	\$ 13.2

Operating Activities. Cash provided by operating activities was approximately \$217.2 million for the year ended January 3, 2026, generated primarily from net income from operations of \$207.7 million which were increased by non-cash activities, including depreciation and amortization of \$38.8 million, stock-based compensation of \$35.8 million, deferred income tax benefit of \$11.8 million, and loss on disposal of inventory, equipment, and other assets of \$7.0 million. Other major changes in operating assets and liabilities include decreases in accounts payable, lease receivable, other current assets, accrued liabilities, other non-current assets, and accounts receivable of \$27.1 million, \$15.7 million, \$11.5 million, \$7.3 million, \$5.5 million, and \$2.2 million, respectively, primarily due to timing of payments; an increase in inventories, accrued compensation, other non-current liabilities, income taxes payable, deferred revenue and other contract-related liabilities, and deferred costs and other contract assets of \$112.1 million, \$12.2 million, \$5.1 million, \$3.9 million, \$3.7 million, and \$2.5 million, respectively, primarily due to inventory build-up and timing of payments.

For the year ended December 28, 2024, cash provided by operating activities was approximately \$162.5 million, generated primarily from net income from operations of \$16.2 million which were increased by non-cash activities, including loss on disposal of inventory, equipment, and other assets of \$96.8 million, depreciation and amortization of \$48.5 million, and stock-based compensation of \$36.1 million, partially offset by a deferred income tax benefit of \$23.3 million. Other major changes in operating assets and liabilities include decreases in lease receivable, other current assets, other non-current liabilities, and income taxes payable of \$12.7 million, \$7.8 million, \$5.6 million, and \$5.4 million, respectively, primarily due to timing of payments; an increase in accounts receivable, inventories, accrued compensation, deferred revenue and other contract-related liabilities, accrued liabilities, accounts payable, deferred costs and other contract assets, and other non-current assets of \$55.3 million, \$22.5 million, \$22.2 million, \$17.9 million, \$15.6 million, \$10.6 million, \$3.9 million, and \$2.0 million, respectively, primarily due to timing of payments and inventory build-up.

Investing Activities. Cash used in investing activities for the year ended January 3, 2026 was approximately \$3.4 million, consisting primarily of approximately \$19.4 million for purchases of property and equipment, and approximately \$5.3 million of capitalized intangible asset related primarily to patent and trademark costs and license fees, which were offset by approximately of \$19.6 million from the sale of property and equipment, and approximately of \$1.7 million from the sale of strategic investments.

For the year ended December 28, 2024, cash used in investing activities was approximately \$24.9 million, consisting primarily of approximately \$21.1 million for purchases of property and equipment, approximately \$17.2 million of capitalized intangible asset related primarily to patent and trademark costs and license fees, and approximately \$0.1 million of strategic investments, which were offset by approximately of \$13.5 million from the sale of property and equipment.

Financing Activities. Cash used in financing activities for the year ended January 3, 2026 was approximately \$518.1 million, consisting primarily of repayments on the line of credit of approximately \$1,281.5 million, repurchases of common stock of approximately \$363.7 million, withholding of shares for employee payroll taxes for vested equity awards of approximately \$18.0 million, and debt issuance costs of approximately \$3.7 million, which were offset by proceeds from borrowings under the line of credit of approximately \$1,077.4 million and the issuance of common stock related to employee equity awards of approximately \$71.4 million.

For the year ended December 28, 2024, cash used in financing activities was approximately \$133.4 million, consisting primarily of repayments on the line of credit of approximately \$235.8 million, and withholding of shares for employee payroll taxes for vested equity awards of approximately \$11.8 million, which were offset by proceeds from borrowings under the line of credit of approximately \$89.0 million and the issuance of common stock related to employee equity awards of approximately \$25.2 million.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of net revenues, expenses, assets and liabilities. These estimates and judgments are based on historical experience and on various other factors that we believe to be reasonable under the circumstances, and form the basis for making management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. Although we regularly evaluate these estimates and assumptions, changes in judgments and uncertainties relating to these estimates could potentially result in materially different results under different assumptions and conditions. If these estimates differ significantly from actual results, the impact on the consolidated financial statements may be material. We believe that the critical accounting policies that are the most significant for purposes of fully understanding and evaluating our reported financial results include the following:

Revenue Recognition, Deferred Revenue and Other Contract Liabilities

We derive the majority of our revenue from four primary sources: (i) direct sales under deferred equipment agreements with end-user hospitals where we provide up-front monitoring equipment at no up-front charge in exchange for a multi-year sensor purchase commitment; (ii) other direct sales of noninvasive monitoring solutions to end-user hospitals, emergency medical response organizations and other direct customers; (iii) sales of noninvasive monitoring solutions to distributors who then typically resell to end-user hospitals, emergency medical response organizations and other customers; and (iv) sales of integrated circuit boards to OEM customers who incorporate our embedded software technology into their multiparameter monitoring devices. Subject to customer credit considerations, the majority of such sales are made on open account using industry standard payment terms based on the geography within which the specific customer is located.

We generally recognize revenue following a single, principles-based five-step model to be applied to all contracts with customers and generally provide for the recognition of revenue in an amount that reflects the consideration to which we expect to be entitled, net of allowances for estimated returns, discounts or sales incentives, as well as taxes collected from customers that are remitted to government authorities, when control over the promised goods or services are transferred to the customer. Revenue related to equipment supplied under sales-type lease arrangements is recognized once control over the equipment is transferred to the customer, while revenue related to equipment supplied under operating-type lease arrangements is generally recognized on a straight-line basis over the term of the lease.

While the majority of our sales transactions contain standard business terms and conditions, there are some transactions that contain non-standard business terms and conditions. As a result, contract interpretation and analysis is required to determine the appropriate accounting, including: (i) the amount of the total consideration, including variable consideration, (ii) whether the arrangement contains an embedded lease, and if so, whether such embedded lease is a sales-type lease or an operating lease, (iii) the identification of the distinct performance obligations contained within the arrangement, (iv) how the arrangement consideration should be allocated to each performance obligation when multiple performance obligations exist, including the determination of standalone selling price, and (v) when to recognize revenue on the performance obligations. Changes in judgments on these assumptions and estimates could materially impact the timing of revenue recognition.

We enter into agreements to sell our monitoring solutions and services, sometimes as part of arrangements with multiple performance obligations that include various combinations of distinct product sales, equipment leases and services. In the case of contracts with multiple performance obligations, the authoritative guidance provides that the total consideration be allocated to each performance obligation on the basis of relative standalone selling prices. When a standalone selling price is not readily observable, we estimate the standalone selling price by considering multiple factors including, but not limited to, features and functionality of the product, geographies, type of customer, contractual prices pursuant to Group Purchasing Organization (GPO) contracts, our pricing and discount practices, and other market conditions.

Sales under deferred equipment agreements are generally structured such that we agree to provide certain monitoring-related equipment, software, installation, training and/or warranty support at no up-front charge in exchange for the customer's commitment to purchase sensors over the term of the agreement, which generally ranges from three to six years. We allocate contract consideration under deferred equipment agreements containing fixed annual sensor purchase commitments to the underlying lease and non-lease components at contract inception. In determining whether any underlying lease components are related to a sales-type lease or an operating lease, we evaluate the customer's rights and ability to control the use of the underlying equipment throughout the contract term, including any equipment substitution rights retained by us, as well as our expectations surrounding potential contract/lease extensions or renewals and the customer's likelihood to exercise any purchase options. Revenue allocable to non-lease components is generally recognized as such non-lease components are satisfied. Revenue allocable to lease components under sales-type lease arrangements is generally recognized when control over the equipment is transferred to the customer. Revenue allocable to lease components under operating lease arrangements is generally recognized over the term of the operating lease. We generally do not expect to derive any significant value in excess of such asset's unamortized book value from equipment underlying our operating leases arrangements.

Revenue from direct sales of our products to end-user hospitals, emergency medical response organizations, other direct customers, distributors and OEM customers is generally recognized by us when control of such products transfer to the customer based upon the terms of the contract or underlying purchase order. Revenue related to OEM rainbow® parameter software licenses is recognized by us upon the OEM's shipment of its product to its customer, as reported to us by the OEM.

We provide certain customers with various sales incentives that may take the form of discounts or rebates. We estimate and provide allowances for these programs as a reduction to revenue at the time of sale. In general, customers do not have a right of return for credit or refund. However, we allow returns under certain circumstances. At the end of each period, we estimate and accrue for these returns as a reduction to revenue. We estimate the revenue constraints related to these forms of variable consideration based on various factors, including expected purchasing volumes, prior sales and returns history, and specific contractual terms and limitations.

Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined using a standard cost method, which approximates first-in, first-out method and includes material, labor and overhead costs. Inventory valuation reserves are recorded for materials that have become excess or obsolete or are no longer used in current production and for inventory items that have a market price less than the carrying value in inventory. We generally purchase raw materials in quantities that we anticipate will be fully used within one year. However, changes in operating strategy and customer demand, and frequent unpredictable fluctuations in market values for such materials, can limit our ability to effectively utilize all of the raw materials purchased and sold through resulting finished goods to customers for a profit. We regularly monitor potential inventory excess, obsolescence and lower market values compared to standard costs and, when necessary, reduce the carrying amount of our inventory to its market value.

We determine any required inventory valuation adjustments based on an evaluation of the expected future use of our inventory on an item by item basis. We apply historical obsolescence rates to estimate the loss on inventory expected to have a recovery value below cost. Our historical obsolescence rates are developed from our company specific experience for major categories of inventory, which are then applied to excess inventory on an item by item basis. We also record other specific inventory valuation adjustments when we become aware of other unique events that result in a known recovery value below cost. For inventory items that have been written down, the reduced value becomes the new cost basis. If our assumptions, judgments or estimates for potential inventory losses prove to be too low, our future earnings will be affected when any related additional inventory losses are recorded.

Goodwill

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the acquired net tangible and intangible assets. Goodwill is not amortized, but instead is tested annually for impairment, or more frequently when events or changes in circumstances indicate that goodwill might be impaired. In assessing goodwill impairment, we have the option to first assess the qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. We have one reporting unit, healthcare. Our qualitative assessment of the recoverability of goodwill considers various macro-economic, industry-specific and Company-specific factors, including: (i) severe adverse industry or economic trends; (ii) significant Company-specific actions; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in our market capitalization below its net book value. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, or if we elect to bypass the qualitative analysis, then we perform a quantitative analysis that compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired; otherwise, a goodwill impairment loss is recognized for the lesser of: (a) the amount that the carrying amount of such reporting unit exceeds its fair value; or (b) the amount of the goodwill allocated to such reporting unit. The annual impairment test is performed during the fourth fiscal quarter.

Determining the fair value of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue forecast projections, expected growth rates, future product launches and operating margins used to calculate projected future cash flows and risk-adjusted discount rates. In addition, we make certain judgments and assumptions in determining our reporting units. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Actual future results may differ from those estimates.

Indefinite-lived Intangible Assets and Long-lived Assets

Indefinite-lived intangible assets are not amortized but instead are subject to annual impairment testing, unless circumstances dictate more frequent testing, if impairment indicators exist. Impairment for indefinite-lived assets exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. Determining whether impairment indicators exist and estimating the fair value of our indefinite-lived intangible assets if necessary for impairment testing require significant judgment. Qualitative factors considered in this assessment include industry and market conditions, overall financial performance, and other relevant events and factors.

We review finite-lived intangible assets and long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted operating cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Determining the recoverability of finite-lived intangible assets and long-lived assets is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include revenue forecast projections, expected growth rates, future product launches and operating margins used to calculate projected future cash flows and the future market value of our asset group. In addition, we make certain judgments and assumptions in determining our asset group. We base our recoverability estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Actual future results may differ from those estimates.

Stock-Based Compensation

Our stock-based compensation awards are currently comprised of stock options, restricted stock units (RSUs) and performance share units (PSUs), all of which are equity-classified awards. For equity-classified awards granted on or after January 1, 2006, we estimate the fair value of the award on the date of grant and expense stock-based compensation over the requisite service period. In the case of PSUs, the amount of expense recognized is also dependent upon the expected achievement level for the specified performance criteria. The fair value of RSU and PSU awards is the closing price of our common stock on the grant date. To calculate the fair value of stock option awards, we use the Black-Scholes option pricing model, which, in addition to the closing price of our stock on the grant date and the option strike price, requires the input of subjective assumptions. These assumptions include the estimated length of time employees will retain their stock options before exercising them (the expected term), the estimated volatility of our stock price over the expected term and the dividend yield on our common stock. We estimate expected term based on both our specific historical option exercise experience, as well as expected term information available from a peer group of companies with similar vesting schedules. The estimated volatility is based on both the historical and implied volatilities of our share price.

Changes in the types and quantity of equity awards, as well as the fair market value of our stock may impact the cost of future stock option grants. In general, to the extent that the fair market value of our stock increases, the overall cost of granting these options will also increase. Any changes in the assumptions, judgments and estimates mentioned above could cause our actual stock-based compensation expense to vary, resulting in changes to future earnings. For further information, see Note 20, "Stock-Based Compensation" to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

Accounting for Income Taxes

We account for income taxes using the asset and liability method, under which we recognize deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for net operating loss and tax credit carryforwards. A tax position that meets a more-likely-than-not recognition threshold is recognized in the first reporting period that it becomes more-likely-than-not such tax position will be sustained upon examination. A tax position that meets this more-likely-than-not recognition threshold is recorded at the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Previously recognized income tax positions that fail to meet the recognition threshold in a subsequent period are derecognized in that period. Differences between actual results and our assumptions, or changes in our assumptions in future periods, are recorded in the period they become known. We record potential accrued interest and penalties related to unrecognized tax benefits in income tax expense.

As a multinational corporation, we are subject to complex tax laws and regulations in various jurisdictions. The application of tax laws and regulations is subject to legal and factual interpretation, judgment and uncertainty. Tax laws themselves are subject to change as a result of changes in fiscal policy, changes in legislation, evolution of regulations and court rulings. We have concluded all U.S. federal income tax matters for years through 2021 and all material state, local and foreign income tax matters for years through 2018. Given the foregoing, our actual liability for U.S. or foreign taxes may be materially different from our estimates, which could result in the need to record additional liabilities or potentially to reverse previously recorded tax liabilities.

Deferred tax assets (DTA) and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. A valuation allowance is recorded against any deferred tax assets when, in the judgment of management, it is more likely than not that all or part of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, we consider all positive and negative evidence, including recent financial performance, scheduled reversals of temporary differences, projected future taxable income, availability of taxable income in carryback periods and tax planning strategies.

Income taxes are highly susceptible to changes from period to period, requiring management to make assumptions about our future income over the lives of our DTAs and the impact of changes in valuation allowances. Any difference in the assumptions, judgments and estimates mentioned above could result in changes to our results of operations.

Litigation Costs and Contingencies

We record a charge equal to at least the minimum estimated liability for a loss contingency or litigation settlement when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that a liability had been incurred at the date of the financial statements and (ii) the range of loss can be reasonably estimated. The determination of whether a loss contingency or litigation settlement is probable or reasonably possible involves a significant amount of management judgment, as does the estimation of the range of loss given the nature of contingencies. Liabilities related to litigation settlements with multiple elements are recorded based on the fair value of each element. Legal and other litigation related expenses are recognized as the services are provided. We record insurance and other indemnity recoveries for litigation expenses when both of the following conditions are met: (i) the recovery is probable and (ii) collectability is reasonably assured. The insurance recoveries recorded are only to the extent the litigation costs have been incurred and recognized in the financial statements; however, it is reasonably possible that the actual recovery may be significantly different from our estimates. There are many uncertainties associated with any litigation, and we cannot provide assurance that any actions or other third-party claims against us will be resolved without costly litigation or substantial settlement charges. If any of those events were to occur, our business, financial condition and results of operations could be materially and adversely affected.

Recent Accounting Pronouncements

For details regarding any recently adopted and recently issued accounting standards, see Note 2, “Summary of Significant Accounting Policies” to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to various market risks that may arise from adverse changes in market rates and prices, such as interest rates, foreign exchange fluctuations and inflation. We do maintain a derivative instrument for cash flow hedging, but do not enter into derivatives or other financial instruments for trading or speculative purposes.

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to the increase or decrease in the amount of interest income we can earn on our cash and cash equivalents and on the increase or decrease in the amount of interest expense we must pay with respect to our various outstanding debt instruments. As of January 3, 2026, the carrying value of our cash equivalents approximated fair value. We manage our risk associated with interest rate fluctuations related to interest expenses under our Credit Facility by engaging in hedging activities. Since July 2022, we have entered into various interest rate swap contracts to hedge our exposure to changes in cash flows associated with our outstanding debt with variable interest rates. The interest rate swap contracts have maturities averaging five years or less. See Note 17, “Derivative Instruments and Hedging Activities”, to our accompanying consolidated financial statements included in Item 15(a) of this Annual Report on Form 10-K for further details.

A hypothetical 100 basis point change in interest rates along the entire interest rate yield curve would increase or decrease our interest rate yields on our investments, interest income by approximately \$0.1 million for each \$10.0 million in interest-bearing investments and by \$0.1 million for each additional \$10.0 million of investments.

A hypothetical 100 basis point change in interest rates would increase or decrease our interest expense by approximately \$0.3 million for the quarter ended January 3, 2026 and approximately \$1.0 million for the year ended January 3, 2026, in each case based on average debt outstanding and net of interest rate swap contracts.

We sponsor several defined benefit pension plans covering certain international employees. The aggregate fair value of the plans’ investments was \$24.8 million as of January 3, 2026. The plans’ assets may be subject to market risk, interest rate risk, and credit risk, which may affect the value of the plans’ assets and the funding of the plans.

Increases in interest rates globally may impact the value of pension plan assets held by us. When interest rates increase, the value of fixed income securities, such as bonds, may decrease, which can negatively impact the fair value of the pension plan assets. However, interest rate increases may also improve the funded status of plan by increasing the discount rate used to measure the present value of the pension obligations and potentially decreasing our requirement to make contributions to the plan. The most significant actuarial assumption affecting pension expense and pension obligations is discount rates. A hypothetical increase of 100 basis point in discount rates would result in a decrease of approximately \$0.3 million in the projected benefit obligation. The impact of interest rate increases on the pension plan assets and funded status may not be predictable and may vary from period to period.

See Notes 2, “Summary of Significant Accounting Policies” and 21, “Employee Benefits” to our accompanying consolidated financial statements included in Part IV, Item 15(a) of this Annual Report on Form 10-K. for further discussion of these assets.

Foreign Currency Exchange Rate Risk

A majority of our assets and liabilities are maintained in the United States in U.S. Dollars and a majority of our sales and expenditures are transacted in U.S. Dollars. However, we also transact with foreign customers in currencies other than the U.S. Dollar. These foreign currency revenues, when converted into U.S. Dollars, can vary depending on average exchange rates during a respective period. In addition, certain of our foreign subsidiaries transact in their respective country's local currency, which is also their functional currency. As a result, expenses of these foreign subsidiaries, when converted into U.S. Dollars can also vary depending on average monthly exchange rates during a respective period.

We are exposed to foreign currency gains or losses on outstanding foreign currency denominated receivables and payables, as well as our foreign currency denominated cash balances and certain intercompany transactions. In addition, other transactions between us or our subsidiaries and a third-party, denominated in a currency different from the functional currency, are foreign currency transactions. Realized and unrealized foreign currency gains or losses on these transactions are also included in our statements of operations as incurred.

The balance sheets of each of our foreign subsidiaries whose functional currency is not the U.S. Dollar are translated into U.S. Dollars at the rate of exchange at the balance sheet date and the statements of comprehensive income and cash flows are translated into U.S. Dollars using an approximation of the average monthly exchange rates applicable during the period. Any foreign exchange gain or loss as a result of translating the balance sheets of our foreign subsidiaries whose functional currency is not the U.S. Dollar is included in equity as a component of accumulated other comprehensive income. Our foreign currency exchange rate exposures are primarily with the Saudi Riyal and European Euro. Foreign currency exchange rates may experience significant volatility from one period to the next.

We do not use derivatives or financial instruments for trading or speculative purposes. The effect of additional changes in foreign currency exchange rates could have a material effect on our future operating results or cash flows, depending on which foreign currency exchange rates change and depending on the directional change (either a strengthening or weakening against the U.S. Dollar). We estimate that the potential impact of a hypothetical 10% adverse change in all applicable foreign currency exchange rates from the rates in effect as of January 3, 2026 would have resulted in an estimated reduction of \$38.9 million in reported pre-tax income for the year ended January 3, 2026. As our foreign operations continue to grow, our exposure to foreign currency exchange rate risk may become more significant.

Inflation Risk

We believe that inflationary pressures on commodity prices, labor costs, and transportation directly impacted our business during the year ended 2024. Though we believe that the easing of interest rates throughout 2024 had a positive impact on the return of consumer discretionary spending in 2025, any inherent volatility could have a significant material adverse effect on our business, financial condition or results of operations, and may have an adverse effect on us in the future. We are unable to estimate or determine the exact impact of inflation on our global business, financial condition or results of operations during the periods presented.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements and supplementary data required by this item are set forth at the pages indicated in Part IV, Item 15(a)(1) and 15(a)(2), respectively, of this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) promulgated under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. We recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Annual Report on Form 10-K.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) promulgated by the SEC under the Exchange Act. All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect all misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our internal control over financial reporting was effective as of January 3, 2026.

Grant Thornton LLP, an independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of January 3, 2026. Their attestation report, which expresses an unqualified opinion on the effectiveness of our internal control over financial reporting as of January 3, 2026 is included in Part IV, Item 15(a)(1) of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

During the three months ended January 3, 2026, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

During the three months ended January 3, 2026, none of our directors or officers (as defined in Section 16 of the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement," as defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated by reference from the information contained in our Definitive Proxy Statement to be filed with the SEC in connection with the Annual Meeting of Stockholders to be held in 2026 (2026 Proxy Statement).

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is incorporated by reference from the information contained in the 2026 Proxy Statement.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements

The Consolidated Financial Statements of Masimo Corporation and Reports of Grant Thornton LLP, Independent Registered Public Accounting Firm (PCAOB ID 248), are included in a separate section of this Annual Report on Form 10-K beginning on page F-1.

(a)(2) Financial Statement Schedules

The financial statement schedule is included in a separate section of this Annual Report on Form 10-K beginning on page F-1.

(a)(3) Exhibits

<u>Exhibit Number</u>	<u>Description of Document</u>
2.1 [^]	Agreement and Plan of Merger, dated as of February 16, 2026, by and among Masimo Corporation, Danaher Corporation and Mobius Merger Sub, Inc. (incorporated by reference herein to Exhibit 2.1 to the Registrant's Current report on Form 8-K filed with the Securities and Exchange Commission on February 17, 2026).
3.1	Amended and Restated Certificate of Incorporation (incorporated herein by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (No. 333-142171) originally filed with the Securities and Exchange Commission on April 17, 2007).
3.2	Certificate of Amendment to Amended and Restated Certificate of Incorporation, dated June 28, 2023 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 28, 2023).
3.3	Sixth Amended and Restated Bylaws of Masimo Corporation dated February 12, 2025 (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 19, 2025).
4.1	Amended Form of Common Stock Certificate (incorporated herein by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 16, 2022).
4.2#	Masimo Retirement Savings Plan (incorporated herein by reference to Exhibit 4.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 10, 2022).
4.3	Description of Securities of Masimo Corporation.
10.1#	Form of Indemnity Agreement between the Registrant and its officers and directors (incorporated herein by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1 (No. 333-142171) originally filed with the Securities and Exchange Commission on April 17, 2007).
10.2#	2007 Stock Incentive Plan of the Registrant, and forms of agreements related thereto (incorporated herein by reference to Exhibit 10.33 to the Registrant's Registration on Form S-1 (No. 333-142171) originally filed with the Securities and Exchange Commission on April 17, 2007).
10.3#	Amended and Restated 2007 Severance Protection Plan and Summary Plan Description, effective December 31, 2008 (incorporated herein by reference to Exhibit 10.11 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 15, 2013).
10.4#	Masimo Corporation 2017 Equity Incentive Plan (incorporated herein by reference to Appendix B to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-33642) filed with the Securities and Exchange Commission on April 12, 2017).
10.5#	Masimo Corporation Executive Bonus Incentive Plan (incorporated herein by reference to Appendix D to the Registrant's Definitive Proxy Statement on Schedule 14A (File No. 001-33642) filed with the Securities and Exchange Commission on April 16, 2020).
10.6†	Manufacturing and Purchase Agreement, dated October 2, 2008, by and between Analog Devices, Inc. and the Registrant (incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 9, 2022).
10.7†	Purchase Agreement, dated July 26, 2001, between Jabil Circuit, Inc. and the Registrant (incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 10, 2022).
10.8†	Shelter Labor Services Agreement, dated December 27, 2000, between Industrial Vallera de Mexicali, S.A. de C.V. and the Registrant (incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 10, 2022).

Exhibit Number	Description of Document
10.9†	Lease Agreement effective as of September 1, 2007, by and among Industrias Asociadas Maquiladoras, S.A. de C.V., Industrial Vallera de Mexicali, S.A. de C.V. and the Registrant, as guarantor (incorporated herein by reference to Exhibit 10.23 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2019).
10.10†	First Amendment, Lease Agreement effective as of December 17, 2013, by and among Industrias Asociadas Maquiladoras, S.A. de C.V., Industrial Vallera de Mexicali, S.A. de C.V. and the Registrant, as guarantor (incorporated herein by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2021).
10.11^	Third Amendment Agreement, dated August 1, 2024, entered into by and between Industrial Vallera de Mexicali, S.A. de C.V. and Masimo Corporation (incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 6, 2024).
10.12^*	Fifth Amendment Agreement, dated November 28, 2025, entered into by and and between Industrial Vallera de Mexicali, S.A. de C.V. and the Registrant, as guarantor.
10.13†	Settlement Agreement and Release of Claims, dated January 17, 2006, between Cercacor Laboratories, Inc., Nellcor Puritan Bennett, Inc., Mallinckrodt, Inc., Tyco Healthcare Group LP, Tyco International Ltd., Tyco International (US) Inc. and the Registrant (incorporated herein by reference to Exhibit 10.30 to the Registrant's Registration Statement on Form S-1 (No. 333-142171) originally filed with the Securities and Exchange Commission on April 17, 2007).
10.14†	Second Amendment to the January 17, 2006 Settlement Agreement and Release of Claims, as amended pursuant to the January 24, 2006 Amendment to Settlement Agreement and Release of Claims, dated January 28, 2011, by and among Masimo Corporation, Masimo Laboratories, Inc., Nellcor Puritan Bennett LLC, Mallinckrodt Inc., Tyco Healthcare Group LP and Covidien Inc. (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 31, 2011).
10.15†	Third Amendment to Settlement Agreement and Release of Claims, dated as of September 1, 2016, by and among Masimo Corporation and Cercacor Laboratories, Inc., and Medtronic Plc., Covidien LP, Nellcor Puritan Bennett LLC and Covidien Holdings Inc.
10.16+	Amended and Restated Cross-Licensing Agreement, effective January 1, 2007, between Cercacor Laboratories, Inc. and the Registrant (incorporated herein by reference to Exhibit 10.34 to the Registrant's Registration Statement on Form S-1 (No. 333-142171) originally filed with the Securities and Exchange Commission on April 17, 2007).
10.17	Services Agreement, effective January 1, 2007, between Willow Laboratories, Inc. and the Registrant (incorporated herein by reference to Exhibit 10.35 to the Registrant's Registration Statement on Form S-1 (No. 333-142171) originally filed with the Securities and Exchange Commission on April 17, 2007).
10.18†	Settlement and Covenant Not to Sue Agreement, entered into as of the Effective Date of November 16, 2015, between Masimo Corporation, Masimo Technologies SARL, and Masimo International SARL and Mindray Medical International, Limited, Shenzhen Mindray Biomedical Electronics Co., Ltd and Mindray DS USA, Inc. (incorporated herein by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2021).
10.19	Third Amendment to June 22, 2012 Lease Agreement, relating to the premises at 9600 Jeronimo, between the Registrant and Irvine Company, LLC (incorporated herein by reference to Exhibit 10.48 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 24, 2016).
10.20	Single-Tenant Lease, relating to the premises at 9600 Jeronimo, dated as of July 13, 2016, by and between Masimo Corporation and The Irvine Company LLC (incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 3, 2016).
10.21†	Settlement Agreement, dated November 5, 2016, by and between Masimo Corporation, Masimo International Technologies SARL and Masimo International SARL and Koninklijke Philips N.V. (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 7, 2016).
10.22#	Offer Letter, dated September 22, 2017, between the Company and Micah Young (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 25, 2017).
10.23#	Amended and Restated 2007 Severance Protection Plan Agreement, dated March 30, 2022, by and between the Registrant and Micah Young (incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 3, 2022).

Exhibit Number	Description of Document
10.24#	Offer letter, by and between Masimo Corporation and Catherine Szyman, dated January 17, 2025 (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 21, 2025).
10.25#	Offer letter, by and between Masimo Corporation and Lisa Hellmann, dated March 24, 2025 (incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 5, 2025).
10.26#	Offer letter, by and between Masimo Corporation and Tim Benner, dated April 25, 2025 (incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 5, 2025).
10.27#	Offer letter, by and between Masimo Corporation and Omar Ahmed, dated July 3, 2025 (incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.28#	Offer letter, by and between Masimo Corporation and Greg Meehan, dated July 8, 2025 (incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.29#	Offer letter, by and between Masimo Corporation and Charles Dadswell, dated August 11, 2025 (incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.30#	Amended and Restated 2007 Severance Protection Plan Agreement, dated May 23, 2025, by and between the Registrant and Lisa Hellmann (incorporated by reference to Exhibit 10.24 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.30*	Credit Agreement dated as of December 1, 2025, among Masimo Corporation as the Borrower, the Lenders and Issuing Banks Party Hereto and Bank of America, N.A., as Administrative Agent.
10.31	Masimo Corporation Indemnity Agreement (incorporated herein by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.32‡	Stock Purchase Agreement, dated May 6, 2025, by and between Masimo Corporation and Harman International Industries, Incorporated (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 7, 2025).
10.33	Voting and Support Agreement, dated as of February 16, 2026, by and among Masimo Corporation, Danaher Corporation, Mobius Merger Sub, Inc. and Politan Capital Management LP., (incorporated herein by reference to Exhibit 10.1 to the Registrant's Current report on Form 8-K filed with the Securities and Exchange commission on February 17, 2026).
19	Masimo Insider Trading Policy (incorporated herein by reference to Exhibit 19 to the Registrant's Quarterly Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).
21.1*	List of Registrant's Subsidiaries.
23.1*	Consent of Independent Registered Public Accounting Firm.
31.1*	Certification of Catherine Szyman, Chief Executive Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended.
31.2*	Certification of Micah Young, Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended.
32.1*	Certification of Catherine Szyman, Chief Executive Officer, and Micah Young, Chief Financial Officer, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended.
97	Masimo Corporation Clawback Policy (incorporated herein by reference to Exhibit 97 to the Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2025).

Attached as Exhibit 101 to this report are the following formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of January 3, 2026 and December 28, 2024, (ii) Consolidated Statements of Operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, (iii) Consolidated Statements of Comprehensive Income for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, (iv) Consolidated Statements of Stockholders' Equity for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, (v) Consolidated Statements of Cash Flows for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, and (vi) Notes to Consolidated Financial Statements.

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- * Filed herewith.
 - ** Furnished herewith.
 - # Indicates management contract or compensatory plan.
 - + The SEC has granted confidential treatment with respect to certain portions of this exhibit. Omitted portions have been filed separately with the SEC.
 - † Certain identified information has been omitted pursuant to Item 601(b)(10) of Regulation S-K because such information is both (i) not material and (ii) of the type that the Registrant customarily and actually treats as private or confidential. The Registrant hereby undertakes to furnish supplemental copies of the unredacted exhibit upon request by the SEC.
 - ‡ Non-material schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant hereby undertakes to furnish supplementally copies of any of the omitted schedules and exhibits upon request by the SEC.
 - ^ Schedules have been omitted from this filing pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally a copy of any omitted schedule to the SEC upon its request; provided, however, that the Registrant may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934, as amended, for any schedule so furnished.

(b) Exhibits

See Item 15(a)(3) above.

(c) Financial Statement Schedules

See Item 15(a)(2) above.

ITEM 16. FORM 10-K SUMMARY

None.

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULE
MASIMO CORPORATION**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Masimo Corporation

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Masimo Corporation (a Delaware corporation) and subsidiaries (the “Company”) as of January 3, 2026 and December 28, 2024, the related consolidated statements of operations, comprehensive (loss) income, stockholders’ equity, and cash flows for the years ended January 3, 2026, December 28, 2024, and December 30, 2023, and the related notes and financial statement schedule included under Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of January 3, 2026 and December 28, 2024, and the results of its operations and its cash flows for the years ended January 3, 2026, December 28, 2024, and December 30, 2023, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of January 3, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 26, 2026 expressed an unqualified opinion.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2006.

San Francisco, California
February 26, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Masimo Corporation

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Masimo Corporation (a Delaware corporation) and subsidiaries (the “Company”) as of January 3, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 3, 2026, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the consolidated financial statements of the Company as of and for the year ended January 3, 2026, and our report dated February 26, 2026 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

San Francisco, California
February 26, 2026

MASIMO CORPORATION
CONSOLIDATED BALANCE SHEETS
(in millions, except par value)

	January 3, 2026	December 28, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 152.3	\$ 123.6
Trade accounts receivable, net of allowance for credit losses of \$4.5 and \$3.5 at January 3, 2026 and December 28, 2024, respectively	260.9	268.9
Related party receivables - (Note 3)	14.9	14.3
Assets held-for-sale - (Note 8)	—	17.4
Inventories	380.3	294.8
Other current assets	116.6	103.4
Other current assets, held-for-sale - (Note 18)	1.0	403.4
Total current assets	926.0	1,225.8
Lease receivable, non-current	43.1	58.7
Deferred costs and other contract assets	62.6	61.0
Property and equipment, net	355.1	337.0
Intangibles assets, net	52.1	61.6
Goodwill	101.0	96.7
Deferred tax assets	114.2	118.4
Other non-current assets	44.7	51.3
Other non-current assets, held-for-sale - (Note 18)	0.1	615.2
Total assets	\$ 1,698.9	\$ 2,625.7
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable	\$ 103.0	\$ 129.0
Accrued compensation	83.7	78.7
Deferred revenue and other contract-related liabilities, current	73.2	76.9
Other current liabilities	109.2	115.4
Other current liabilities, held-for-sale - (Note 18)	2.5	217.7
Total current liabilities	371.6	617.7
Long-term debt	518.0	714.3
Deferred tax liabilities	0.2	0.2
Other non-current liabilities	87.8	70.9
Other non-current liabilities, held-for-sale - (Note 18)	0.1	170.7
Total liabilities	977.7	1,573.8
Commitments and contingencies - (Note 24)		
Stockholders' equity		
Preferred stock, \$0.001 par value; 5.0 shares authorized; 0.0 shares issued and outstanding	—	—
Common stock, \$0.001 par value; 100.0 shares authorized; 52.1 and 53.6 shares issued and outstanding at January 3, 2026 and December 28, 2024, respectively	0.1	0.1
Treasury stock, 22.0 and 19.5 shares at January 3, 2026 and December 28, 2024, respectively	(1,534.9)	(1,169.2)
Additional paid-in capital	929.1	838.3
Accumulated other comprehensive loss	(12.5)	(108.2)
Retained earnings	1,339.4	1,490.9
Total stockholders' equity	721.2	1,051.9
Total liabilities and stockholders' equity	\$ 1,698.9	\$ 2,625.7

The accompanying notes are an integral part of these consolidated financial statements.

MASIMO CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in millions, except per share information)

	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Revenue:			
Product revenue	\$ 1,408.4	\$ 1,281.1	\$ 1,181.6
Related party revenue - (Note 3)	118.5	114.1	93.9
Total revenue	1,526.9	1,395.2	1,275.5
Cost of goods sold	581.7	600.9	509.9
Gross profit	945.2	794.3	765.6
Operating expenses:			
Selling, general and administrative	506.0	548.6	451.3
Research and development	126.4	182.2	130.5
Litigation settlements	2.8	0.5	17.8
Total operating expenses	635.2	731.3	599.6
Operating income	310.0	63.0	166.0
Non-operating loss	(37.4)	(41.2)	(53.0)
Income from continuing operations before provision for income taxes	272.6	21.8	113.0
Provision for income taxes	64.9	5.6	5.3
Net income from continuing operations, net of tax	207.7	16.2	107.7
Net (loss) from discontinued operations, net of tax - (Note 18)	(359.2)	(321.1)	(26.2)
Net (loss) income	\$ (151.5)	\$ (304.9)	\$ 81.5
Net (loss) income per share:			
Basic income per share - continuing operations	\$ 3.88	\$ 0.30	\$ 2.04
Basic (loss) per share - discontinued operations	(6.70)	(6.02)	(0.50)
Basic (loss) income per share	\$ (2.83)	\$ (5.72)	\$ 1.54
Diluted income per share - continuing operations	\$ 3.83	\$ 0.30	\$ 1.99
Diluted (loss) per share - discontinued operations	(6.63)	(5.90)	(0.48)
Diluted (loss) income per share	\$ (2.80)	\$ (5.60)	\$ 1.51
Weighted-average shares used in per share calculations:			
Basic	53.6	53.3	52.8
Diluted	54.2	54.4	54.1

The accompanying notes are an integral part of these consolidated financial statements.

MASIMO CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(in millions)

	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Net (loss) income	\$ (151.5)	\$ (304.9)	\$ 81.5
Other comprehensive (loss) gain, net of tax:			
Unrealized gain (loss) from foreign currency translation adjustments	56.5	(61.8)	(45.1)
Reclass of unrealized foreign currency translation losses upon disposition of discontinued operations	44.5	—	—
Net change in retirement obligations	(0.5)	0.2	(2.9)
Unrealized (loss) on cash flow hedge ⁽¹⁾	(4.8)	(1.3)	(8.8)
Total comprehensive (loss) income	<u>\$ (55.8)</u>	<u>\$ (367.8)</u>	<u>\$ 24.7</u>

⁽¹⁾ See Note 17, “Derivative Instruments and Hedging Activities”, for further details.

The accompanying notes are an integral part of these consolidated financial statements.

MASIMO CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions)

	Common Stock		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2022	52.5	\$ 0.1	19.5	\$ (1,169.2)	\$ 782.2	\$ 11.5	\$ 1,714.3	\$ 1,338.9
Stock options exercised	0.2	—	—	—	7.1	—	—	7.1
Restricted/Performance stock units vested	0.2	—	—	—	—	—	—	—
Shares paid for tax withholding	(0.1)	—	—	—	(12.9)	—	—	(12.9)
Stock-based compensation	—	—	—	—	7.0	—	—	7.0
Net change on pension obligations	—	—	—	—	—	(2.9)	—	(2.9)
Unrealized (loss) on cash flow hedge	—	—	—	—	—	(8.8)	—	(8.8)
Net income	—	—	—	—	—	—	81.5	81.5
Foreign currency translation adjustment	—	—	—	—	—	(45.1)	—	(45.1)
Balance at December 30, 2023	52.8	0.1	19.5	(1,169.2)	783.4	(45.3)	1,795.8	1,364.8
Stock options exercised	0.6	—	—	—	25.2	—	—	25.2
Restricted/Performance stock units vested	0.3	—	—	—	—	—	—	—
Shares paid for tax withholding	(0.1)	—	—	—	(11.8)	—	—	(11.8)
Stock-based compensation	—	—	—	—	41.5	—	—	41.5
Net change on pension obligations	—	—	—	—	—	0.2	—	0.2
Unrealized (loss) on cash flow hedge	—	—	—	—	—	(1.3)	—	(1.3)
Net (loss)	—	—	—	—	—	—	(304.9)	(304.9)
Foreign currency translation adjustment	—	—	—	—	—	(61.8)	—	(61.8)
Balance at December 28, 2024	53.6	0.1	19.5	(1,169.2)	838.3	(108.2)	1,490.9	1,051.9
Stock options exercised	0.8	—	—	—	71.4	—	—	71.4
Restricted/Performance stock units vested	0.3	—	—	—	—	—	—	—
Shares paid for tax withholding	(0.1)	—	—	—	(18.0)	—	—	(18.0)
Stock-based compensation	—	—	—	—	37.4	—	—	37.4
Repurchases of common stock	(2.5)	—	2.5	(365.7)	—	—	—	(365.7)
Reclassification of unrealized foreign currency translation losses upon disposition of discontinued operations	—	—	—	—	—	44.5	—	44.5
Net change on pension obligations	—	—	—	—	—	(0.5)	—	(0.5)
Unrealized (loss) on cash flow hedge	—	—	—	—	—	(4.8)	—	(4.8)
Net (loss)	—	—	—	—	—	—	(151.5)	(151.5)
Foreign currency translation adjustment	—	—	—	—	—	56.5	—	56.5
Balance at January 3, 2026	52.1	\$ 0.1	22.0	\$ (1,534.9)	\$ 929.1	\$ (12.5)	\$ 1,339.4	\$ 721.2

The accompanying notes are an integral part of these consolidated financial statements.

MASIMO CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Cash flows from operating activities:			
Net (loss) income	\$ (151.5)	\$ (304.9)	\$ 81.5
Loss from discontinued operations, net of tax	(359.2)	(321.1)	(26.2)
Net income from continuing operations, net of tax	207.7	16.2	107.7
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation and amortization	38.8	48.5	38.9
Stock-based compensation	35.8	36.1	6.1
Amortization of debt issuance costs	3.0	1.9	1.9
Loss on disposal of inventory, equipment and other assets	7.0	96.8	0.8
Provision for credit losses	3.0	1.2	1.1
Benefit from deferred income taxes	11.8	(23.3)	(19.8)
Changes in operating assets and liabilities:			
(Increase) decrease in trade accounts receivable	2.2	(55.3)	54.4
(Increase) decrease in related party receivable	(0.7)	(7.0)	4.0
(Increase) decrease in inventories	(112.1)	(22.5)	(106.4)
(Increase) decrease in other current assets	11.5	7.8	31.2
(Increase) decrease in lease receivable, net	15.7	12.7	1.7
(Increase) decrease in deferred costs and other contract assets	(2.5)	(3.9)	(14.6)
(Increase) decrease in other non-current assets	5.5	(2.0)	3.9
Increase (decrease) in accounts payable	(27.1)	10.6	(8.4)
Increase (decrease) in accrued compensation	12.2	22.2	(11.8)
Increase (decrease) in deferred revenue and other contract-related liabilities	3.7	17.9	8.8
Increase (decrease) in income taxes payable	3.9	(5.4)	0.2
Increase (decrease) in accrued liabilities	(7.3)	15.6	0.3
Increase (decrease) in other non-current liabilities	5.1	(5.6)	(0.4)
Net cash provided by (used in) operating activities from continuing operations	217.2	162.5	99.6
Net cash provided by (used in) operating activities from discontinued operations	0.6	33.9	(5.5)
Net cash provided by (used in) operating activities	217.8	196.4	94.1
Cash flows from investing activities:			
Purchases of property and equipment	(19.4)	(21.1)	(38.4)
Proceeds from the disposal of property and equipment	19.6	13.5	—
Increase in intangible assets	(5.3)	(17.2)	(23.4)
Other strategic investing activities	1.7	(0.1)	(1.0)
Net cash provided by (used in) investing activities from continuing operations	(3.4)	(24.9)	(62.8)
Net cash provided by (used in) investing activities from discontinued operations	278.5	(26.3)	(18.4)
Net cash provided by (used in) investing activities	275.1	(51.2)	(81.2)
Cash flows from financing activities:			
Borrowings under revolving line of credit and term loan	1,077.4	89.0	173.3
Repayments under revolving line of credit and term loan	(1,281.5)	(235.8)	(238.4)
Proceeds from issuance of common stock	71.4	25.2	7.0
Repurchases of common stock	(363.7)	—	—
Payroll tax withholdings on behalf of employees for stock options	(18.0)	(11.8)	(12.9)
Debt issuance costs	(3.7)	—	—

Net cash provided by (used in) financing activities from continuing operations	(518.1)	(133.4)	(71.0)
Net cash provided by (used in) financing activities from discontinued operations	(2.6)	7.8	13.9
Net cash provided by (used in) financing activities	<u>(520.7)</u>	<u>(125.6)</u>	<u>(57.1)</u>
Effect of foreign currency exchange rates on cash	(0.3)	(6.4)	2.8
Net increase in cash, cash equivalents and restricted cash	(28.1)	13.2	(41.4)
Cash, cash equivalents and restricted cash at beginning of period	181.4	168.2	209.6
Cash, cash equivalents and restricted cash at end of period	<u>\$ 153.3</u>	<u>\$ 181.4</u>	<u>\$ 168.2</u>

The accompanying notes are an integral part of these consolidated financial statements.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of the Company

Masimo Corporation (the “Company”) is a global medical technology company that develops and produces a wide array of industry-leading patient monitoring technologies, including innovative measurements, sensors, and patient monitors. Powered by the Masimo Hospital Automation and Masimo SafetyNet platforms, Masimo connectivity, automation, telehealth and telemonitoring solutions are improving and automating care both in the hospital and beyond. As of January 3, 2026, the Company operates one reportable segment: healthcare. See Note 25, “Segment and Enterprise Reporting” for additional information about reportable segment.

The Company’s healthcare products and patient monitoring solutions generally incorporate a monitor or circuit board, proprietary single-patient use or reusable sensors, software and/or cables. The Company primarily sells its healthcare products to hospitals, emergency medical service providers, home care providers, physician offices, veterinarians, and long-term care facilities through its direct sales force, distributors and original equipment manufacturer (OEM) partners.

The Company’s former non-healthcare consumer business incorporated audio and home integration technologies, which were primarily sold or licensed direct-to-consumers, or through authorized retailers and wholesalers.

As of December 28, 2024, the non-healthcare consumer business remained part of the Company’s continuing operations, but was being evaluated for divestiture. As of March 29, 2025, as the sales evaluation process progressed, the non-healthcare consumer business was classified as held-for-sale, and reported as discontinued operations. On May 6, 2025, the Company announced that it entered into a definitive agreement to sell Viper Holdings Corporation, a Delaware corporation which previously owned and operated the Company’s non-healthcare business (together with its subsidiaries, “Sound United”) to Harman International Industries, Incorporated, a wholly-owned subsidiary of Samsung Electronics., Ltd. On September 23, 2025, the Company completed the sale of Sound United. For additional information with respect to the non-healthcare consumer business separation, discontinued operations of this business and sale, see Note 18, “Discontinued Operations”.

The terms “the Company” and “Masimo” refer to Masimo Corporation and, where applicable, its consolidated subsidiaries.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and include the accounts of the Company and its wholly-owned or controlled subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Fiscal Periods

The Company follows a conventional 52/53 week fiscal year. Under a conventional 52/53 week fiscal year, a 52 week fiscal year includes four quarters of 13 weeks while a 53 week fiscal year includes three 13 week fiscal quarters and one 14 week fiscal quarter. The Company’s last 53 week fiscal year was fiscal year 2020. Fiscal year 2025 is a 53 week fiscal year ending January 3, 2026. All references to years in these notes to consolidated financial statements are fiscal years unless otherwise noted.

Reclassifications

Certain amounts for the current and comparative periods in the accompanying consolidated financial statements have been reclassified or recast to conform to the discontinued operations presentation, including certain balance sheets, statements of operations, statements of comprehensive (loss) income, and statements of cash flows in the consolidated financial statements for the year ended December 28, 2024 and December 30, 2023, see Note 18, “Discontinued Operations”.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Use of Estimates

The Company prepares its financial statements in conformity with GAAP, which requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates include the determination of standalone selling prices, variable consideration, total consideration allocated to each performance obligation within a contract, inventory valuation, valuation of the Company's equity awards, impairment of long-lived assets, intangible assets and goodwill; derivative and equity instruments, deferred taxes and any associated valuation allowances, deferred revenue, accounting for pensions, uncertain income tax positions, litigation costs, and related accruals. See Note 24, "Commitments and Contingencies" for further details. Actual results could differ from such estimates.

Assets Held-For-Sale and Discontinued Operations

In the third quarter of 2024, the Company announced that its board of directors (the "Board") remained committed to the previously announced review of alternatives for the Company's non-healthcare business, and that the Board had engaged Centerview Partners and Morgan Stanley as financial advisors and Sullivan & Cromwell as a legal advisor. As of December 28, 2024, the non-healthcare business remained part of the Company's continuing operations. The sales process progressed in early 2025, and during the first quarter of 2025, the non-healthcare business was classified as held-for-sale and reported in discontinued operations. On May 6, 2025, the Company announced that it entered into a definitive agreement to sell Sound United to Harman International Industries, Incorporated, a wholly-owned subsidiary of Samsung Electronics., Ltd. On September 23, 2025, the Company completed the sale of Sound United.

The non-healthcare business results for the periods presented are reflected in our consolidated statements of operations and consolidated statement of cash flows as discontinued operations. Additionally, the related assets and liabilities are classified as held-for-sale in our consolidated balance sheets, see Note 18, "Discontinued Operations".

Unless otherwise indicated, the financial disclosures and related information provided herein relate to our continuing operations, which exclude our non-healthcare business, and we have recast prior period amounts to conform to this discontinued operations presentation.

Fair Value Measurements

The Company accounts for certain financial instruments at their fair values as either assets or liabilities on the balance sheet. The Company determines the fair value of its financial instruments using the framework prescribed by ASC Topic 820, *Fair Value Measurements and Disclosures*, and considers the estimated amount the Company would receive or pay to transfer these instruments at the reporting date with respect to current currency exchange rates, interest rates, the creditworthiness of the counterparty for unrealized gain positions and the Company's creditworthiness for unrealized loss positions. In certain instances, the Company may utilize financial models to measure the fair value of its financial instruments. In doing so, the Company uses inputs that include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, other observable inputs for the asset or liability and inputs derived principally from, or corroborated by, observable market data by correlation or other means.

Recurring Fair Value Measurement

On a recurring basis, the Company measures certain financial assets and financial liabilities at fair value based upon quoted market prices. Where quoted market prices or other observable inputs are not available, the Company applies valuation techniques to estimate fair value. Authoritative guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

- Level 1—Quoted prices in active markets for *identical* assets or liabilities.
- Level 2—Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for *similar* assets or liabilities, quoted prices in markets that are not active, or other inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following tables represent the Company's financial assets, measured at fair value on a recurring basis at January 3, 2026:

(in millions)	Total Carrying Value	Fair Value Measurement Hierarchy		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 55.5	\$ 55.5	\$ —	\$ —
Money market funds	96.8	96.8	—	—
Pension assets				
Cash and cash equivalents ⁽¹⁾	(0.9)	(0.9)	—	—
Equity securities	9.8	9.8	—	—
Debt securities	8.4	8.4	—	—
Real estate funds	4.7	4.7	—	—
Alternative investments	1.9	—	1.9	—
Other	0.9	—	0.9	—
Derivative instruments - cash flow hedges ⁽²⁾	1.0	1.0	—	—
Total assets	\$ 178.1	\$ 175.3	\$ 2.8	\$ —
Liabilities				
Derivative instruments - cash flow hedges	\$ 1.4	\$ 1.4	\$ —	\$ —
Pension benefit obligation	30.3	30.3	—	—
Total liabilities	\$ 31.7	\$ 31.7	\$ —	\$ —

⁽¹⁾ Due to the timing of a cash transfer, there was a payable as of January 3, 2026, resulting in a negative allocation as of year end.

⁽²⁾ Includes accrued interest.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following tables represent the Company’s financial assets, measured at fair value on a recurring basis at December 28, 2024:

(in millions)	Total Carrying Value	Fair Value Measurement Hierarchy		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 51.0	\$ 51.0	\$ —	\$ —
Money market funds	72.6	72.6	—	—
Pension assets				
Cash and cash equivalents ⁽¹⁾	(1.3)	(1.3)	—	—
Equity securities	6.9	6.9	—	—
Debt securities	8.5	8.5	—	—
Real estate funds	3.6	—	3.6	—
Alternative investments	1.4	—	1.4	—
Other	0.1	—	0.1	—
Derivative instruments - cash flow hedges ⁽²⁾	6.8	6.8	—	—
Equity securities	1.3	1.3	—	—
Derivative instruments - warrants	0.7	0.7	—	—
Total assets	\$ 151.6	\$ 146.5	\$ 5.1	\$ —
Liabilities				
Derivative instruments - cash flow hedges	\$ 0.1	\$ 0.1	\$ —	\$ —
Pension benefit obligation	24.6	24.6	—	—
Total liabilities	\$ 24.7	\$ 24.7	\$ —	\$ —

⁽¹⁾ Due to the timing of a cash transfer, there was a payable as of December 31, 2024, resulting in a negative allocation as of year end.

⁽²⁾ Includes accrued interest.

The Company invests in checking, savings and money market fund accounts, which are classified within Level 1 of the fair value hierarchy as they are valued using quoted market prices. These investments are classified as cash and cash equivalents within the Company’s accompanying consolidated balance sheets, in accordance with GAAP and its accounting policies.

The Company maintains certain derivative investments whose prices are based on quoted market prices in an active market and are classified within Level 1 of the fair value hierarchy. Equity securities are classified as current, short-term investments, or non-current, recorded in other non-current assets, based on the nature of the securities and their availability for use in current operations. The changes in the fair value of those equity securities are measured at each reporting date and changes in the value of these investments between reporting dates are recorded within non-operating income (loss).

The Company’s pension assets consist of Level 1 and Level 2 investments. The fair values of Level 2 assets are based on observable inputs such as prices or quotes for similar assets, adjusted for any differences in terms or conditions that may affect the value of the instrument being valued. The valuation techniques used for Level 2 assets may include the use of models or other valuation techniques, but these methods are all based on observable market inputs.

Non-Recurring Fair Value Measurements

For certain other financial assets and liabilities, including restricted cash, accounts receivable, accounts payable and other current assets and liabilities, the carrying amounts approximate their fair value primarily due to the relatively short maturity of these balances. The Company also measures certain non-financial assets at fair value on a non-recurring basis, primarily goodwill, intangible assets and operating lease right-of-use assets, in connection with periodic evaluations for potential impairment.

Furthermore, the Company did not elect to apply the fair value option to specific assets or liabilities on a contract-by-contract basis. The Company did not have any transfers between Level 2 and Level 3 during the years ended January 3, 2026 and December 28, 2024.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity from the date of purchase of three months or less, or highly liquid investments that are readily convertible into known amounts of cash, to be cash equivalents. The Company carries cash and cash equivalents at cost, which approximates fair value, and they are Level 1 under the fair value hierarchy.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of trade receivables recorded at the time of invoicing of product sales, reduced by reserves for estimated bad debts and returns. Trade accounts receivable, net of allowance for credit losses as of January 3, 2026, December 28, 2024 and December 30, 2023 were \$275.8 million, \$283.2 million, and \$224.2 million, respectively. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Credit is extended based on an evaluation of the customer's financial condition. Collateral is generally not required. The Company records an allowance for credit losses that it does not expect to collect based on relevant information, including historical experience, current conditions, and reasonable and supportable forecasts. Accounts are charged off against the allowance when the Company believes they are uncollectible. The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. Based on the risk characteristics, the Company has identified U.S. and international customers as separate portfolios, and measures expected credit losses on such receivables using an aging methodology.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using a standard cost method, which approximates the first in, first out method, and includes material, labor and overhead costs. Inventory valuation adjustments are recorded for inventory items that have become excess or obsolete or are no longer used in current production and for inventory items that have a market price less than the carrying value in inventory. The Company generally determines inventory valuation adjustments based on an evaluation of the expected future use of its inventory on an item by item basis and applies historical obsolescence rates to estimate the loss on inventory expected to have a recovery value below cost. The Company also records other specific inventory valuation adjustments when it becomes aware of circumstances that result in an expected recovery value below cost. For inventory items that have been written down, the reduced value becomes the new cost basis.

Property and Equipment

Property and equipment are stated at cost. Depreciation is calculated using the straight-line method over estimated useful lives as follows:

	Useful Lives
Buildings and building improvements	7 to 39 years
Computer equipment and software	2 to 12 years
Demonstration units	2 to 3 years
Furniture and office equipment	2 to 15 years
Leasehold improvements	Lesser of useful life or term of lease
Machinery, equipment, tooling and others	3 to 20 years
Operating lease assets	Lesser of useful life or term of lease

Land is not depreciated and construction-in-progress is not depreciated until placed in service. Normal repair and maintenance costs are expensed as incurred, whereas significant improvements that materially increase values or extend useful lives are capitalized and depreciated over the remaining estimated useful lives of the related assets. Upon sale or retirement of depreciable assets, the related cost and accumulated depreciation or amortization are removed from the accounts and any gain or loss on the sale or retirement is recognized in income.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Lessee Right-of-Use (ROU) Assets and Lease Liabilities

The Company determines if an arrangement contains a lease at inception. ROU assets represent the Company's right to use an asset underlying an operating lease for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from an operating lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Company generally estimates the applicable discount rate used to determine the net present value of lease payments based on available information at the lease commencement date. Many of the Company's lessee agreements include options to extend the lease, which the Company does not include in its lease terms unless they are reasonably certain to be exercised. The Company utilizes a portfolio approach to account for the ROU assets and liabilities associated with certain equipment leases.

The Company has also made an accounting policy election not to separate lease and non-lease components for its real estate leases and to exclude short-term leases with a term of twelve months or less from its ROU assets and lease liabilities. Rental expense for lease payments related to operating leases is recognized on a straight-line basis over the lease term.

Intangible Assets

Intangible assets consist primarily of patents, trademarks, software development costs, customer relationships and acquired technology. Costs related to patents and trademarks, which include legal and application fees, are capitalized and amortized over the estimated useful lives using the straight-line method. Patent and trademark amortization commences once final approval of the patent or trademark has been obtained. Patent costs are amortized over the lesser of 10 years or the patent's remaining legal life, which assumes renewals, and trademark costs are amortized over 17 years, and their associated amortization cost is included in selling, general and administrative expense in the accompanying consolidated statements of operations. For intangibles purchased in an asset acquisition or business combination, which mainly include patents, trademarks, customer relationships, acquired and developed technologies and contractual licenses, the useful life is determined largely by valuation estimates of remaining economic life.

The Company's policy is to renew its patents and trademarks. Costs to renew patents and trademarks are capitalized and amortized over the remaining useful life of the intangible asset. The Company periodically evaluates the amortization period and carrying basis of patents and trademarks to determine whether any events or circumstances warrant a revised estimated useful life or reduction in value. Capitalized application costs are charged to operations when it is determined that the patent or trademark will not be obtained or is abandoned.

Impairment of Goodwill, Intangible Assets and Other Long-Lived Assets

Goodwill is recorded as the difference, if any, between the aggregate consideration paid for an acquisition and the fair value of the acquired net tangible and intangible assets. Goodwill is not amortized, but instead is tested annually for impairment, or more frequently when events or changes in circumstances indicate that goodwill might be impaired. In assessing goodwill impairment, the Company has the option to first assess the qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount. As of January 3, 2026, the Company has one reporting unit, healthcare. The Company's qualitative assessment of the recoverability of goodwill considers various macro-economic, industry-specific and Company-specific factors, including: (i) severe adverse industry or economic trends; (ii) significant Company-specific actions; (iii) current, historical or projected deterioration of the Company's financial performance; or (iv) a sustained decrease in the Company's market capitalization below its net book value. If the qualitative assessment indicates that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value, or if the Company elects to bypass the qualitative analysis, then the Company performs a quantitative analysis that compares the fair value of the reporting unit with its carrying amount, including goodwill. If the fair value of the reporting unit exceeds its carrying amount, goodwill is not considered impaired; otherwise, a goodwill impairment loss is recognized for the lesser of: (a) the amount that the carrying amount of such reporting unit exceeds its fair value; or (b) the amount of the goodwill allocated to such reporting unit. The annual impairment test is performed during the fourth fiscal quarter.

Similar to goodwill, indefinite-lived intangible assets are not amortized but instead are subject to annual impairment testing, unless circumstances dictate more frequent testing, if impairment indicators exist. Impairment for indefinite-lived assets exists if the carrying value of the indefinite-lived intangible asset exceeds its fair value. Determining whether impairment indicators exist and estimating the fair value of the Company's indefinite-lived intangible assets if necessary for impairment testing require significant judgment. Qualitative factors considered in this assessment include industry and market conditions, overall financial performance, and other relevant events and factors.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company reviews finite-lived intangible assets and long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted operating cash flows expected to be generated by the asset. If such asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Employee Defined Benefit Plans

The Company maintains noncontributory defined benefit plans that cover certain employees in certain international locations. The Company recognizes the funded status, or the difference between the fair value of plan assets and the projected benefit obligations of the pension plan on the consolidated balance sheet, with a corresponding adjustment to accumulated other comprehensive (loss) income. If the projected benefit obligation exceeds the fair value of plan assets, the difference or underfunded status represents the pension liability. The Company records a net periodic pension cost in the consolidated statement of operations. The liabilities and annual income or expense are determined using methodologies that involve several actuarial assumptions, the most significant of which are the discount rate and the expected long-term rate of asset return. The Company's accounting policy includes an annual re-measurement of pension assets and obligations. In addition, the Company re-measures pension assets and obligations for significant events, as of the nearest month-end date on the calendar. The fair values of plan assets are determined based on prevailing market prices. See Note 21, "Employee Benefits", for further details.

Income Taxes

The Company accounts for income taxes using the asset and liability method, under which the Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and for net operating loss and tax credit carryforwards. Tax positions that meet a more-likely-than-not recognition threshold are recognized in the first reporting period that it becomes more-likely-than-not such tax position will be sustained upon examination. A tax position that meets this more-likely-than-not recognition threshold is recorded at the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. Previously recognized income tax positions that fail to meet the recognition threshold in a subsequent period are derecognized in that period. Differences between actual results and the Company's assumptions, or changes in the Company's assumptions in future periods, are recorded in the period they become known. The Company records potential accrued interest and penalties related to unrecognized tax benefits in income tax expense.

As a multinational corporation, the Company is subject to complex tax laws and regulations in various jurisdictions. The application of tax laws and regulations is subject to legal and factual interpretation, judgment and uncertainty. Tax laws themselves are subject to change as a result of changes in fiscal policy, changes in legislation, evolution of regulations and court rulings. Therefore, the actual liability for U.S. or foreign taxes may be materially different from the Company's estimates, which could result in the need to record additional liabilities or potentially to reverse previously recorded tax liabilities.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment date. A valuation allowance is recorded against any deferred tax assets when, in the judgment of management, it is more-likely-than-not that all or part of a deferred tax asset will not be realized. In assessing the need for a valuation allowance, the Company considers all positive and negative evidence, including recent financial performance, scheduled reversals of temporary differences, projected future taxable income, availability of taxable income in carryback periods and tax planning strategies.

Income taxes are highly susceptible to changes from period to period, requiring management to make assumptions about the Company's future income over the lives of its deferred tax assets and the impact of changes in valuation allowances. Any difference in the assumptions, judgments and estimates mentioned above could result in changes to the Company's results of operations.

Revenue Recognition, Deferred Revenue and Other Contract Liabilities

The Company generally recognizes revenue following a single, principles-based five-step model to be applied to all contracts with customers and generally provides for the recognition of revenue in an amount that reflects the consideration to which the Company expects to be entitled, net of allowances for estimated returns, discounts or sales incentives, as well as taxes collected from customers that are remitted to government authorities when control over the promised goods or services are transferred to the customer.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

While the majority of the Company's revenue contracts and transactions contain standard business terms and conditions, there are some transactions that contain non-standard business terms and conditions. As a result, contract interpretation, judgment and analysis are required to determine the appropriate accounting, including: (i) the amount of the total consideration, as well as variable consideration, (ii) whether the arrangement contains an embedded lease, and if so, whether such embedded lease is a sales-type lease or an operating lease, (iii) the identification of the distinct performance obligations contained within the arrangement, (iv) how the arrangement consideration should be allocated to each performance obligation when multiple performance obligations exist, including the determination of standalone selling price, and (v) when to recognize revenue on the performance obligations. Changes in judgments on these assumptions and estimates could materially impact the timing of revenue recognition. Revenue from fixed lease payments related to equipment supplied under sales-type lease arrangements is recognized once control over the equipment is transferred to the customer, while revenue from fixed lease payments related to equipment supplied under operating-type lease arrangements is generally recognized on a straight-line basis over the term of the lease and variable lease payments are recognized as they occur.

The Company derives the majority of its revenue from four primary sources: (i) direct sales under deferred equipment agreements with end-user hospitals where the Company provides up-front monitoring equipment at no up-front charge in exchange for a multi-year sensor purchase commitment; (ii) other direct sales of noninvasive monitoring solutions to end-user hospitals, emergency medical response organizations and other direct customers; (iii) sales of noninvasive monitoring solutions to distributors who then typically resell to end-user hospitals, emergency medical response organizations and other customers; and (iv) sales of integrated circuit boards to OEM customers who incorporate the Company's embedded software technology into their multiparameter monitoring devices. Subject to customer credit considerations, the majority of such sales are made on open accounts using industry standard payment terms based on the geography within which the specific customer is located.

The Company enters into agreements to sell its monitoring solutions and services, sometimes as a part of arrangements with multiple performance obligations that include various combinations of product sales, equipment leases, software and services. In the case of contracts with multiple performance obligations, the authoritative guidance provides that the total consideration be allocated to each performance obligation on the basis of relative standalone selling prices. When a standalone selling price is not readily observable, the Company estimates the standalone selling price by considering multiple factors including, but not limited to, features and functionality of the product, geographies, type of customer, contractual prices pursuant to Group Purchasing Organization (GPO) contracts, the Company's pricing and discount practices, and other market conditions.

Sales under deferred equipment agreements are generally structured such that the Company agrees to provide certain monitoring-related equipment, software, installation, training and/or warranty support at no up-front charge in exchange for the customer's commitment to purchase sensors over the term of the agreement, which generally ranges from three years to six years. The Company allocates contract consideration under deferred equipment agreements containing fixed annual sensor purchase commitments to the underlying lease and non-lease components at contract inception. In determining whether any underlying lease components are related to a sales-type lease or an operating lease, the Company evaluates the customer's rights and ability to control the use of the underlying equipment throughout the contract term, including any equipment substitution rights retained by the Company, as well as the Company's expectations surrounding potential contract/lease extensions or renewals and the customer's likelihood to exercise any purchase options.

For contracts that contain variable lease payments that are not dependent on an index or rate, the Company classifies as operating leases any lease components that would have otherwise been classified as sales-type leases that would result in a selling loss upon lease commencement. Revenue allocable to non-lease performance obligations is generally recognized as such non-lease performance obligations are satisfied. Revenue allocable to lease components under sales-type lease arrangements is generally recognized when control over the equipment is transferred to the customer.

Revenue allocable to lease components under operating lease arrangements is generally recognized over the term of the operating lease. The Company generally does not expect to derive any significant value in excess of such asset's unamortized book value from equipment underlying its operating lease arrangements after the end of the agreement.

Revenue from the sale of products and software, to end-user hospitals, emergency medical response organizations, other direct customers, distributors and OEM customers, is recognized by the Company when control of such performance obligations transfers to the customer based upon the terms of the contract or underlying purchase order.

Revenue related to OEM rainbow® parameter software licenses is recognized by the Company upon the OEM's shipment of its product to its customer, as reported to the Company by the OEM.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company provides certain customers with various sales incentives that may take the form of discounts or rebates. The Company records estimates related to these programs as a reduction to revenue at the time of sale. In general, customers do not have a right of return for credit or refund. However, the Company allows returns under certain circumstances. At the end of each period, the Company estimates and accrues for these returns as a reduction to revenue. The Company estimates the revenue constraints related to these forms of variable consideration based on various factors, including expected purchasing volumes, prior sales and returns history, and specific contractual terms and limitations.

Shipping and Handling Costs and Fees

All shipping and handling costs are expensed as incurred and are recorded as a component of cost of goods sold in the accompanying consolidated statements of operations. Charges for shipping and handling billed to customers are included as a component of revenue.

Taxes Collected From Customers and Remitted to Governmental Authorities

The Company's policy is to present revenue net of taxes collected from customers and remitted to governmental authorities.

Deferred Costs and Other Contract Assets

The costs of monitoring-related equipment provided to customers under operating lease arrangements within the Company's deferred equipment agreements are generally deferred and amortized to cost of goods sold over the life of the underlying contracts. Some of the Company's deferred equipment agreements also contain provisions for certain allowances to be made directly to the end-user hospital customer at the inception of the arrangement. These allowances are generally allocated to the lease and non-lease components and recognized as a reduction to revenue as the underlying performance obligations are satisfied.

The Company generally invoices its customers under deferred equipment agreements as sensors are provided to the customer. However, the Company may recognize revenue for certain non-lease performance obligations under deferred equipment agreements with fixed annual commitments at the time such performance obligations are satisfied and prior to the customer being invoiced. When this occurs, the Company records an unbilled contract receivable related to such revenue until the customer has been invoiced pursuant to the terms of the underlying deferred equipment agreement.

The incremental costs of obtaining a contract with a customer are capitalized and deferred if the Company expects such costs to be recoverable over the life of the contract and the contract term is greater than one year. Such deferred costs generally relate to certain incentive sales commissions earned by the Company's internal sales team in connection with the execution of deferred equipment agreements and are amortized to expense over the expected term of the underlying contract.

Warranty

The Company generally provides a warranty against defects in material and workmanship for a period ranging from six months to forty-eight months, depending on the product type. In traditional sales activities, including direct and OEM sales, the Company establishes an accrued liability for the estimated warranty costs at the time of revenue recognition, with a corresponding provision to cost of goods sold. Customers may also purchase extended warranty coverage or service level upgrades separately or as part of a deferred equipment agreement. Revenue related to extended warranty coverage and service level upgrades is generally recognized over the life of the contract, which reasonably approximates the period over which such services will be provided. The related extended warranty and service level upgrade costs are expensed as incurred.

Changes in the product warranty accrual were as follows:

(in millions)	Year Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Product warranty accrual, beginning of period	\$ 5.5	\$ 3.0	\$ 2.0
Accrual for warranties issued	1.0	1.9	1.8
Changes in pre-existing warranties (including changes in estimates)	3.5	5.2	1.3
Settlements made	(3.9)	(4.6)	(2.1)
Product warranty accrual, end of period	\$ 6.1	\$ 5.5	\$ 3.0

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Advertising Costs

Advertising costs include certain advertising and marketing fees, which are expensed as incurred. Advertising costs are included in selling, general and administrative expense in the accompanying consolidated statements of operations. Advertising costs for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, were \$9.4 million, \$19.1 million and \$18.8 million, respectively.

Research and Development

Costs related to research and development activities are expensed as incurred. These costs include personnel costs, materials, depreciation and amortization on associated tangible and intangible assets and an allocation of facility costs, all of which are directly related to research and development activities.

Litigation Costs and Contingencies

The Company records a charge equal to at least the minimum estimated liability for a loss contingency or litigation settlement when both of the following conditions are met: (i) information available prior to issuance of the financial statements indicates that it is probable that a liability had been incurred at the date of the financial statements, and (ii) the range of loss can be reasonably estimated. The determination of whether a loss contingency or litigation settlement is probable or reasonably possible involves a significant amount of management judgment, as does the estimation of the range of loss given the nature of contingencies. Liabilities related to litigation settlements with multiple elements are recorded based on the fair value of each element. Legal and other litigation related expenses are recognized as the services are provided. The Company records insurance and other indemnity recoveries for litigation expenses when both of the following conditions are met: (a) the recovery is probable, and (b) collectability is reasonably assured. Insurance recoveries are only recorded to the extent the litigation costs to which they relate have been incurred and recognized in the financial statements.

Foreign Currency Translation

The Company's international headquarters is in Switzerland, and its functional currency is the U.S. Dollar. The Company has many other foreign subsidiaries, and the largest transactions in foreign currency translations occur in the Saudi Riyal and European Euro.

The Company records certain revenues and expenses in foreign currencies. These revenues and expenses are translated into U.S. Dollars based on the average exchange rate for the reporting period. Assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate in effect as of the balance sheet date. Translation gains and losses related to foreign currency assets and liabilities of a subsidiary that are denominated in the functional currency of such subsidiary are included as a component of accumulated other comprehensive (loss) income within the accompanying consolidated balance sheets. Realized and unrealized foreign currency gains and losses related to foreign currency assets and liabilities of the Company, or a subsidiary that are not denominated in the underlying functional currency are included as a component of non-operating (loss) income within the accompanying consolidated statements of operations.

Derivatives Instruments and Hedging Activities

The Company addresses market risk from changes in interest rates risks through risk management programs, which include the use of derivative instruments. The Company's exposure to a counterparty's credit risk is generally limited to the amounts of the net obligation to the counterparty. The Company established policies to enter into contracts only with major investment-grade financial institutions to mitigate such counterparty credit risk. The Company also established a policy to further monitor the counterparty risks throughout the life of the instruments. None of the derivative instruments currently held by the Company were entered into for speculative trading purposes.

All derivative financial instruments are recognized as either assets or liabilities at fair value in the consolidated balance sheets and are classified as short-term or long-term based on the tenor of the instrument. The Company has elected not to separate a derivative instrument into current and long-term portions. A derivative instrument whose fair value is a net liability is classified as current in total. A derivative instrument whose fair value is a net asset and whose current portion is an asset is classified as non-current in total. For a derivative instrument that meets the criteria to qualify for hedge accounting, the Company marks the fair value of the derivative instrument to market periodically through other comprehensive (loss) income. When the hedged items are recorded to income (loss), the associated deferred gains (losses) of the derivatives in accumulated other comprehensive (loss) income will be reclassified into earnings. Any fluctuation in the fair value of a derivative instrument that does not meet the criteria for hedge accounting is recorded to earnings (expense) in the period it occurs.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Comprehensive (Loss) Income

Comprehensive (loss) income includes foreign currency translation adjustments, changes to pension benefits, unrealized gains (losses) on cash flow hedges and any related tax benefits (expenses) that have been excluded from net income (loss) and reflected in stockholders' equity.

Net Income (Loss) Per Share

A computation of basic and diluted net income (loss) per share is as follows:

(in millions, except per share amounts)	Year Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Net income from continuing operations, net of tax	\$ 207.7	\$ 16.2	\$ 107.7
Net (loss) from discontinued operations, net of tax - (Note 18)	(359.2)	(321.1)	(26.2)
Net (loss) income	<u>\$ (151.5)</u>	<u>\$ (304.9)</u>	<u>\$ 81.5</u>
Basic net (loss) income per share:			
Weighted-average shares outstanding - basic	53.6	53.3	52.8
Continuing operations per basic share	\$ 3.88	\$ 0.30	\$ 2.04
Discontinued operations per basic share	(6.70)	(6.02)	(0.50)
Basic (loss) income per share	<u>\$ (2.83)</u>	<u>\$ (5.72)</u>	<u>\$ 1.54</u>
Diluted net (loss) income per share:			
Weighted-average shares outstanding - basic	53.6	53.3	52.8
Diluted share equivalents: stock options, RSUs and PSUs	0.6	1.1	1.3
Weighted-average shares outstanding - diluted	54.2	54.4	54.1
Continuing operations per diluted share	\$ 3.83	\$ 0.30	\$ 1.99
Discontinued operations per diluted share	(6.63)	(5.90)	(0.48)
Diluted (loss) income per share	<u>\$ (2.80)</u>	<u>\$ (5.60)</u>	<u>\$ 1.51</u>

Basic net income (loss) per share is computed by dividing net income by the weighted-average number of shares outstanding during the period. Net income (loss) per diluted share is computed by dividing the net income by the weighted-average number of shares and potential shares outstanding during the period, if the effect of potential shares is dilutive. In periods when the Company has a net loss, equity awards are excluded from the calculation of earnings per share as their inclusion would have an antidilutive effect. Potential shares include incremental shares of stock issuable upon the exercise of stock options and the vesting of both restricted share units (RSUs) and performance stock units (PSUs). For each of the years ended January 3, 2026, December 28, 2024 and December 30, 2023, weighted options to purchase 0.6 million, 1.1 million and 1.2 million shares of common stock, respectively, were outstanding but not included in the computation of diluted net (loss) income per share because the effect of including such shares would have been antidilutive in the applicable period. Certain RSUs were considered contingently issuable shares as their vesting was contingent upon the occurrence of certain future events. Since such events have not occurred and were not considered probable of occurring for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, 2.7 million weighted-average shares related to such RSUs have been excluded from the calculation of potential shares.

On October 24, 2024, following an external legal review, the Board adopted resolutions to terminate the employment of Mr. Joe Kiani, our former Chairman and Chief Executive Officer, effective October 24, 2024. In connection with the Board's determination, the 2.7 million shares RSU grant to Mr. Kiani was cancelled and the 2.7 million weighted-average shares related to such RSUs have been excluded from the calculation of potential shares for the year ended December 28, 2024. For additional information with respect to these RSUs, see "[Employment and Severance Agreements](#)" in Note 24, "Commitments and Contingencies".

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Supplemental Cash Flow Information

Supplemental cash flow information includes the following:

(in millions)	Year Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Cash paid during the year for:			
Interest expense:			
Continuing operations	\$ 32.8	\$ 36.7	\$ 46.1
Discontinued operations	1.5	2.4	4.9
Income taxes:			
Continuing operations	28.5	35.9	20.4
Discontinued operations	8.8	6.0	34.0
Operating lease liabilities:			
Continuing operations	10.1	10.9	10.4
Discontinued operations	10.4	13.7	12.0
Non-cash operating activities:			
ROU assets obtained in exchange for lease liabilities:			
Continuing operations	\$ 11.1	\$ 10.2	\$ 5.0
Discontinued operations	0.6	18.4	11.3
Non-cash investing activities - continuing operations:			
Unpaid purchases of property and equipment	\$ 1.7	\$ 0.7	\$ 0.2
Non-cash financing activities - continuing operations:			
Unpaid excise taxes on stock repurchases	\$ 2.0	\$ —	\$ —
Unpaid debt issuance costs	0.3	—	—
Reconciliation of cash, cash equivalents and restricted cash:			
Cash and cash equivalents:			
Continuing operations	\$ 152.3	\$ 123.6	\$ 120.8
Discontinued operations	1.0	54.0	42.2
Restricted cash:			
Continuing operations	—	2.7	4.1
Discontinued operations	—	1.1	1.1
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 153.3</u>	<u>\$ 181.4</u>	<u>\$ 168.2</u>

MASIMO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The new standard is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. ASU No. 2023-07 is effective for annual reporting periods beginning after December 15, 2023 and interim periods in fiscal years beginning after December 15, 2024. Early adoption is permitted with retrospective application to all prior periods presented. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company retrospectively adopted this standard during the fiscal year ended December 28, 2024. See Note 25, “Segment and Enterprise Reporting”, for further details on the impact of the adoption of this standard.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The new standard requires companies to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income or loss by the applicable statutory income tax rate). ASU No. 2023-09 is effective for annual reporting periods beginning after December 15, 2024. The Company prospectively adopted this standard during the fiscal year ended January 3, 2026. See Note 23, “Income Taxes”, for further details on the impact of the adoption of this standard.

Recently Announced Accounting Pronouncements

In November 2024, the FASB issued ASU No. 2024-03 *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40) Disaggregation of Income Statement Expenses*. The guidance in ASU No. 2024-03 requires public business entities to disclose in the notes to the financial statements, among other things, specific information about certain costs and expenses including purchases of inventory; employee compensation; and depreciation, amortization and depletion expenses for each caption on the income statement where such expenses are included. ASU No. 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. In January 2025, the FASB issued ASU No. 2025-01 to clarify the effective date of ASU No. 2024-03. Early adoption is permitted, and the amendments may be applied prospectively to reporting periods after the effective date or retrospectively to all periods presented in the financial statements. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In July 2025, the FASB issued ASU No. 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurements of Credit Losses for Accounts Receivable and Contract Assets*. The amendments in this update provide entities with a practical expedient to simplify the estimation of expected credit losses on current accounts receivable and current contract assets that arise from transactions accounted for under ASC 606 by allowing the assumption that current conditions as of the balance sheet date will not change during the remaining life of the asset. ASU 2025-05 is effective for annual periods beginning after December 15, 2025 and interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of this amended standard on its consolidated financial statements.

In September 2025, the FASB issued ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. This new standard simplifies the capitalization guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods. ASU 2025-06 is effective for annual periods beginning after December 15, 2027, including interim periods within those fiscal years, though early adoption is permitted. The Company is currently evaluating the impact of this amended standard on its consolidated financial statements.

In November 2025, the FASB issued ASU 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*. This new standard expands hedge accounting eligibility, including provisions for choose-your-rate debt instruments. The ASU 2025-09 is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of this amended standard on its consolidated financial statements.

3. Related Party Transactions

On October 24, 2024, following an external legal review, the Board adopted resolutions to terminate the employment of Mr. Kiani, our former Chairman and Chief Executive Officer (CEO), effective October 24, 2024. See Note 24, “Commitments and Contingencies”, for further details.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Willow Laboratories, Inc. (Willow), formerly known as Cercacor Laboratories, Inc., is an independent entity that was spun off from the Company to its stockholders in 1998. Mr. Kiani, the Company's former Chairman and CEO, is also the Executive Chairman of Willow. Effective October 24, 2024, Willow is no longer considered a related party relationship due to the termination of Mr. Kiani.

The Company is a party to the following agreements with Willow:

- *Cross-Licensing Agreement* - The Company and Willow are parties to a cross-licensing agreement (Cross-Licensing Agreement), which purports to govern each party's rights to certain intellectual property currently held by the two companies. The Cross-Licensing Agreement, by its terms, purports to obligate the Company to pay certain annual minimum aggregate royalties for use of the rainbow® licensed technology. Prior to a change in control, which is defined in the Willow Cross-Licensing Agreement to include, among other things, when Mr. Kiani is not the CEO of either company, the Company's purported annual minimum royalty obligation was \$5.0 million. On October 24, 2024, Mr. Kiani's employment as the Company's CEO was terminated. Following Mr. Joe Kiani's termination, the Company paid Willow (i) a \$2.5 million license fee for technology for use in blood glucose monitoring; and (ii) minimum aggregate annual royalties for carbon monoxide, methemoglobin fractional arterial oxygen saturation, hemoglobin and/or glucose measurements in the amount of \$15.0 million, plus \$2.0 million for an additional parameter. See Note 9, "Intangible Assets, net", for further details. As described in Note 24, "Commitments and Contingencies—Litigation", the Company is in a dispute with Willow regarding the Cross-Licensing Agreement and payments under the Cross-Licensing Agreement. The change in control does not otherwise impact the scope or duration of the license rights.

Aggregate recorded royalty expenses to Willow by the Company under the Cross-Licensing Agreement were \$22.6 million, \$20.4 million and \$19.2 million for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

During the first quarter 2025, pursuant to the terms of the Cross-Licensing Agreement, Willow elected to invoice the Company for the remaining year's minimum royalty of approximately \$12.8 million, which has been paid to Willow in the second quarter 2025 and fully amortized as of January 3, 2026. During the fourth quarter 2025, Willow elected to invoice the Company approximately \$27.0 million, consisting of Willow's calculation of the 2026 minimum royalty and other amounts Willow claims are due. Following a legal review, the amount due was determined to be approximately \$17.0 million, which the Company believes represents the actual amount due under the terms of Cross-Licensing Agreement. This amount was recorded as a liability and remained unpaid as of January 3, 2026, and was subsequently paid on January 30, 2026.

- *Administrative Services Agreement* - The Company was a party to an administrative services agreement with Willow (G&A Services Agreement), which governed certain general and administrative services that the Company provided to Willow. Amounts charged by the Company pursuant to the G&A Services Agreement were \$0.1 million, \$0.5 million and \$0.5 million for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively. On March 31, 2025, Willow provided the Company with a notice to terminate the Services Agreement under Section 7.2, effective April 30, 2025.
- *Lease Agreement* - Effective December 2019, the Company entered into a lease agreement with Willow for approximately 34,000 square feet of office, research and development space at one of the Company's owned facilities in Irvine (Willow Lease). The term of the Willow Lease expired on December 31, 2024, and was not renewed. The Company recognized no lease income for the year ended January 3, 2026. The Company recognized approximately \$1.2 million of lease income for each year ended December 28, 2024 and December 30, 2023, respectively.

Net amounts accrued and unpaid to Willow were approximately \$6.4 million and \$4.9 million as of January 3, 2026 and December 28, 2024, respectively. See Note 24, "Commitments and Contingencies", under the heading of "Willow Cross-Licensing Agreement Provisions" for further details.

The Masimo Foundation for Ethics, Innovation and Competition in Healthcare (Masimo Foundation) is a non-profit organization that was founded in 2010 to provide a platform for encouraging ethics, innovation and competition in healthcare. Mr. Kiani is the Chairman of the Masimo Foundation. In addition, the Company's Executive Vice President (EVP), Chief Financial Officer served as the Treasurer of the Masimo Foundation and the Company's former EVP, General Counsel and Corporate Secretary served as the Secretary for the Masimo Foundation. Effective January 9, 2025, the Masimo Foundation Board appointed a new Treasurer and Secretary, and Messrs. McClenahan and Young resigned from their respective roles with the Masimo Foundation.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

For the fiscal year ended January 3, 2026, the Company made zero cash contributions to the Masimo Foundation. For the fiscal year ended December 28, 2024 and December 30, 2023, the Company made cash contributions of approximately \$2.5 million and \$1.0 million to the Masimo Foundation, respectively. The Company halted all payments to the Masimo Foundation as of the end of the third quarter of 2024 and does not intend to make any future contributions to the Masimo Foundation.

Mr. Kiani is also a co-founder, a member of the board of directors and Chief Executive Officer of Like Minded Media Ventures (LMMV), a team of storytellers that create content focused in the areas of true stories, social causes and science. LMMV creates stories with a multi-platform strategy, bridging the gap between film, television, digital and social media. During the second quarter of 2020, Company entered into a marketing service agreement with LMMV for audiovisual production services promoting brand awareness, including television commercials and digital advertising. During the fourth quarter of 2024, the Company terminated the marketing services agreement with LMMV. No payment was due in connection with the termination of this agreement. For the fiscal year ended January 3, 2026 and December 28, 2024, the Company incurred no marketing expenses to LMMV under the marketing service agreement. During the fiscal year ended December 30, 2023, the Company incurred \$1.5 million in marketing expenses to LMMV under the marketing service agreement.

The Company maintained an aircraft time share agreement, pursuant to which the Company agreed from time to time to make its aircraft available to Mr. Kiani, in his former capacity as Chairman and CEO, for lease on a time-sharing basis. The agreement provided that Mr. Kiani would pay the Company for personal use based on agreed upon reimbursement rates. During each of the fiscal years ended December 28, 2024 and December 30, 2023, the Company charged Mr. Kiani less than \$0.1 million related to such reimbursements. The time share agreement with Mr. Kiani was terminated upon the termination of his employment with the Company.

On June 26, 2023, at the Company's 2023 Annual Meeting of Stockholders, its stockholders voted to elect two directors nominated by Politan Capital Management LP and certain of its affiliates (Politan) to the Company's Board of Directors (Board). On September 19, 2024, at the Company's 2024 Annual Meeting of Stockholders, two additional directors nominated by Politan were elected to the Board. As of September 24, 2024, the date of the last reported Schedule 13-D/A filed with the U.S. Securities and Exchange Commission (SEC) by Politan, Politan beneficially owned approximately 8.8% of the outstanding shares of the Company. The Vice Chairman of the Company's board of directors, Quentin Koffey, also serves as Chief Investment Officer of Politan. For each of the fiscal years ended January 3, 2026, December 28, 2024 and December 30, 2023, the Company paid \$0.1 million, \$27.6 million, and \$18.0 million to Politan, respectively. For the fiscal year ended January 3, 2026, the Company received a \$2.0 million payment from Politan related to legal expenses.

On September 24, 2024, Michelle Brennan, a member of the Board, was appointed to the role of interim CEO of the Company. On February 12, 2025, Ms. Brennan's role as interim CEO ceased, and she was appointed as the Chairman of the Board. Ms. Brennan also sits on the board of directors of Cardinal Health, Inc. (Cardinal). For the fiscal years ended January 3, 2026, December 28, 2024 and December 30, 2023, sales to Cardinal were approximately \$118.5 million, \$114.1 million and \$93.9 million, respectively. As of January 3, 2026 and December 28, 2024, amounts owed from Cardinal were approximately \$14.9 million and \$14.3 million, respectively.

4. Inventories

Inventories consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Raw materials	\$ 152.8	\$ 151.0
Work-in-process	21.8	19.2
Finished goods	205.7	124.6
Total inventories	<u>\$ 380.3</u>	<u>\$ 294.8</u>

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

5. Other Current Assets

Other current assets consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Prepaid expenses	\$ 24.1	\$ 19.7
Lease receivable, current	22.8	26.6
Prepaid rebates and royalties, current ⁽¹⁾	21.8	4.6
Indirect taxes receivable	20.9	18.5
Prepaid income taxes	16.1	17.6
Contract assets, current	8.0	11.4
Other current assets	2.9	2.3
Restricted cash ⁽²⁾	—	2.7
Total other current assets	\$ 116.6	\$ 103.4

⁽¹⁾ Prepaid rebates and royalties, current includes \$17.0 million of royalty related to Willow. See Note 3, “Related Party Transactions” for further details.

⁽²⁾ Restricted cash includes funds received from the Bill and Melinda Gates Foundation (BMGF). As the Company incurs costs associated with research and development related to this project, on a quarterly basis, the Company reclasses amounts from the grant to offset costs incurred. As of January 3, 2026, the Company ceased research and development related to this project, and returned any unused funds to the BMGF.

6. Lease Receivable

For deferred equipment agreements that contain embedded operating leases, upon lease commencement, the Company defers and records the equipment cost of operating lease assets within property, plant and equipment, net of accumulated depreciation. These operating lease assets are subsequently amortized to cost of goods sold over the lease term on a straight-line basis.

For deferred equipment agreements that contain embedded sales-type leases, the Company recognizes lease revenue and costs, as well as a lease receivable, at the time the lease commences. Lease revenue related to both operating-type and sales-type leases are recorded as part of revenue in the accompanying consolidated statements of operations. For the years ended January 3, 2026 and December 28, 2024, lease revenue was approximately \$45.0 million and \$44.0 million, respectively. Costs related to embedded leases within the Company’s deferred equipment agreements are included in cost of goods sold in the accompanying consolidated statements of operations.

Lease receivable from sales-type leases consists of the following:

(in millions)	January 3, 2026	December 28, 2024
Lease receivable	\$ 66.1	\$ 85.5
Allowance for credit losses	(0.2)	(0.2)
Lease receivable, net	65.9	85.3
Less: current portion of lease receivable	(22.8)	(26.6)
Lease receivable, non-current	\$ 43.1	\$ 58.7

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of January 3, 2026, estimated future maturities of customer sales-type lease receivables and operating lease payments for each of the following fiscal years are as follows:

Fiscal year	Future Lease Receivables/Payments (in millions)	
	Sales-Type Leases	Operating Leases
2026 (balance of year)	\$ 22.8	\$ 21.7
2027	17.3	20.0
2028	11.7	16.2
2029	7.8	12.7
2030	3.9	7.2
Thereafter	2.4	10.6
Total	\$ 65.9	\$ 88.4
Less: imputed interest ⁽¹⁾	—	—
Present value of total lease payments	\$ 65.9	

⁽¹⁾ The calculation of the rates implicit in the leases resulted in negative discount rates. Therefore, the Company as a lessor used a 0% discount rate to measure the net investment in the lease.

7. Deferred Costs and Other Contract Assets

Deferred costs and other contract assets consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Deferred commissions	\$ 26.2	\$ 25.0
Unbilled contract receivables	21.3	20.2
Prepaid contract allowances	14.3	14.5
Deferred equipment agreements, net	0.8	1.3
Deferred costs and other contract assets	\$ 62.6	\$ 61.0

For the year ended December 30, 2023, total deferred costs and other contracts were \$57.3 million.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, deferred commission amortization expense was \$8.5 million, \$7.6 million and \$5.8 million, respectively.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

8. Property and Equipment, net

Property and equipment, net, consists of the following:

(in millions)	January 3, 2026	December 28, 2024
Operating lease assets	\$ 204.1	\$ 148.6
Building and building improvements	151.8	143.5
Machinery, equipment, tooling and others	150.6	147.1
Land	47.7	47.7
Computer equipment and software	41.3	38.7
Leasehold improvements	34.3	31.2
Construction-in-progress (CIP)	24.5	29.0
Furniture and office equipment	16.5	15.8
Demonstration units	0.5	0.5
Total property and equipment ⁽¹⁾	671.3	602.1
Accumulated depreciation	(316.2)	(265.1)
Property and equipment, net	\$ 355.1	\$ 337.0

⁽¹⁾ In October 2024, the Company grounded the corporate aircraft and started exploring disposition strategies. In December 2024, the Company entered into an letter of intent to sell the aircraft, and classified the asset as held for sale within the healthcare segment as of December 28, 2024. On January 29, 2025, the Company completed the sale of the corporate aircraft for \$19.5 million.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, depreciation expense of property and equipment was \$25.5 million, \$30.1 million and \$28.6 million, respectively.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, depreciation expense of operating lease assets was \$28.1 million, \$24.0 million and \$19.6 million, respectively.

For the years ended January 3, 2026 and December 28, 2024, and December 30, 2023, equipment leased to customers was amortized to cost of goods sold was \$27.9 million, \$23.0 million and \$18.5 million, respectively.

As of January 3, 2026 and December 28, 2024, accumulated amortization of equipment leased to customers was \$74.1 million and \$46.2 million, respectively.

The balance in CIP at January 3, 2026 and December 28, 2024, related primarily to the capitalized implementation costs related to a new enterprise resource planning software system costs, machinery, equipment, and the underlying assets for which have not been completed or placed into service.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

9. Intangible Assets, net

Intangible assets, net, consist of the following:

(in millions)	January 3, 2026			December 28, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:						
Patents	\$ 46.6	\$ (19.8)	\$ 26.8	\$ 44.0	\$ (17.5)	\$ 26.5
Acquired technologies	28.6	(20.7)	7.9	27.9	(15.8)	12.1
Customer relationships	24.6	(14.7)	9.9	24.6	(13.3)	11.3
Trademarks	14.0	(9.2)	4.8	13.7	(7.2)	6.5
Licenses-related party	7.5	(7.4)	0.1	7.5	(7.1)	0.4
Licenses	2.3	(1.6)	0.7	2.3	(1.2)	1.1
Other	6.6	(4.7)	1.9	8.1	(4.4)	3.7
Total intangible assets subject to amortization, net	<u>\$ 130.2</u>	<u>\$ (78.1)</u>	<u>\$ 52.1</u>	<u>\$ 128.1</u>	<u>\$ (66.5)</u>	<u>\$ 61.6</u>

Finite lived intangible assets have a weighted-average amortization period ranging from eleven years to fourteen years. Total amortization expense for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, was \$13.3 million, \$18.4 million and \$9.5 million, respectively.

The total costs of patents not yet amortizing for the years ended January 3, 2026 and December 28, 2024, was \$12.2 million \$13.0 million and \$12.1 million, respectively.

The total costs of trademarks not yet amortizing for the years ended January 3, 2026 and December 28, 2024, was \$0.5 million, \$0.8 million and \$1.0 million, respectively.

Total renewal costs capitalized for patents and trademarks for the years ended January 3, 2026 and December 28, 2024 were \$1.2 million and \$1.2 million, respectively. As of January 3, 2026, the weighted-average number of years until the next renewal was two years for patents and six years for trademarks.

Estimated amortization expense for each of the next fiscal years is as follows:

Fiscal year	Amount (in millions)
2026	\$ 6.9
2027	5.9
2028	5.2
2029	4.7
2030	4.3
Thereafter	25.1
Total	<u>\$ 52.1</u>

Indefinite-lived intangible assets are subject to annual impairment testing, unless circumstances dictate more frequent testing, if impairment indicators exist. For goodwill, the Company performs a qualitative assessment during the fourth quarter of each year, for its annual impairment analysis. In the fourth quarter of 2025, the Company performed its annual impairment analysis, and concluded that it was more likely than not that the fair value was greater than its carrying value. Accordingly, no further testing was required.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

10. Goodwill

Changes in goodwill were as follows:

(in millions)	January 3, 2026	December 28, 2024
Goodwill, beginning of period	\$ 96.7	\$ 98.6
Foreign currency translation adjustment	4.3	(1.9)
Goodwill, end of period	<u>\$ 101.0</u>	<u>\$ 96.7</u>

11. Lessee ROU Assets and Lease Liabilities

The Company leases certain facilities in North and South America, Europe, the Middle East and Asia-Pacific regions under operating lease agreements expiring at various dates through January 2032. In addition, the Company leases equipment in the U.S. and Europe pursuant to leases that are classified as operating leases and expire at various dates through January 2029. The majority of these leases are non-cancellable and generally do not contain any material restrictive covenants, material residual value guarantees, or other material guarantees. The Company recognizes lease costs under these agreements using a straight-line method based on total lease payments. Certain facility leases contain predetermined price escalations and in some cases renewal options, the longest of which is for five years.

The Company generally estimates the applicable discount rate used to determine the net present value of lease payments based on available information at the lease commencement date. For the years ended January 3, 2026 and December 28, 2024, the weighted-average discount rate used by the Company for all operating leases was approximately 3.4% and 4.0%, respectively.

The balance sheet classifications for amounts related to the Company's operating leases for which it is the lessee are as follows:

(in millions)	Balance Sheet Classification	January 3, 2026	December 28, 2024
Lessee ROU assets	Other non-current assets	<u>\$ 32.6</u>	<u>\$ 29.2</u>
Lessee current lease liabilities	Other current liabilities	8.1	9.7
Lessee non-current lease liabilities	Other non-current liabilities	26.9	23.3
Total operating lease liabilities		<u>\$ 35.0</u>	<u>\$ 33.0</u>

For the years ended January 3, 2026 and December 28, 2024, accumulated amortization for lessee ROU assets was \$27.8 million and \$32.4 million, respectively.

The decrease in accumulated amortization at January 3, 2026 was primarily attributable to the expiration of an operating lease, which was not renewed.

For the years ended January 3, 2026 and December 28, 2024, the weighted-average remaining lease term for the Company's operating leases was 5.6 years and 4.4 years, respectively.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of January 3, 2026, estimated future operating lease payments for each of the following fiscal years were as follows:

Fiscal year	Amount (in millions)
2026	\$ 9.3
2027	7.9
2028	6.7
2029	4.8
2030	2.7
Thereafter ⁽¹⁾	7.1
Total	38.5
Imputed interest	(3.5)
Present value	\$ 35.0

⁽¹⁾ Includes optional renewal period for certain leases.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the Company's operating lease costs were approximately \$8.5 million, \$12.0 million and \$14.9 million, respectively.

12. Other Non-Current Assets

Other non-current assets consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Lessee ROU assets, net	\$ 32.6	\$ 29.2
Strategic investments	5.9	6.6
Prepaid deposits and others	5.2	6.8
Derivative assets - non-current ⁽¹⁾	1.0	6.2
Equity investments - fair value	—	2.0
Other non-current assets	—	0.5
Total non-current assets	\$ 44.7	\$ 51.3

⁽¹⁾ Excludes accrued interest.

13. Deferred Revenue and Other Contract Liabilities, Current

Deferred revenue and other contract liabilities, current consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Deferred revenue	\$ 61.5	\$ 61.9
Accrued rebates and allowances	26.0	23.0
Accrued customer reimbursements	8.7	10.1
Total deferred revenue and other contract liabilities	96.2	95.0
Less: Non-current portion of deferred revenue	(23.0)	(18.1)
Deferred revenue and other contract liabilities, current	\$ 73.2	\$ 76.9

For the year ended December 30, 2023, total deferred revenue and other current contract liabilities were \$77.3 million.

Deferred revenue relates to contracted amounts that have been invoiced to customers for which remaining performance obligations must be completed before the Company can recognize revenue. Generally, the Company records deferred revenue when revenue is to be recognized subsequent to invoicing.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Deferred revenue primarily relates to undelivered equipment, sensors and services under deferred equipment agreements, extended warranty agreements and maintenance agreements. Expected revenue from remaining contractual performance obligations (Unrecognized Contract Revenue) includes deferred revenue, as well as other amounts that will be invoiced and recognized as revenue in future periods when the Company completes its performance obligations. Unrecognized Contract Revenue excludes revenue allocable to monitoring-related equipment that is effectively leased to customers under deferred equipment agreements and other contractual obligations for which neither party has performed. The estimated timing of this revenue is based, in part, on management's estimates and assumptions about when its performance obligations will be completed. As a result, the actual timing of this revenue in future periods may vary, possibly materially, due to factors such as healthcare facility spending trends, hospital inpatient census and seasonality. As of January 3, 2026, the Company had approximately \$1,793.7 million of Unrecognized Contract Revenue related to executed contracts with an original duration of one year or more. The Company expects to recognize approximately \$495.5 million of this amount as revenue within the next twelve months and the remaining balance thereafter.

Changes in deferred revenue for the years ended January 3, 2026 and December 28, 2024 were as follows:

(in millions)	January 3, 2026	December 28, 2024
Deferred revenue, beginning of the period	\$ 61.9	\$ 48.5
Revenue deferred during the period	52.2	42.5
Recognition of revenue deferred in prior periods	(52.6)	(29.1)
Deferred revenue, end of the period	<u>\$ 61.5</u>	<u>\$ 61.9</u>

14. Other Current Liabilities

Other current liabilities consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Related party payables ⁽¹⁾	\$ 23.5	\$ 5.3
Accrued indirect taxes payable	22.7	17.9
Income tax payable	16.7	12.4
Accrued legal fees	14.5	14.6
Accrued expenses	9.1	24.2
Lessee lease liabilities, current	8.1	9.7
Long-term debt, current	6.3	15.0
Accrued warranty	6.1	5.5
Other current liabilities	2.2	10.8
Total other current liabilities	<u>\$ 109.2</u>	<u>\$ 115.4</u>

⁽¹⁾ Related party payables includes \$23.5 million of royalty related to Willow. See Note 3, "Related Party Transactions" for further details.

15. Debt

(in millions)	January 3, 2026	December 28, 2024
Term loan - current portion	\$ 6.3	\$ 15.0
Short-term debt	6.3	15.0
Revolver - long-term	280.0	456.0
Term loan - long-term	238.0	258.3
Long-term debt	<u>518.0</u>	<u>714.3</u>
Total debt	<u>\$ 524.3</u>	<u>\$ 729.3</u>

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

2022 Credit Facility

On April 11, 2022, the Company entered into an unsecured credit agreement (the 2022 Credit Facility) with financial institutions as initial lenders, Citibank, N.A., as Administrative Agent, Citibank, N.A., JPMorgan Chase Bank, N.A., Bank of the West and BofA Securities, Inc., as joint lead arrangers and joint bookrunners, and JPMorgan Chase Bank, N.A., Bank of the West and BofA Securities, Inc., as co-syndication agents.

The 2022 Credit Facility provided a \$300.0 million term loan (the 2022 Term Loan) and \$500.0 million of in revolving commitments, with an accordion feature allowing for up to \$400.0 million in additional commitments, (plus unlimited amounts if certain incurrence tests were met), subject to certain conditions. The Company recorded debt issuance costs of \$8.4 million as a reduction to the carrying amount of the 2022 Credit Facility, and amortized them to interest expense using the straight-line amortization method.

On September 23, 2025, the Company repaid the \$270.0 million outstanding balance on the 2022 Term Loan balance and recorded a charge of \$0.9 million for the associated unamortized debt issuance costs.

2025 Credit Facility

On December 1, 2025, the Company entered into a five-year unsecured credit agreement (the 2025 Credit Facility) with financial institutions as initial lenders, Bank of America, N.A. as Administrative Agent, BofA Securities, Inc., JPMorgan Chase Bank, N.A., Citibank, N.A., U.S. Bank National Association, and PNC Capital Markets LLC as joint lead arrangers and joint bookrunners. BofA Securities, Inc., JPMorgan Chase Bank, N.A., Citibank, N.A., U.S. Bank National Association, and PNC Bank National Association as co-syndication agents. BMO Bank N.A., DNB Bank ASA, New York Branch, and KeyBank National Association as co-documentation agents.

The 2025 Credit Facility consists of a \$250.0 million term loan (the Term Loan) and a \$750.0 million revolving credit facility (the Revolver), with an accordion feature allowing for up to \$400.0 million in additional commitments (plus unlimited amounts if certain incurrence tests are met), subject to certain conditions. The 2025 Credit Facility includes a \$50.0 million letter of credit sublimit, and matures on December 1, 2030.

The Company recorded a charge of \$0.4 million for debt issuance costs related to lenders that did not continue from the 2022 Credit Facility, and recorded debt issuance costs of \$4.6 million as a reduction to the carrying amount of the 2022 Credit Facility and amortized them to interest expense using the straight-line amortization method.

The Company used initial proceeds from the Term Loan and Revolver to pay off the remaining obligations under the 2022 Credit Facility and related fees. Subsequent Revolver borrowings will be used for general corporate purposes.

Borrowings under the 2025 Credit Facility will bear interest, at the Company's election, at either: (a) an Alternate Base Rate (ABR) Loan, plus a spread of 0.000% to 0.750%, or (b) a Term SOFR Loan plus a spread of 1.000% to 1.750%, based on the Company's net leverage ratios as set forth in the 2025 Credit Facility. ABR equals, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 1/2 of 1%, (b) Bank of America's prime rate, (c) Term SOFR plus 1.00%, or (d) a floor of 0.00%. Term SOFR equals the Term SOFR Screen Rate (as defined in the 2025 Credit Facility) for the applicable interest period, with a 0% floor. As of January 3, 2026, the effective interest rate on the 2025 Credit Facility was 4.7%.

The Company pays an unused fee ranging from 0.150% to 0.275% per annum on the unutilized Revolver balance, based on the Company's net leverage ratios under the 2025 Credit Facility.

The 2025 Credit Facility contains financial covenants related to a net leverage ratio and an interest coverage ratio, and customary negative covenants, affirmative covenants, representations and warranties, and events of default. Upon any event of default, the Administrative Agent may, and at the request of required lenders shall take either or both of the following actions: (a) immediately terminate the commitments, or (b) declare the outstanding loans immediately due and payable in full.

The Company was in compliance with all covenants related to the 2025 Credit Facility as of January 3, 2026.

As of January 3, 2026, the Company had approximately \$467.6 million of available borrowing capacity (net of approximately \$2.4 million in outstanding letters of credit) under the Credit Facility.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the Company incurred total interest expense of \$33.2 million, \$41.2 million and \$47.1 million, respectively, under the Credit Facilities.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of January 3, 2026, the aggregate maturities of principal on the Credit Facility for each of the next five years and thereafter are as follows:

Fiscal year	Amount (in millions)
2026	\$ 6.3
2027	6.3
2028	6.3
2029	6.3
2030	499.1
Thereafter	0.0
Total	\$ 524.3

16. Other Non-Current Liabilities

Other non-current liabilities consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Lessee non-current lease liabilities	\$ 26.9	\$ 23.3
Unrecognized tax benefits	26.2	23.7
Deferred revenue, non-current	23.0	18.1
Projected benefit obligation	5.5	5.4
Income tax payable, non-current	4.7	—
Other	1.5	0.4
Total other non-current liabilities	\$ 87.8	\$ 70.9

Unrecognized tax benefits relate to the Company's long-term portion of tax liability associated with uncertain tax positions. Authoritative guidance prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. See Note 23, "Income Taxes", for further details.

17. Derivative Instruments and Hedging Activities

Derivative Instruments - Cash Flow Hedges

The Company's cash flow hedges are designed to mitigate the risk of exposure to variability in expected future cash flows of recognized assets, liabilities or any unrecognized forecasted transactions. The Company entered into various interest rate swaps that are designated as cash flow hedges on the Company's outstanding debt. The interest rate swaps reduce the variability of cash flow payments for the Company by converting a portion of its variable interest rate to an average fixed interest rate of 3.16% as of January 3, 2026. All hedging relationships were highly effective at achieving offsetting changes in cash flows attributable to the risk being hedged. The Company used a regression analysis at hedge inception to assess the effectiveness of cash flow hedge and periodically thereafter.

The Company records gains and losses from the changes in the fair value of these instruments as a component of other comprehensive (loss) income. Deferred gains or losses from these designated cash flow hedges are reclassified into earnings in the period that the hedged items affect earnings. The Company does not offset fair value amounts recognized for derivative instruments in its consolidated balance sheets for presentation purposes. The following table summarizes the fair value of the hedging instruments, presented on a gross basis, as of January 3, 2026 and December 28, 2024.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(in millions)	Balance sheet classification	Consolidated Balance Sheets	
		January 3, 2026	December 28, 2024
Interest rate contracts, inclusive of accrued interest	Other non-current assets	\$ 1.0	\$ 6.8
Interest rate contracts, inclusive of accrued interest	Other non-current liabilities	(1.4)	(0.1)
Total		\$ (0.4)	\$ 6.7

The following table summarizes the gains reclassified from accumulated other comprehensive (loss) income to the consolidated statements of operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023.

(in millions)	Location of gains	Consolidated Statement of Operations		
		Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Interest rate contracts	Non-operating gains	\$ 5.2	\$ 14.7	\$ 14.9
Total		\$ 5.2	\$ 14.7	\$ 14.9

The following tables summarize the changes in accumulated other comprehensive (loss) income related to the hedging instruments:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Beginning balance	\$ 6.0	\$ 7.8	\$ 19.3
Amount recognized in other comprehensive (loss) income	(1.1)	12.9	3.4
Amount reclassified into earnings	(5.2)	(14.7)	(14.9)
Ending balance	\$ (0.3)	\$ 6.0	\$ 7.8

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the unrealized (loss), net of tax was \$(4.8) million, \$(1.3) million and \$(8.8) million, respectively.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the tax (benefit) related to the cash flow hedges was \$(1.5) million, \$(0.5) million and \$(2.7) million, respectively.

The Company expects to reclassify a net amount of gains of \$0.1 million from accumulated other comprehensive (loss) income gain to non-operating (loss) income within the next 12 months.

18. Discontinued Operations

In the third quarter of 2024, the Company announced that the Board remained committed to the previously announced review of alternatives for the non-healthcare business, and that the Board had engaged Centerview Partners and Morgan Stanley as financial advisors and Sullivan & Cromwell as a legal advisor. As of December 28, 2024, the Company's non-healthcare business segment remained part of the Company's continuing operations. The sale process progressed in 2025, and during the first quarter of 2025, the non-healthcare business was classified as held-for-sale and reported in discontinued operations.

The accounting criteria for reporting the non-healthcare business as a discontinued operation were met when the Board resolved to sell the non-healthcare business during the first quarter of 2025. Furthermore, there was a strategic shift that was expected to have a major effect on the Company's overall operations and financial results. Accordingly, the accompanying consolidated financial statements for all periods presented reflect the non-healthcare business as a discontinued operation. Applicable amounts in the prior periods have been recast to conform to this discontinued operations presentation.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

During the first quarter of 2025, the non-healthcare business was classified as held-for-sale and was accordingly measured at the lower of its carrying amount or fair value less cost to sell in accordance with ASC 360: Impairment Testing: Long-lived Assets Classified as Held and Used (ASC 360); furthermore, the carrying amount of any assets not covered by ASC 360 included in this disposal group is adjusted in accordance with other applicable GAAP before measuring the fair value less cost to sell of the disposal group. All initial or subsequent adjustments to the carrying amount of a component as a result of such measurement is classified in discontinued operations. During the first quarter 2025, the Company recorded intangible asset write-downs of approximately \$44.0 million within cost of sales, and approximately \$251.0 million within operating expenses.

Determining the fair value of a reporting unit is judgmental and involves the use of significant estimates and assumptions, which include the discount rate and forecasted revenue growth rates and operating margins, to calculate projected future discounted cash flows. The non-healthcare forecasted revenue growth rates and operating margins assume recovery from the current business downturn while also employing strategies to expand in key market segments.

These fair value measurements require significant judgments using Level 3 inputs, such as discounted projected cash flows, which are not observable from the market, directly or indirectly.

On May 6, 2025, the Company entered into a definitive agreement with Harman International Industries, Incorporated, a wholly-owned subsidiary of Samsung Electronics Co., Ltd., to sell Sound United for an aggregate purchase price of \$350 million in cash, subject to certain adjustments. On September 23, 2025, the Company completed the sale and received net cash of approximately \$328 million, pending final customary adjustments.

Interest expense from specifically identifiable debt associated with the non-healthcare business has been included in discontinued operations. No interest expense from the healthcare business was allocated to discontinued operations. As a result of the separation of the non-healthcare business, the Company incurred \$1.5 million and \$2.4 million in direct costs during each of the years ended January 3, 2026 and December 28, 2024, respectively, which are reflected in earnings from discontinued operations, net of income taxes in the accompanying consolidated statements of operations. These costs primarily relate to professional fees incurred in connection with the separation.

The key components of income from the non-healthcare business discontinued operations were as follows:

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Revenues	\$ 414.9	\$ 699.1	\$ 772.6
Cost of sales	309.3	489.1	534.7
Gross profit	105.6	210.0	237.9
Selling, general and administrative expenses	108.4	195.1	212.7
Research and development expenses	27.5	40.6	44.7
Intangible assets impairment charges	251.5	304.0	10.0
Operating loss	(281.8)	(329.7)	(29.5)
Loss on disposition	(101.1)	—	—
Reclass of unrealized foreign currency translation losses upon disposition of discontinued operations	(44.5)	—	—
Other non-operating (loss) income	(4.7)	2.6	4.6
Loss from discontinued operations, before income taxes	(432.1)	(327.1)	(24.9)
(Benefit) provision for income taxes	(72.9)	(6.0)	1.3
Loss from discontinued operations, net of income taxes	\$ (359.2)	\$ (321.1)	\$ (26.2)

Assets and liabilities of the discontinued operations of the non-healthcare business classified as held-for-sale remaining in the consolidated balance sheets as of January 3, 2026 and December 28, 2024 consist of the following:

(in millions)	January 3, 2026	December 28 2024
Cash and cash equivalents	\$ 1.0	\$ 54.0
Trade receivable, net of credit allowances	—	143.3
Inventories, net	—	164.4
Other current assets	—	41.7
Total current assets, held-for-sale	1.0	403.4
Property and equipment, net	—	44.6
Intangible assets, net	—	496.6
Deferred tax assets	—	25.2
Other non-current assets	0.1	48.8
Total non-current assets, held-for-sale	0.1	615.2
Total assets held-for-sale - discontinued operations	\$ 1.1	\$ 1,018.6
Accounts payable	\$ 0.5	\$ 123.8
Accrued compensation	0.9	4.9
Deferred revenue and other contract liabilities, current	—	18.6
Other current liabilities	1.1	70.4
Total current liabilities, held-for-sale	2.5	217.7
Long-term debt	—	13.6
Deferred tax liabilities	—	99.9
Other non-current liabilities	0.1	57.2
Total non-current liabilities, held-for-sale	0.1	170.7
Total liabilities held-for-sale - discontinued operations	\$ 2.6	\$ 388.4

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

19. Equity***Stock Repurchase Program***

In June 2022, the Board approved a stock repurchase program, authorizing the Company to purchase up to 5.0 million shares of its common stock on or before December 31, 2027 (the 2022 Repurchase Program). The 2022 Repurchase Program became effective in July 2022. The Company expects to fund the 2022 Repurchase Program through its available cash, cash expected to be generated from future operations, the Credit Facility and other potential sources of capital. The 2022 Repurchase Program can be carried out at the discretion of a committee comprised of the Company's CEO and Chief Financial Officer (CFO) through open market purchases, one or more Rule 10b5-1 trading plans, block trades and privately negotiated transactions. Approximately 2.5 million shares were repurchased pursuant to the 2022 Repurchase Program during the year ended January 3, 2026. As of January 3, 2026, approximately 2.5 million shares remained available for repurchase pursuant to the 2022 Repurchase Program.

The following table provides a summary of the Company's stock repurchase activities during the years ended January 3, 2026, December 28, 2024 and December 30, 2023:

(in millions, except per share amounts)	Years Ended		
	January 3, 2026	December 28, 2024	December 30, 2023
Share repurchased ⁽¹⁾	2.5 ⁽¹⁾	—	—
Average cost per share	\$ 146.91	\$ —	\$ —
Value of shares repurchased ⁽²⁾	\$ 363.7	\$ —	\$ —

⁽¹⁾ Excludes shares withheld from the shares of its common stock actually issued in connection with the vesting of PSU or RSU awards to satisfy certain U.S. federal and state tax withholding obligations.

⁽²⁾ Excludes excise taxes on share repurchases.

20. Stock-Based Compensation***Equity Incentive Plans******2007 Stock Incentive Plan***

Effective June 1, 2017, upon the approval and ratification of the 2017 Equity Plan, the Company's 2007 Stock Incentive Plan (the 2007 Equity Plan) terminated, provided that awards outstanding under the 2007 Equity Plan will continue to be governed by the terms of that plan. In addition, upon the effectiveness of the 2017 Equity Plan, an aggregate of 5.0 million shares of the Company's common stock registered under prior registration statements for issuance pursuant to the 2007 Equity Plan were deregistered and concurrently registered under the 2017 Equity Plan.

2017 Equity Plan

On June 1, 2017, the Company's stockholders ratified and approved the 2017 Equity Plan. The 2017 Equity Plan permits the grant of stock options, restricted stock, RSUs, stock appreciation rights, PSUs, performance shares, performance bonus awards and other stock or cash awards to employees, directors and consultants of the Company and employees and consultants of any parent or subsidiary of the Company. Upon effectiveness, an aggregate of 5.0 million shares were available for issuance under the 2017 Equity Plan. In May 2020, the Company's stockholders approved an increase of 2.5 million shares to the 2017 Equity Plan. The aggregate number of shares that may be awarded under the 2017 Equity Plan is 7.5 million shares. The 2017 Equity Plan provides that at least 95% of the equity awards issued under the 2017 Equity Plan must vest over a period of not less than one year following the date of grant. The exercise price per share of each option granted under the 2017 Equity Plan may not be less than the fair market value of a share of the Company's common stock on the date of grant, which is generally equal to the closing price of the Company's common stock on the Nasdaq Global Select Market on the grant date.

Total stock-based compensation expense during the years ended January 3, 2026, December 28, 2024, and December 30, 2023 was \$35.8 million, \$36.1 million and \$6.1 million respectively.

Additional information related to the Company's current equity incentive plans, stock-based award activity and valuation of stock-based awards is included below.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Stock-Based Award Activity

Stock Options

The number and weighted-average exercise price of options issued and outstanding under all of the Company's equity plans are as follows:

(in millions, except for weighted-average exercise prices)	Year Ended January 3, 2026		Year Ended December 28, 2024		Year Ended December 30, 2023	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Options outstanding, beginning of period ⁽¹⁾	1.6	\$ 110.43	2.7	\$ 87.58	2.8	\$ 83.87
Granted ⁽²⁾	0.1	163.33	0.1	126.49	0.1	182.43
Canceled ⁽³⁾	(0.2)	183.18	(0.6)	82.38	—	163.96
Exercised	(0.8)	87.34	(0.6)	39.47	(0.2)	43.22
Options outstanding, end of period	<u>0.7</u>	<u>\$ 117.87</u>	<u>1.6</u>	<u>\$ 110.43</u>	<u>2.7</u>	<u>\$ 87.58</u>
Options exercisable, end of period	0.6	\$ 113.14	1.5	\$ 105.05	2.4	\$ 73.80

⁽¹⁾ The Company recorded \$0.1 million, \$0.2 million and \$0.1 million of stock option expense for discontinued operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

⁽²⁾ No stock options were granted for discontinued operations for the year ended January 3, 2026.

⁽³⁾ On September 23, 2025, in connection with the completion of the sale of Sound United, all outstanding unvested stock options held by employees of the sold business were canceled.

Total stock option expense for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was \$1.3 million, \$4.4 million and \$8.7 million, respectively. As of January 3, 2026, the Company had \$3.3 million of unrecognized compensation cost related to non-vested stock options that are expected to vest over a weighted-average period of approximately 3.2 years.

The number and weighted-average exercise price of outstanding and exercisable stock options segregated by exercise price ranges were as follows:

(in millions, except range of exercise prices and average remaining contractual life)	Year Ended January 3, 2026			Year Ended December 28, 2024		
	Options Outstanding		Options Exercisable	Options Outstanding		Options Exercisable
	Number of Options	Average Remaining Contractual Life	Number of Options	Number of Options	Average Remaining Contractual Life	Number of Options
Range of Exercise Prices						
\$15.00 to \$50.00	0.1	0.2	0.1	0.3	0.8	0.3
\$50.01 to \$80.00	—	0.7	—	—	1.7	—
\$80.01 to \$120.00	0.3	1.8	0.3	0.7	1.5	0.7
\$120.01 to \$160.00	0.2	4.6	0.1	0.4	2.2	0.3
\$160.01 to \$200.00	0.1	5.6	0.1	0.2	2.5	0.2
\$200.01 to \$230.00	—	4.2	—	—	4.5	—
\$230.01 to \$280.00	—	4.9	—	—	2.4	—
Total	<u>0.7</u>	<u>3.0</u>	<u>0.6</u>	<u>1.6</u>	<u>1.7</u>	<u>1.5</u>

As of January 3, 2026 and December 28, 2024, the weighted-average remaining contractual term of options outstanding was 3.0 years and 1.7 years, respectively. As of January 3, 2026 and December 28, 2024, the weighted-average remaining contractual term of options exercisable with an exercise price less than the closing price of the Company's common stock was 1.9 years and 2.2 years respectively.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

RSUs

The number of RSUs issued and outstanding under all of the Company’s equity plans are as follows:

(in millions, except for weighted-average grant date fair value)	Year Ended January 3, 2026		Year Ended December 28, 2024		Year Ended December 30, 2023	
	Units	Weighted-Average Grant Date Fair Value	Units	Weighted-Average Grant Date Fair Value	Units	Weighted-Average Grant Date Fair Value
RSUs outstanding, beginning of period ⁽¹⁾	0.7	\$ 135.21	3.4	\$ 104.81	3.0	\$ 105.02
Granted ⁽²⁾	0.3	163.02	0.2	130.85	0.5	121.79
Canceled ⁽³⁾	(0.2)	142.75	(2.7)	96.40	—	179.81
Vested	(0.2)	141.48	(0.2)	146.27	(0.1)	177.93
RSUs outstanding, end of period	0.6	\$ 145.71	0.7	\$ 135.21	3.4	\$ 104.81

⁽¹⁾ The Company recorded \$2.5 million, \$4.4 million and \$2.3 million of RSU related expense for discontinued operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

⁽²⁾ No RSUs were granted for discontinued operations for the year ended January 3, 2026.

⁽³⁾ On September 23, 2025, in connection with the completion of the sale of Sound United, all outstanding unvested RSUs held by employees of the sold business were canceled.

Total RSU expense for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was \$32.0 million, \$29.8 million and \$17.8 million, respectively. As of January 3, 2026, the Company had \$68.5 million of unrecognized compensation cost related to non-vested RSU awards expected to be recognized and vest over a weighted-average period of approximately 3.1 years.

As previously mentioned in Note 2, “Summary of Significant Accounting Policies” under the heading “Net Income Per Share”, 2.7 million shares related to certain RSUs were considered contingently issuable shares as their vesting is contingent upon the occurrence of certain events. As of January 3, 2026, such events were deemed to have not occurred. See Note 24, “Commitments and Contingencies” for additional details.

PSUs

The number of PSUs outstanding under all of the Company’s equity plans are as follows:

(in millions, except for weighted-average grant date fair value)	Year Ended January 3, 2026		Year Ended December 28, 2024		Year Ended December 30, 2023	
	Units	Weighted-Average Grant Date Fair Value	Units	Weighted-Average Grant Date Fair Value	Units	Weighted-Average Grant Date Fair Value
PSUs outstanding, beginning of period ⁽¹⁾	0.2	\$ 172.50	0.3	\$ 195.42	0.3	\$ 186.83
Granted ⁽²⁾	0.1 ⁽³⁾	179.89	0.1 ⁽⁴⁾	164.19	0.1 ⁽⁵⁾	204.67
Canceled ⁽⁶⁾	(0.2)	171.39	(0.2)	187.52	—	193.50
Vested	—	—	—	250.73	(0.1)	179.42
PSUs outstanding, end of period	0.1	\$ 180.65	0.2	\$ 172.50	0.3	\$ 195.42

⁽¹⁾ The Company recorded \$(1.0) million, \$0.8 million and \$(1.5) million of PSU (benefit) expense for discontinued operations for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

⁽²⁾ No PSUs were granted for discontinued operations for the year ended January 3, 2026.

⁽³⁾ On February 25, 2025, the Audit Committee approved the weighted payout percentage of 0% for the 2022 PSU awards (three-year performance period), which were based upon the actual fiscal 2024 performance against pre-established performance objectives. Included in the granted amount are those additional PSUs earned based on actual performance achieved. These PSUs were originally awarded at target.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

- (4) On February 26, 2024, the Audit Committee approved the weighted payout percentage of 28% for the 2021 PSU awards (three-year performance period), which were based upon the Company's actual fiscal year 2023 performance against pre-established performance objectives. Included in the granted amount are those additional PSUs earned based on actual performance achieved. These PSUs were originally awarded at target.
- (5) On February 27, 2023, the Audit Committee approved the weighted payout percentage of 100% for the 2020 PSU awards (three-year performance period), which were based upon the Company's actual fiscal year 2022 performance against pre-established performance objectives. Included in the granted amount are those additional PSUs earned based on actual performance achieved. These PSUs were originally awarded at target.
- (6) On September 23, 2025, in connection with the completion of the sale of Sound United, all outstanding unvested PSUs held by employees of the sold business were canceled.

During the year ended December 30, 2023, the Company awarded 95,170 PSUs that will vest three years from the award date, based on the achievement of certain pre-established multi-year performance criteria approved by the Board. Estimates of stock-based compensation expense for an award with performance conditions are based on the probable outcome of the performance conditions and the cumulative effect of any changes in the probability outcomes is recorded in the period in which the changes occur. If earned, the PSUs granted will vest upon achievement of the performance criteria, which include a relative total shareholder return (TSR) component, in the year following the evaluation and confirmation of the performance achievement criteria. The Company's TSR is based on the Company's common stock percentile ranking relative to the constituents of the Nasdaq Composite Index for the performance period beginning on January 1, 2023 and ending on December 31, 2025. The number of shares that may be earned can range from 0% to 200% of the target amount.

During the year ended December 28, 2024, the Company awarded 142,254 PSUs that will vest three years from the award date, based on the achievement of certain pre-established multi-year performance criteria approved by the Board. Estimates of stock-based compensation expense for an award with performance conditions are based on the probable outcome of the performance conditions and the cumulative effect of any changes in the probability outcomes is recorded in the period in which the changes occur. If earned, the PSUs granted will vest upon achievement of the performance criteria, which include a relative total shareholder return (TSR) component, in the year following the evaluation and confirmation of the performance achievement criteria. The Company's TSR is based on the Company's common stock percentile ranking relative to the constituents of the Nasdaq Composite Index for the performance period beginning on January 1, 2024 and ending on December 31, 2026. The number of shares that may be earned can range from 0% to 200% of the target amount.

During the year ended January 3, 2026, the Company awarded 90,397 PSUs that will vest three years from the award date, based on the achievement of certain pre-established multi-year performance criteria approved by the Board. Estimates of stock-based compensation expense for an award with performance conditions are based on the probable outcome of the performance conditions and the cumulative effect of any changes in the probability outcomes is recorded in the period in which the changes occur. If earned, the PSUs granted will vest upon achievement of the performance criteria, which include a relative total shareholder return (TSR) modifier, in the year following the evaluation and confirmation of the performance achievement criteria. The Company's TSR modifier estimate is based on the Masimo's TSR performance over a 3-year period as a percentile ranking relative to the constituents of the *S&P Healthcare Equipment Select Index* for the performance period beginning on March 11, 2025 and ending on January 1, 2028. The number of shares that may be earned can range from 0% to 200% of the target amount.

The fair value of market-based RSUs is determined using a Monte Carlo simulation model, which uses multiple input variables to determine the probability of satisfying the market condition requirements. The fair value of performance-based PSUs is determined using the closing price of the Company's common stock on the grant date. Based on management's estimate of the number of units expected to vest, total PSU expense (benefit) for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was \$2.5 million, \$1.9 million and \$(20.4) million, respectively. The PSU expense (benefit) amounts for the years ended January 3, 2026, December 28, 2024 and December 30, 2023 relate to adjustments for the expected life-to-date performance of the PSU. As of January 3, 2026, the Company had \$12.5 million of unrecognized compensation cost related to non-vested PSU awards expected to be recognized and vest over a weighted-average period of approximately 1.8 years.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Valuation of Stock-Based Award Activity

The fair value of each RSU and PSU is determined based on the closing price of the Company's common stock on the grant date.

The Black-Scholes option pricing model is used to estimate the fair value of options granted under the Company's stock-based compensation plans. The range of assumptions used and the resulting weighted-average fair value of options granted at the date of grant were as follows:

	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Risk-free interest rate	3.9% to 4.1%	3.3% to 4.2%	3.6% to 4.2%
Expected term (in years)	5.8 years	4.6 years to 5.9 years	5.1 years to 5.9 years
Estimated volatility	40.5% to 43.1%	33.3% to 42.6%	31.6% to 36.7%
Expected dividends	0%	0%	0%
Weighted-average fair value of options granted	\$68.57 per share to \$78.81 per share	\$59.60 per share	\$75.08 per share

Risk-free interest rate. The risk-free interest rate is based on the implied yield available on U.S. Treasury zero-coupon issues with a remaining term approximately equal to the expected term of the Company's stock options.

Expected term. The expected term represents the average period that the Company's stock options are expected to be outstanding. The expected term is based on both the Company's specific historical option exercise experience, as well as expected term information available from a peer group of companies with a similar vesting schedule.

Estimated volatility. The estimated volatility is the amount by which the Company's share price is expected to fluctuate during a period. The Company's estimated volatilities for the years ended January 3, 2026, December 28, 2024, and December 30, 2023 are based on historical and implied volatilities of the Company's share price over the expected term of the option.

Expected dividends. The Board may from time to time declare, and the Company may pay, dividends on its outstanding shares in the manner and upon the terms and conditions provided by law. Any determination to declare and pay dividends will be made by the Board and will depend upon the Company's results of operations, earnings, capital requirements, financial condition, business prospects, contractual restrictions and other factors deemed relevant by the Board. In the event a dividend is declared, there is no assurance with respect to the amount, timing or frequency of any such dividends. The dividend declared in 2012 was deemed to be a special dividend and there is no assurance that special dividends will be declared again during the expected term. Based on this uncertainty and unknown frequency, for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, no dividend rate was used in the assumptions to calculate the stock-based compensation expense.

The Company has elected to recognize stock-based compensation expense on a straight-line basis over the requisite service period for the entire award, net of forfeitures. Forfeitures of stock-based awards are recognized as they occur. The total fair value of all options that vested during the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was \$2.7 million, \$8.2 million and \$9.5 million, respectively.

The aggregate intrinsic value of options is calculated as the positive difference, if any, between the market value of the Company's common stock on the date of exercise or the respective period end, as appropriate, and the exercise price of the options. The aggregate intrinsic value of options outstanding, with an exercise price less than the closing price of the Company's common stock as of January 3, 2026 was \$18.6 million. The aggregate intrinsic value of options exercisable with an exercise price less than the closing price of the Company's common stock, as of January 3, 2026 was \$18.6 million. The aggregate intrinsic value of options exercised during the years ended January 3, 2026, December 28, 2024 and December 30, 2023 was \$63.1 million, \$58.2 million and \$19.0 million, respectively.

The total income tax benefit recognized in the consolidated statements of operations for stock-based compensation expense was \$5.8 million, \$5.7 million and \$2.9 million for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table presents the total stock-based compensation expense that is included in each functional line item of the consolidated statements of operations:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Cost of goods sold	\$ 0.7	\$ 1.0	\$ 1.1
Selling, general and administrative	21.9	20.3	(2.0)
Research and development	13.2	14.8	7.0
Total	<u>\$ 35.8</u>	<u>\$ 36.1</u>	<u>\$ 6.1</u>

21. Employee Benefits

Defined Contribution Plan

In the U.S., the Company sponsors one qualified defined contribution plan or 401(k) plan, the Masimo Retirement Savings Plan (MRSP), covering the Company's full-time U.S. employees who meet certain eligibility requirements.

The MRSP matches 100% of a participant's salary deferral, up to 3% of each participant's compensation for the pay period, subject to a maximum amount. The Company may also contribute to the MRSP on a discretionary basis. The Company contributed \$3.7 million, \$3.9 million and \$4.1 million to the MRSP for the years ended January 3, 2026, December 28, 2024 and December 30, 2023, respectively, all in the form of matching contributions.

In addition, some of the Company's international subsidiaries also have defined contribution plans to which both the employee and employers are eligible to make contributions. The Company contributed \$2.3 million, \$2.4 million and \$2.1 million for the years ended January 3, 2026, December 28, 2024, and December 30, 2023, respectively.

Defined Benefit Plans

The Company sponsors several international noncontributory defined benefit plans. The service cost component for the defined benefit plans are recorded in operating expenses in the consolidated statement of operations. All other cost components are recorded in other income (expense), net in the consolidated statement of operations.

The following table sets forth the funded status and amounts recognized in the consolidated balance sheet for the Company's defined benefit plans.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

(in millions)	January 3, 2026	December 28, 2024
Plan Assets		
Fair value of plan assets at beginning of year	\$ 19.2	\$ 16.7
Employer contributions	2.4	1.8
Participant contributions	0.9	0.7
Realized net gains (losses) on plan assets	0.3	0.1
Benefits paid	(0.6)	(1.2)
Foreign currency revaluation and translation gains and (losses)	2.6	1.1
Fair value of plan assets at end of year	<u>\$ 24.8</u>	<u>\$ 19.2</u>
Projected Benefit Obligation		
Projected benefit obligation at beginning of year	\$ 24.6	\$ 20.9
Service cost	1.7	1.5
Participant contributions	0.9	0.7
Interest cost	0.3	0.3
Actuarial gains (losses)	(0.4)	0.5
Benefits paid	(0.6) ⁽¹⁾	(1.2)
Foreign currency revaluation and translation gains and (losses)	3.8	1.9
Projected benefit obligation at end of year	<u>\$ 30.3</u>	<u>\$ 24.6</u>
Funded status	<u>\$ (5.5)</u>	<u>\$ (5.4)</u>

⁽¹⁾ Due to the timing of a cash transfer, there was a payable as of January 3, 2026, resulting in a negative allocation as of year end.

The net increase in the fair value of the Company's plan assets for the year ended January 3, 2026 was principally driven by higher foreign currency revaluation of \$1.5 million and higher employer contributions of \$0.6 million on the plan assets.

The net increase in the Company's projected benefit obligation for the year ended January 3, 2026 was primarily driven by higher foreign currency revaluation of \$1.9 million on the projected benefit obligation, partially offset by lower benefits paid of \$0.6 million on the projected benefit obligation.

The underfunded balance of \$5.5 million and \$5.4 million was included in the long-term other liabilities on the consolidated balance sheets as of January 3, 2026 and December 28, 2024, respectively.

The Company's consolidated statement of operations reflect the following components of net periodic defined benefit costs:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Service cost	\$ 1.7	\$ 1.5	\$ 1.2
Interest cost	0.3	0.3	0.5
Amortization of net losses	0.2	0.1	—
Amortization of prior service costs (credits)	—	(0.1)	—
Expected (gains) on plan assets	(0.8)	(0.7)	(0.7)
Net periodic defined benefit plan cost	<u>\$ 1.4</u>	<u>\$ 1.1</u>	<u>\$ 1.0</u>

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The amounts provided above for amortization of prior service costs (credits) and amortization of net losses represent the reclassifications of prior service cost (credits) and net actuarial gain (losses) that were recognized in accumulated other comprehensive (loss) income in prior periods.

Classification of amounts recognized in the consolidated balance sheets are as follows:

(in millions)	January 3, 2026	December 28, 2024
Non-current liability	\$ 5.5	\$ 5.4

International defined benefit plans with accumulated benefit obligations in excess of fair value of plan assets consist of the following:

(in millions)	January 3, 2026	December 28, 2024
Projected benefit obligation	\$ 30.3	\$ 24.6
Accumulated benefit obligation	28.1	22.8
Fair value of plan assets	24.8	19.2

Plan Assumptions

The Company determines actuarial assumptions on an annual basis. The actuarial assumptions used for the Company's defined benefit plans for international participants will vary depending on the applicable country. On a weighted-average basis, the following assumptions were used to determine benefit obligations and to determine net periodic benefit cost:

	Year Ended January 3, 2026	Year Ended December 28, 2024
Assumptions - benefit obligations:		
Discount rate	1.0 %	1.5 %
Rate of compensation increase	1.5	1.5
Assumptions - net periodic benefit costs:		
Discount rate	1.0 %	1.5 %
Rate of compensation increase	1.5	1.5
Expected long-term return on plan assets ⁽¹⁾	3.5	3.7
Interest credit rate	1.3	1.5

⁽¹⁾ The pension expected return on assets assumption is derived primarily from underlying investment allocations and historical risk premiums per each plan, adjusted for current and future expectations, such as easing of global inflationary pressure.

Plan Assets

The weighted-average asset allocations at year end by asset category were as follows:

Asset category	Actual Allocation	
	January 3, 2026	December 28, 2024
Cash and cash equivalents ⁽¹⁾	(3.7)%	(6.8)%
Equity securities	39.6	36.0
Debt securities	33.7	44.1
Other	30.4	26.7

⁽¹⁾ Due to the timing of a cash transfer, there was a payable as of January 3, 2026 and December 28, 2024, resulting in a negative allocation as of year end.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Plan invests in a diversified portfolio of assets intended to minimize risk of poor returns while maximizing expected portfolio returns. The actual portfolio investment mix may, from time to time, deviate from the established target mix due to various factors such as normal market fluctuations, the reliance on estimates in connection with the determination of allocations and normal portfolio activity such as additions and withdrawals. The target allocations are subject to periodic review, including a review of the asset portfolio's performance, by the named fiduciary of the plans. Such plans have local independent fiduciary advisors with responsibility for the development and oversight of the investment policy, including asset allocation decisions. In making such decisions, consideration is given to local regulations, investment practices and funding rules. The fair value of investments is included in the fair value hierarchy, see Note 2, "Summary of Significant Accounting Policies". While the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Plan Contributions

The Company determines expected funding needs of its defined benefit pension plans based on legal funding requirements, plus any additional amounts that may be appropriate considering the funded status of the plans, tax consequences, the cash flow generated by the Company and other factors. The Company made \$2.4 million and \$1.8 million contributions to its defined benefit plans for the years ended January 3, 2026 and December 28, 2024, respectively. The Company expects to contribute \$1.5 million for the fiscal year 2026.

Estimated Future Benefit Payments

The estimated future benefit payments, based upon the same assumptions used to measure the benefit obligations and expected future employee service, were as follows:

(in millions)	Year Ended January 3, 2026
2026	\$ 1.2
2027	1.2
2028	1.2
2029	2.1
2030	1.2
Thereafter	7.8
Total	\$ 14.7

22. Non-operating Loss

Non-operating loss consists of the following:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Interest income	\$ 3.4	\$ 4.4	\$ 2.9
Realized and unrealized foreign currency (losses)	(7.6)	(4.4)	(8.8)
Interest expense	(33.2)	(41.2)	(47.1)
Total non-operating loss	\$ (37.4)	\$ (41.2)	\$ (53.0)

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

23. Income Taxes

The components of income before (benefit) provision for income taxes are as follows:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
United States	\$ 133.9	\$ (17.8)	\$ 56.3
Foreign	138.7	39.6	56.7
Total	<u>\$ 272.6</u>	<u>\$ 21.8</u>	<u>\$ 113.0</u>

The following table presents the current and deferred (benefit) provision for income taxes:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Current:			
Federal	\$ 23.5	\$ 17.3	\$ 12.6
State	4.1	3.0	3.4
Foreign	25.5	8.6	9.1
Subtotal	<u>\$ 53.1</u>	<u>\$ 28.9</u>	<u>\$ 25.1</u>
Deferred:			
Federal	\$ 6.1	\$ (19.0)	\$ (5.4)
State	6.4	(5.6)	(6.3)
Foreign	(0.7)	1.3	(8.1)
Subtotal	<u>11.8</u>	<u>(23.3)</u>	<u>(19.8)</u>
Total	<u>\$ 64.9</u>	<u>\$ 5.6</u>	<u>\$ 5.3</u>

Included in the fiscal year 2025, 2024 and 2023 tax (benefit) provisions are increases of \$2.8 million, \$3.2 million and \$5.7 million, respectively, for tax and accrued interest related to uncertain tax positions for each fiscal year.

The reconciliation of the U.S. federal statutory tax rate to the Company's effective tax rate after the adoption of ASU 2023-09 is as follows:

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Year Ended January 3, 2026	
	(in millions)	Percent
Statutory regular federal income tax rate	\$ 57.1	21.0 %
State and local income taxes, net of federal income tax effect ^(a)	8.3	3.1
Foreign tax effects:		
Switzerland		
Statutory tax rate differential	(17.6)	(6.5)
Cantonal taxes	5.0	1.8
Impairment	(4.3)	(1.6)
Cross-border tax laws	4.7	1.7
Other	2.3	0.8
Other foreign jurisdictions	5.7	2.1
Effects of cross-board tax laws		
Foreign GILTI, net with FTC	2.4	0.9
Other	0.8	0.3
Tax credits		
R&D credits	(4.8)	(1.8)
Nontaxable and nondeductible items		
Excess stock-based compensation	(5.0)	(1.8)
Other	7.5	2.8
Changes in unrecognized tax benefit	2.8	1.0
Effective tax rate	\$ 64.9	23.8 %

^(a) The states and local jurisdictions that contribute to the majority (greater than 50%) of the tax effect in this category include California, Illinois, Massachusetts, New York, and Texas.

A reconciliation of the provision for income taxes to the amount computed by applying the 21% statutory U.S. federal income tax rate to income before income taxes for years prior to the adoption of ASU 2023-09 is as follows:

	Year Ended December 28, 2024	Year Ended December 30, 2023
Statutory regular federal income tax rate	21.0 %	21.0 %
State provision, net of federal benefit	(12.1)	(2.0)
U.S. tax on foreign income, net	42.5	5.3
Foreign income taxed at different rates	8.0	(2.4)
Research and development tax credits	(16.7)	(3.4)
Tax credit	—	(7.3)
Excess stock-based compensation	(26.3)	(2.3)
Nondeductible executive compensation	16.9	(1.7)
Derecognition of uncertain tax position	(15.5)	(1.6)
Other	7.9	(0.9)
Total	25.7 %	4.7 %

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

As of January 3, 2026, the Company has accumulated undistributed earnings generated by its foreign subsidiaries of approximately \$613.7 million. Because such earnings have previously been subject to U.S. tax or are eligible for a dividends received deduction when repatriated, any additional taxes due with respect to such earnings or the excess of the amount for financial reporting over the tax basis of its foreign investments would generally be limited to foreign withholding and state taxes. The Company considers \$86.5 million of these accumulated undistributed earnings as no longer permanently reinvested and has accrued foreign withholding and state taxes, net of estimated foreign tax credits, of \$2.3 million. The Company intends, however, to indefinitely reinvest the remaining \$527.2 million of earnings. If the Company decides to distribute such permanently reinvested earnings, the Company would accrue estimated additional income tax expense of up to approximately \$25.0 million.

The components of the deferred tax assets are as follows:

(in millions)	January 3, 2026	December 28, 2024
Deferred tax assets:		
Capital loss	\$ 134.2	\$ —
Accrued liabilities	35.7	28.6
Capitalized R&D	29.5	41.2
Tax credits	30.6	31.5
Deferred revenue	24.8	27.5
Net operating losses	16.8	10.9
Operating lease liabilities	7.4	5.6
Stock-based compensation	5.6	8.4
Intangible assets	1.6	6.4
Other	6.2	5.8
Total	292.4	165.9
Valuation allowance	(145.1)	(15.2)
Total deferred tax assets	\$ 147.3	\$ 150.7
Deferred tax liabilities:		
Property and equipment	\$ (8.4)	\$ (12.2)
Withholding taxes on undistributed foreign earnings	(3.5)	(3.1)
ROU assets	(7.3)	(5.2)
State taxes and other	(14.1)	(12.0)
Total deferred tax liabilities	(33.3)	(32.5)
Net deferred tax assets	\$ 114.0	\$ 118.2

As of January 3, 2026, the Company has \$0.8 million and \$2.7 million of net operating losses from federal and various state jurisdictions, which will begin to expire in 2037 and 2038, respectively. Additionally, the Company has \$68.7 million of net operating losses from foreign jurisdictions that will begin to expire in 2032. The Company also has state research and development tax credits of \$38.7 million that will carryforward indefinitely, \$0.2 million of foreign tax credits on research and development expenditures that will begin to expire in 2044 and \$3.6 million of Swiss tax credits that will begin to expire in 2026. In assessing the realizability of deferred tax assets, the Company considers whether it is more-likely-than-not that all or some portion of the deferred tax assets will not be realized. In making this determination, the Company considered all available positive and negative evidence, including scheduled reversals of liabilities, projected future taxable income, tax planning strategies and recent financial performance.

During the year ended December 30, 2023, the Company established a valuation allowance to reduce the deferred tax assets relating to certain acquired operating losses in certain foreign jurisdictions that the Company believes are not likely to be realized. During the year ended January 3, 2026, there was an increase in the valuation allowance of \$129.9 million, primarily due to capital losses and the losses of certain foreign operations and certain state jurisdictions that the Company believes are not likely to be realized.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024
Unrecognized tax benefits (gross), beginning of period	\$ 33.4	\$ 30.2
Increase from tax positions in prior period	0.5	1.8
Increase from tax positions in current period	7.3	4.9
Lapse of statute of limitations	(5.3)	(3.5)
Unrecognized tax benefits (gross), end of period	<u>\$ 35.9</u>	<u>\$ 33.4</u>

The amount of unrecognized benefits which, if ultimately recognized, could favorably affect the tax rate in a future period was \$33.3 million and \$30.8 million as of January 3, 2026 and December 28, 2024, respectively.

For the year ended January 3, 2026 the Company recorded an expense of \$0.4 million for interest and penalties related to unrecognized tax benefits as part of income tax expense. For the year ended December 28, 2024, the Company recorded a benefit of \$0.6 million for interest and penalties related to unrecognized tax benefits as part of income tax expense. For the year ended December 30, 2023, the Company recorded a benefit of \$1.0 million for interest and penalties related to unrecognized tax benefits as part of income tax expense.

Total accrued interest and penalties related to unrecognized tax benefits as of January 3, 2026 and December 28, 2024 were \$3.1 million and \$2.7 million, respectively.

The Company conducts business in multiple jurisdictions and, as a result, one or more of the Company's subsidiaries files income tax returns in U.S. federal, various state, local and foreign jurisdictions. The Company has concluded all U.S. federal income tax matters through fiscal year 2021. All material state, local and foreign income tax matters have been concluded through fiscal year 2017.

The Company does not believe that the results of any tax authority examination would have a significant impact on its consolidated financial statements.

The amounts of cash income tax paid by the Company were as follows:

(in millions)	Year Ended January 3, 2026
Federal	\$ 13.4
Foreign	
Switzerland	6.9
Mexico	2.0
All other foreign	4.2
State and local	2.0
Income taxes, net of amounts refunded	<u>\$ 28.5</u>

The amount of cash income taxes paid by the Company during the years ended December 28, 2024 and December 30, 2023 was \$35.9 million and \$20.4 million, respectively.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The OBBBA did not have a material impact on the consolidated financial statements for the year ended January 3, 2026, and the Company will continue to monitor its impacts on future years.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

24. Commitments and Contingencies

Employment and Severance Agreements

The Company and Mr. Kiani entered into an employment agreement on November 4, 2015 (as thereafter amended and waived, the Amended Employment Agreement). Pursuant to the terms of the Amended Employment Agreement, upon a “Qualifying Termination” (as defined in the Amended Employment Agreement), Mr. Kiani would be entitled to receive (i) a cash severance benefit equal to two times the sum of his then-current base salary and the average annual bonus paid to Mr. Kiani during the immediately preceding three years, (ii) immediate vesting of Mr. Kiani’s stock options and equity awards, (iii) 2.7 million restricted share units (RSUs), and (iv) a cash payment of \$35 million (the Cash Payment and, together with the RSUs, the Special Payment). As set forth in the Amended Employment Agreement, a Qualifying Termination includes a termination by Mr. Kiani for “Good Reason” (as defined in the Amended Employment Agreement), which includes, among other things, (i) any diminution of Mr. Kiani’s responsibilities, duties and authority as set forth in Section 2 of the Amended Employment Agreement, (ii) Mr. Kiani ceasing to serve as the Company’s CEO and Chairman (the Chairman Provision), and (iii) a “Change-in-Control” (as defined in the Amended Employment Agreement).

On January 14, 2022, the Company entered into the Second Amendment to the Amended Employment Agreement (Second Amendment) with Mr. Kiani. The Second Amendment provides that the RSUs granted to Mr. Kiani pursuant to the Amended Employment Agreement will vest in full upon the termination of Mr. Kiani’s employment with the Company or pursuant to Mr. Kiani’s death or disability.

On February 8, 2023, Mr. Kiani agreed that the valid election to the Board at the Company’s 2023 Annual Meeting of Stockholders of any two individuals nominated by the Company’s stockholders in lieu of two of the Company’s then-current Board members would not be deemed to constitute a Change in Control for purposes of Section 9(iii) of the Amended Employment Agreement.

On March 22, 2023, in connection with the Board’s unanimous selection of H Michael Cohen as Lead Independent Director, Mr. Kiani voluntarily irrevocably and permanently waived his right to treat the appointment of any lead independent director as “Good Reason” to terminate his employment under the Amended Employment Agreement, and waived his right to receive contractual separation payments on this basis.

On June 5, 2023, Mr. Kiani, pursuant to a Limited Waiver (Waiver), unconditionally, irrevocably and permanently waived his right, pursuant to the Amended Employment Agreement, to assert that a “Change in Control” has occurred pursuant to Section 9(iii) of the Amended Employment Agreement unless the individuals who constituted the Board at the beginning of the twelve (12) month period immediately preceding such change, as defined in Section 9(iii) of the Amended Employment Agreement, cease for any reason to constitute one-half or more of the directors then in office. In addition, Mr. Kiani agreed that, for purposes of determining whether such a “Change in Control” has occurred, any individual elected to the Board at the Company’s 2023 Annual Meeting of Stockholders will be treated as a member of the Board at the beginning of the twelve (12) month period.

As a result of Mr. Kiani’s execution of the Waiver on June 5, 2023, the Company remeasured the expense related to the Award Shares and Cash Payment that would be recognized in the Company’s consolidated financial statements upon the occurrence of a Qualifying Termination under the Amended Employment Agreement, as amended by the Second Amendment, and the expense was determined to be approximately \$479.7 million.

On September 19, 2024, at the Company’s 2024 Annual Meeting of Stockholders, the Company’s stockholders voted to not reelect Mr. Kiani to the Board. Additionally, on September 19, 2024, after the Company’s 2024 Annual Meeting of Stockholders, Mr. Kiani delivered a notification to the Board stating his decision to resign from his position of CEO of the Company and filed a claim in California Superior Court relating to his Amended Employment Agreement, seeking, among other things, declaratory relief that he had validly terminated his employment for “Good Reason” (as defined in the Amended Employment Agreement), and that he was entitled to certain benefits provided in the Amended Employment agreement upon termination for “Good Reason” (see the heading “Litigation” under Note 24, “Commitments and Contingencies” for further details).

Following an investigation by outside counsel, in which counsel collected and reviewed relevant documents, it was determined that the Company had grounds to terminate Mr. Kiani’s employment for cause. On October 24, 2024, the Board adopted resolutions to terminate Mr. Kiani’s employment for cause, effective that day. The termination was not a Qualifying Termination (as defined in the Amended Employment Agreement). Consequently, the Company believes Mr. Kiani is not entitled to receive the Special Payment under the Amended Employment Agreement.

MASIMO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Also on October 24, 2024, the Company filed claims against Mr. Kiani in the Court of Chancery of the State of Delaware (the Kiani Delaware Litigation), seeking judicial declarations that numerous provisions in Mr. Kiani's Amended Employment Agreement, including the Special Payment, are invalid, unenforceable, and amount to a waste of corporate assets and, therefore, that Mr. Kiani is not entitled to receive the Special Payment. The Company's complaint alleges that the Company's directors at the time of the initial adoption of Mr. Kiani's Amended Employment Agreement and at the adoption of subsequent amendments abdicated their fiduciary duties as a matter of Delaware law by approving the Amended Employment Agreement, which contained provisions intended to entrench Mr. Kiani's control of the Company indefinitely (see the heading "Litigation" under Note 24, "Commitments and Contingencies" for further details).

On November 13, 2024, the Company entered into an employment agreement with Michelle Brennan (Brennan Agreement), who the Board appointed Interim CEO on September 24, 2024. The Brennan Agreement, effective as of the September 24, 2024 appointment, had a term of six months unless earlier terminated by its terms (Brennan Term).

The Brennan Agreement provided for an annual base salary of \$1,042,000. Additionally, Ms. Brennan was eligible for a discretionary bonus of a target amount equal to \$621,250 at the end of the Brennan Term. At the conclusion of Ms. Brennan's service as interim CEO, in the early 2025, the Board determined her discretionary bonus amount would be \$1,087,190.

Under the Brennan Agreement, Ms. Brennan was granted an equity award of 8,916 RSUs, which vested upon the appointment of the CEO of the Company, effective February 12, 2025. The RSUs were granted under Company's 2017 Equity Plan. Ms. Brennan was entitled to participate in all Company employee benefits plans and programs maintained by the Company from time to time, at a level consistent with the benefits provided to other senior executives, subject to the provision of such plans and programs. On February 12, 2025, Ms. Brennan's term as Interim CEO ended and the Board appointed her to the role of Chairman of the Board.

On January 17, 2025, the Company and Ms. Catherine Szyman entered into an offer letter ("the Offer Letter") in respect of her service as the CEO of Masimo, effective as of February 12, 2025 ("the Effective Date"). Under the Offer Letter, Ms. Szyman will receive an initial annual base salary of \$1,000,000, a target annual bonus opportunity of 100% of base salary and a maximum annual bonus opportunity equal to 200% of such target, and an annual target long-term incentive award opportunity of \$7,000,000. To the extent that the Company determines after the Effective Date to adopt a policy for the vesting of performance stock units upon retirement, any such retirement policy that applies to Ms. Szyman will be no worse than the attainment of 60 years of age and at least five years of continuous employment with the Company. Ms. Szyman will also be eligible to participate in the Company's employee benefit plans and programs applicable to senior executives of the Company generally, as may be in effect from time to time.

As of September 27, 2025, the Company had three severance plan participation agreements with executive officers. The participation agreements are governed by the terms and conditions of the Company's 2007 Severance Protection Plan (the Severance Plan), which became effective on July 19, 2007 and which was amended effective December 31, 2008.

Under each of the agreements, the applicable executive officer may be entitled to receive certain salary, equity, medical and life insurance benefits if he or she is terminated by the Company without cause or if he or she terminates his or her employment for good reason under certain circumstances. Each executive officer is also required to give the Company six months' advance notice of his or her resignation under certain circumstances.

Willow Cross-Licensing Agreement Provisions

The Company's Cross-Licensing Agreement with Willow purports to require the Company to pay annual minimum aggregate royalties for the use of the rainbow® licensed technology, which is a perpetual global license. On October 24, 2024, Mr. Kiani's employment as the Company's CEO was terminated. Following Mr. Kiani's termination, the Company paid Willow (i) a \$2.5 million license fee for technology for use in blood glucose monitoring; and (ii) minimum aggregate annual royalties for carbon monoxide, methemoglobin, fractional arterial oxygen saturation, hemoglobin and/or glucose measurements in the amount of \$15.0 million, plus \$2.0 million for an additional parameter. As described in Note 24, "Commitments and Contingencies — Litigation", the Company is in a dispute with Willow regarding the Cross-Licensing Agreement and Payments under the Cross-Licensing Agreement. No additional accruals or payments were made in connection with the termination of Mr. Kiani's employment under the Willow Cross-Licensing Agreement.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Purchase Commitments

Pursuant to contractual obligations with vendors, the Company had \$258.4 million of purchase commitments as of January 3, 2026 that are expected to be purchased within one year, and certain circumstances beyond one year for critical inventory and raw materials. In general, these purchase commitments have been made for inventory related items in order to secure sufficient levels of those items, other critical inventory and manufacturing supplies, and to achieve better longer term pricing.

Other Contractual Commitments

In the normal course of business, the Company may provide bank guarantees to support government hospital tenders in certain foreign jurisdictions. As of January 3, 2026, the Company had approximately \$4.1 million in outstanding unsecured bank guarantees.

In certain circumstances, the Company also provides limited indemnification within its various customer contracts whereby the Company indemnifies the parties to whom it sells its products with respect to potential infringement of intellectual property, and against bodily injury caused by a defective Company product. It is not possible to predict the maximum potential amount of future payments under these or similar agreements, due to the conditional nature of the Company's obligations and the unique facts and circumstances involved. As of January 3, 2026, the Company had not incurred any significant costs related to contractual indemnification of its customers.

Fee Agreement

On January 1, 2024, the Company entered into a one year alternative fee agreement (Fee Agreement) with respect to certain on-going legal fees and costs charged by a vendor. The Fee Agreement imposed certain limits on a quarterly and annual basis for actual legal fees incurred by the vendor that are payable based on work performed related to litigation matters against Apple (see the heading "Litigation" under Note 24, "Commitments and Contingencies" for further details regarding the Apple matters) regarding the Apple matters). The Fee Agreement provided that if the vendor was successful in obtaining a favorable judgment for the Company on any claim or counterclaim after exhaustion or dismissal of any appeals, or upon settlement resulting in monetary consideration to the Company, the vendor would be paid a success fee equal to three times the amount of the excess fees and costs incurred over the annual limit. On June 12, 2025, the Company and the vendor agreed to terminate the Fee Agreement. The Company paid the vendor approximately \$2.8 million related to this termination. As of January 3, 2026, no amounts were outstanding in connection with this Fee Agreement.

Concentrations of Risk

The Company is exposed to credit loss for the amount of its cash deposits with financial institutions in excess of federally insured limits. The Company invests a portion of its excess cash with major financial institutions. As of January 3, 2026, the Company had \$152.3 million of bank balances, of which \$4.2 million was covered by either the U.S. Federal Deposit Insurance Corporation limit or foreign countries' deposit insurance organizations.

The Company's ability to sell its products to U.S. hospitals depends in part on its relationships with GPOs. Many existing and potential healthcare customers for the Company's products become members of GPOs. GPOs negotiate pricing arrangements and contracts, sometimes exclusively, with medical supply manufacturers and distributors, and these negotiated prices are made available to a GPO's affiliated hospitals and other members. During the years ended January 3, 2026, December 28, 2024 and December 30, 2023, revenue from the sale of the Company's healthcare products to customers that are members of U.S. GPOs approximated 57.2%, 56.9% and 53.2% of healthcare revenue, respectively.

For the years ended January 3, 2026, December 28, 2024 and December 30, 2023, the Company had sales through one just-in-time healthcare distributor that represented 18.8%, 18.5%, and 18.1% of healthcare revenue, respectively.

As of January 3, 2026, two healthcare customers represented 26.5% and 10.1%, respectively, of the Company's healthcare accounts receivable balance. The receivable balance related to one of these two healthcare customers is fully secured by a letter of credit. As of December 28, 2024, two healthcare customers represented 12.2% and 11.9%, respectively, of the Company's healthcare accounts receivable balance.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Litigation

On January 9, 2020, the Company filed a complaint against Apple Inc. (Apple) in the United States District Court for the Central District of California for infringement of a number of patents, for trade secret misappropriation, and for ownership and correction of inventorship of a number of Apple patents listing one of its former employees as an inventor. The Company is seeking damages, injunctive relief, and declaratory judgment regarding ownership of the Apple patents. Apple filed petitions for Inter Partes review (IPR) of the asserted patents in the U.S. Patent and Trademark Office (PTO). The PTO instituted IPR of the asserted patents. On October 13, 2020, the District Court stayed the patent infringement claims pending completion of the IPR proceedings. In the IPR proceedings, one or more of the challenged claims of three of the asserted patents were found valid. The challenged claims of nine of the asserted patents were found invalid. On appeal, the U.S. Court of Appeals for the Federal Circuit affirmed all the IPR decisions except it reversed a finding of invalidity for certain dependent claims of one Masimo patent. From April 4, 2023 through May 1, 2023, the District Court held a jury trial on the trade secret, ownership, and inventorship claims. The District Court granted Apple's motion for judgment as a matter of law on certain trade secrets and denied the remainder of Apple's motion. On May 1, 2023, the District Court declared a mistrial because the jury was unable to reach a unanimous verdict. The District Court conducted a bench trial on the trade secret, ownership, and inventorship claims which commenced on November 5, 2024. The final argument following the bench trial occurred on February 3, 2025. The District Court held a jury trial on the patent infringement claims in November of 2025 and the jury returned a verdict of \$634 million. The parties are currently briefing post-trial motions regarding the jury verdict.

On June 30, 2021, the Company filed a complaint with the U.S. International Trade Commission (ITC) against Apple for infringement of a number of other patents. The Company filed an amended complaint on July 12, 2021. On August 13, 2021, the ITC issued a Notice of Institution of Investigation on the asserted patents. From June 6, 2022 to June 10, 2022, the ITC conducted an evidentiary hearing. In July and August 2022, Apple filed petitions for IPR of the asserted patents in the PTO. On January 10, 2023, a United States Administrative Law Judge in Washington, D.C. ruled that Apple violated Section 337 of the Tariff Act of 1930 (Section 337), as amended, by importing and selling within the United States certain Apple Watches with light-based pulse oximetry functionality and components, which infringe several claims of the Company's pulse oximeter patents. On January 24, 2023, the United States Administrative Law Judge further recommended that the ITC issue an exclusion order and a cease and desist order on certain Apple Watches. On October 26, 2023, the ITC issued a Notice of Final Determination finding a violation of Section 337 by Apple. The ITC determined that the appropriate form of relief is a Limited Exclusion Order (LEO) prohibiting the unlicensed entry of infringing wearable electronic devices with light-based pulse oximetry functionality manufactured by or on behalf of Apple, and a Cease and Desist Order (CDO). The LEO and CDO went into effect after the 60-day Presidential review period expired. The LEO and CDO are currently in effect. Apple's appeal to the Federal Circuit is pending, and oral arguments were held on July 7, 2025. On January 30, 2023, the PTO denied institution of IPR proceedings for the Company's pulse oximeter patents that the ITC ruled were infringed. With respect to the other patents asserted at the ITC, the PTO denied institution of IPR proceedings for one patent and instituted IPR proceedings for two patents in January and February 2023. In the IPR proceedings, one or more of the challenged claims were found valid, while others were found invalid. Appeals of the IPRs for the two patents were initiated, but are not being pursued in view of reexamination proceedings at the Patent Office. On January 12, 2024, the U.S. Customs and Border Protection Exclusion Order Enforcement Branch (Enforcement Branch) issued a ruling letter allowing importation of certain Apple Watches with the blood oxygen feature disabled. On January 7, 2025, the Enforcement Branch issued a second ruling letter declining entry of a second redesigned Apple Watch. On August 1, 2025, following an *ex parte* proceeding initiated by Apple, the Enforcement Branch issued a ruling letter allowing importation of the second redesigned Apple Watch. On August 20, 2025, the Company initiated an action against Customs and Border Protection and certain government officials (in their official capacity) in the U.S. District Court for the District of Columbia asserting, among other things, a violation of the Administrative Procedures Act in connection with Apple's *ex parte* proceeding. On the same day, the Company filed a motion for temporary restraining order and preliminary injunction to prohibit Customs and Border Protection from permitting the importation of the Apple Watches subject to the August 1, 2025 letter ruling. That motion remains pending. On September 8, 2025, the Company filed a request before the ITC seeking clarification or, in the alternative, modification of the LEO to confirm that the LEO covers second redesigned Apple Watches being imported pursuant to the August 1, 2025 ruling letter. On November 14, 2025, the ITC instituted a combined enforcement and modification proceeding to evaluate Apple's second redesigned watch that was the subject of Customs and Border Protection's August 1, 2025 ruling letter. The U.S. Administrative Law Judge who conducted the evidentiary hearing in the underlying ITC investigation conducted an evidentiary hearing in the enforcement proceeding on January 28, 2026. The Initial Enforcement Determination by the Administrative Law Judge is expected by March 18, 2026, and the Final Enforcement Determination from the ITC is expected by May 18, 2026.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

On October 20, 2022, Apple filed two complaints against the Company in the U.S. District Court for the District of Delaware alleging that the Masimo W1® watch infringes six utility and four design patents. Apple is seeking damages and injunctive relief. On December 12, 2022, the Company counterclaimed for monopolization, attempted monopolization, false advertising (and related causes of action) and infringement of ten patents. The Company is seeking damages and injunctive relief. On May 5, 2023, the Court ordered that the two cases be coordinated through the pre-trial stage. The Court held a case management conference in March 2024. On October 7, 2024, the Court granted summary judgment dismissing on the Company's inequitable conduct defense and counterclaim. The Court held a jury trial in October 2024 on Apple's patent claims. The jury found that the Company's current product offerings do not infringe any Apple patents. The jury found a discontinued version of the Masimo W1® watch infringed one design patent and a discontinued version of the Masimo W1® watch charger infringed a second design patent. The jury awarded Apple a total of \$250. The Company's patent, false advertising, and antitrust counterclaims will be tried at a later date. The Company intends to vigorously pursue all of its claims against Apple and believes the Company has good and substantial defenses to Apple's claims, but there is no guarantee that the Company will be successful in these efforts.

On August 22, 2023, a putative class action complaint was filed by Sergio Vazquez against the Company and members of its management alleging violations of the federal securities laws (Securities Class Action). On November 14, 2023, the Court appointed Boston Retirement System, Central Pennsylvania Teamsters Pension Fund-Defined Benefit Plan, and Central Pennsylvania Teamsters Pension Fund-Retirement Income Plan 1987 as lead plaintiffs. The lead plaintiffs filed an amended complaint on February 12, 2024. The amended complaint alleges that the Company and members of its management, from May 4, 2022 through August 8, 2023, disseminated materially false and misleading statements and/or concealed material adverse facts relating to the performance of its healthcare business and the success of the Company's legacy Sound United business. The Company moved to dismiss the amended complaint on April 29, 2024. On November 5, 2024, the Court granted the motion in part, allowing the surviving claims to proceed to discovery. The parties engaged in a mediation on May 28, 2025. On July 11, 2025, the parties informed the Court that they have reached a settlement in principle. On August 14, 2025, plaintiffs filed a motion for preliminary approval of class action settlement, which the Court granted on February 2, 2026. A Settlement Hearing is scheduled for May 5, 2026.

On May 1, 2024, a purported stockholder of the Company, Linda McClellan, filed a derivative action in the U.S. District Court for the Southern District of California against certain of the Company's current and former executives and directors, and the Company as nominal defendant. The complaint alleges, among other things, that the defendants breached their fiduciary duties owed to the Company by allowing or permitting false or misleading statements to be disseminated regarding the performance of the Company's healthcare business and the success of the Company's legacy Sound United business. The complaint also asserts causes of action for violations of Section 10(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (15 U.S.C. § 78j(b)) and Rule 10b-5 promulgated thereunder, aiding and abetting breach of fiduciary duty, unjust enrichment, abuse of control, gross mismanagement, and waste of corporate assets.

On May 16, 2024, a purported stockholder of the Company, Dianne Himmelberger, filed a similar derivative action in the U.S. District Court for the Southern District of California (collectively, Derivative Actions). On July 22, 2024, the Court consolidated the Derivative Actions and stayed them until the motion to dismiss the Securities Class Action has been (i) denied in whole or in part, and no amended complaint is subsequently filed; or (ii) granted with prejudice, and any appeals pertaining to the motion to dismiss have concluded, or the time for seeking appellate review has passed with no further action from the Securities Class Action parties. On March 14, 2025, the Court lifted the stay. On May 16, 2025, Plaintiffs filed an Amended Complaint. Defendants' deadline to respond to the Amended Complaint is March 17, 2026.

In addition to the Derivative Actions, the Company has received two shareholder requests under Delaware law demanding, among other things, that the Company take certain actions in response to alleged breaches of fiduciary duty relating to the same matters at issue in the Securities Class Action and the Derivative Actions. One of the shareholder demands was subsequently withdrawn. The Company's Board has formed a review committee, currently consisting of Dr. Solomon and Ms. Lane, to consider and assess the remaining demand.

MASIMO CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In August 2023, the Company decided to conduct a voluntary recall of select Rad-G® products in connection with an issue that could result in an unintentional change in the power state of the device. On February 14, 2024, the Company initiated a voluntary recall. On February 21, 2024, the Company received a subpoena from the Department of Justice (DOJ) 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 the Rad-G®. On March 25, 2024, the Company received a civil investigative demand from the DOJ pursuant to the False Claims Act, 31 U.S.C §§ 3729-3733, 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. The Company is investigating the reasons for the delay between August 2023 and February 2024 when the recall was initiated. The Company is cooperating with the government and may expend significant financial and managerial resources in connection with responding to the subpoena and any related investigation or any other future requests for information.

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

With respect to each of the subpoenas and the investigative demand described above, the Company is cooperating with the government and may expend significant financial and managerial resources in connection with responding to the subpoenas and investigative demand and any related investigation or any other future request for information. In addition, requests and investigation of this nature may lead to the assertion of claims or the commencement of legal proceedings against the Company, which in turn may lead to material fines, penalties or other liabilities.

On September 19, 2024, at the Company's 2024 Annual Meeting of Stockholders, the Company's stockholder voted not to reelect Mr. Kiani to the Board. On September 19, 2024, after the conclusion of the Company's 2024 Annual Meeting of Stockholders, Mr. Kiani delivered a notification to the Board stating his decision to resign from his position of CEO of the Company (the September 19 Notice). On September 23, 2024, Mr. Kiani delivered a notification to the Board further describing his decision to resign (the September 23 Notice), and, on September 25, 2024, Mr. Kiani delivered an amended notification to the Board stating his decision to resign (the September 25 Notice, and, together with the September 19 Notice and the September 23 Notice, the Notice).

The Notice further states that Mr. Kiani's resignation is for "Good Reason" (as such term is defined in Mr. Kiani's Amended Employment Agreement) and that the basis for his resignation for Good Reason was the diminution of his "responsibilities, duties and authority as the Chairman of the Board and CEO" as defined in the Sections 2 and 7.4 of his Amended Employment Agreement.

Additionally, on September 19, 2024, Mr. Kiani filed a claim in California Superior Court relating to his Amended Employment Agreement seeking, among other things, a declaration relief that he had validly terminated his employment for "Good Reason", and that he was entitled to certain benefits provided in the Amended Employment Agreement upon a termination for Good Reason, including the Special Payment. On October 31, 2024, Mr. Kiani filed an amended complaint, bringing additional claims for, among other things, breach of contract and violations of the California Labor Code. On December 12, 2024, the Company filed its answer to the amended complaint, as well as a motion to stay the proceedings. On July 21, 2025, the Court denied the Company's motion to stay. On September 23, 2025, Mr. Kiani filed a second amended complaint, which does not bring new claims but, among other things, adds allegations that Mr. Kiani was improperly denied the ability to exercise certain stock options. The case is now in discovery.

On May 22, 2025, Mr. Kiani filed a second lawsuit in the Superior Court of Orange County, California against individual Board Members (Mr. Koffey, Ms. Brennan, Dr. Solomon, Mr. Jellison, Ms. Lane, and Mr. Scannell) asserting claims for violations of Cal. Labor Code §§ 203, 558.1 and Cal. Bus. & Prof. Code § 17200 (Unfair Competition Law) arising from the Company's alleged failure to timely pay him severance and certain wages purportedly owed under his Employment Agreement. The Orange County Superior Court deemed this case "related" to Mr. Kiani's action against the Company and assigned the two cases to the same judge. On July 2, 2025, Defendants filed their Answer to the Complaint. On July 12, 2025, Defendants filed a motion to stay all proceedings citing, among other things, the ongoing litigation in Delaware and Mr. Kiani's action against the Company in Orange County Superior Court. On December 23, 2025, Defendants filed a Motion for Judgment on the Pleadings. On January 19, 2026, Defendants' motion to stay was denied.

The Company is evaluating the claims, and believes it has good and substantial defenses to them, but there is no guarantee that the Company will be successful in these efforts.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Following an investigation by outside counsel, in which counsel collected and reviewed relevant documents, it was determined that the Company had grounds to terminate Mr. Kiani's employment for cause. On October 24, 2024, the Board adopted resolutions to terminate Mr. Kiani's employment for cause, effective October 24, 2024. The termination was not a Qualifying Termination (as defined in the Amended Employment Agreement). Consequently, the Company believes Mr. Kiani is not entitled to receive the Special Payment under the Amended Employment Agreement.

On October 24, 2024, the Company filed litigation against Mr. Kiani in the Court of Chancery of the State of Delaware, seeking judicial declarations that numerous provisions in Mr. Kiani's Amended Employment Agreement, including the Special Payment, are invalid, unenforceable, and amount to a waste of corporate assets and, therefore, that Mr. Kiani is not entitled to receive the Special Payment. On March 3, 2025, the Company filed an Amended Complaint, which alleges that Masimo's directors at the time of the initial adoption of the Employment Agreement and subsequent amendments abdicated their fiduciary duties as a matter of Delaware law by approving the Amended Employment Agreement, which contained provisions intended to entrench Mr. Kiani in control of the Company indefinitely. On March 17, 2025, Mr. Kiani filed a motion to dismiss the Amended Complaint.

On October 25, 2024, the Company commenced litigation in the United States District Court for the Southern District of New York against Mr. Roderick Wong, Naveen Yalamanchi, RTW Investments, LP, RTW Investments GP, LLC, RTW Master Fund, Ltd., RTW Offshore Fund One, Ltd., RTW Onshore Fund One, LP, RTW Innovation Master Fund, Ltd., RTW Innovation Offshore Fund, Ltd., RTW Innovation Onshore Fund, LP, and RTW Fund Group GP, LLC (together, the RTW Defendants) and Mr. Kiani, seeking disgorgement of short-swing profits pursuant to Section 16(b) of the Exchange Act (the RTW Litigation). The Company filed an amended complaint in the RTW Litigation on December 30, 2024. The defendants filed motions to dismiss the RTW Litigation on January 23, 2025. On April 3, 2025, the Court issued an order granting the defendant's motion to transfer the RTW Litigation to the United States District Court for the Central District of California. On August 5, 2025, the Company voluntarily dismissed its sole claim against Mr. Kiani without prejudice and, on August 6, 2025, the Court granted the Parties' joint stipulation to voluntarily dismiss Plaintiff's Section 13(d) claim against the RTW Defendants, leaving only the Section 16(b) claim. On August 18, 2025, the Court denied in full the RTW Defendants' motion to dismiss. The RTW Defendants filed their Answer to the amended complaint on September 3, 2025. In the RTW Litigation, the Company alleges that the defendants formed a stockholder group under Section 13(d) of the Exchange Act holding 10% or more of the Company's common stock and engaged in short-swing trading between May and September 2024 as a part of an empty voting scheme to manipulate the vote in Mr. Kiani's favor for the Company's 2024 Annual Meeting of Stockholders. The Company believes the total amount of RTW's disgorgeable profits could be substantial. The case has now proceeded to discovery.

On May 26, 2025, Willow filed a demand for arbitration (the Demand) against the Company with the American Arbitration Association. Willow asserts in the Demand, and Statements of Additional Claims filed on November 28, 2025 and January 16, 2026, that it is entitled to declaratory judgment on the parties' respective rights under the Cross-Licensing Agreement, described in Note 3, "Related Party Transactions", including that Willow does not owe the Company repayment for any past royalty overpayments. Willow also claims the Company breached the Cross-Licensing Agreement, including by failing to pay adequate royalties, provide Willow with pricing for certain products, place certain technology in escrow, and provide Willow with engineering support. Willow seeks, among other things, (i) monetary damages of at least \$6.1 million and (ii) specific performance compelling the Company to provide price lists for certain products, permit Willow's chosen auditor to conduct an audit of the Company's books and records, place certain technology in escrow, and provide Willow with engineering support.

The Company has asserted counterclaims against Willow and the Company's former CEO Joe Kiani, seeking, among other things, (i) repayment of historical royalty overpayments, (ii) for Willow to re-assign to the Company intellectual property rights that are owned by the Company, (iii) declaratory judgment that provisions under the Cross-Licensing Agreement are not enforceable, and (iv) to the extent the agreement is enforceable, declaratory judgment on the parties' respective rights under the Cross-Licensing Agreement, including the scope of the Company's royalty obligations, if any.

We believe the Company has strong defenses to Willow's claims, and that the Company's counterclaims are meritorious. However, there is no guarantee that the Company will prevail in its dispute with Willow.

For each of the foregoing matters, the Company is unable to determine whether any loss ultimately will occur or to estimate the range of such loss; therefore, no amount of loss accrued by the Company in the accompanying consolidated financial statements. Gain contingencies, when applicable, are recognized upon being realized or realizable.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

From time to time, the Company may be involved in other litigation and investigations relating to claims and matters arising out of its operations in the normal course of business. The Company believes that it currently is not a party to any other legal proceedings which, individually or in the aggregate, would have a material adverse effect on its consolidated financial position, results of operations or cash flows.

25. Segment and Enterprise Reporting

The Company's reportable segments are determined based upon the Company's organizational structure and the way in which the Company's Chief Operating Decision Maker (CODM), the Company's CEO, makes operating decisions, assesses financial performance, and allocates resources. As of January 3, 2026, the Company operates under one reportable segment, the healthcare business. Earlier this year, the non-healthcare consumer audio business was classified as held-for-sale, and as a result was excluded from the segment and enterprise reporting herein for all periods presented. On September 23, 2025, the Company completed the sale of its non-healthcare business.

The Company's CODM uses segment gross profit, as presented in the Company's CODM reports, as the primary measure of segment profitability. The significant segment expenses help the Company to better understand operating results. Segment information presented herein reflects the impact of these changes for all periods presented.

Selected information for the healthcare segment is presented below for each of the years ended January 3, 2026, December 28, 2024 and December 30, 2023:

(in millions)	Year Ended January 3, 2026	Year Ended December 28, 2024	Year Ended December 30, 2023
Revenues:			
Healthcare	\$ 1,524.1	\$ 1,395.2	\$ 1,275.5
Other ⁽¹⁾	2.8	—	—
Total revenues	\$ 1,526.9	\$ 1,395.2	\$ 1,275.5
Cost of goods:			
Healthcare	\$ 573.8	\$ 581.7	\$ 498.3
Other ⁽¹⁾	7.9	19.2	11.6
Total costs of good sold	\$ 581.7	\$ 600.9	\$ 509.9
Gross profit:			
Segment gross profit	\$ 950.3	\$ 813.6	\$ 777.1
Acquired asset amortization ⁽¹⁾⁽²⁾	(6.6)	(1.8)	(1.9)
Business transition and related costs ⁽¹⁾⁽³⁾	1.5	(14.8)	(4.9)
Acquisitions, integrations, divestitures, and related costs ⁽¹⁾⁽⁴⁾	—	(0.1)	—
Other ⁽¹⁾	—	(2.6)	(4.7)
Total gross profit	\$ 945.2	\$ 794.3	\$ 765.6

⁽¹⁾ Management excludes certain revenues and expenses from segment gross profit. Management considers these excluded amounts to be non-recurring or non-operational and as such, are excluded from segment gross profit as this enables management to better understand operational results.

⁽²⁾ Acquired asset amortization is a non-GAAP financial measure. These transactions represent amortization expense in connection with business or assets acquisitions associated with acquired intangible assets including, but not limited to customer relationships, intellectual property, trade names and non-competition agreements.

⁽³⁾ Business transition and related costs are a non-GAAP financial measure. These transactions represent gains, losses, and other related costs associated with business transition plans. These items may include but are not limited to severance, relocation, consulting, leasehold exit costs, asset impairment, and other related costs to rationalize our operational footprint and optimize business results.

⁽⁴⁾ Acquisitions, integrations, divestitures, and related costs are a non-GAAP financial measure. These transactions represent gains, losses, and other related costs associated with acquisitions, integrations, investments, divestitures, assets impairments, and in-process research and development.

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

For each of the years ended January 3, 2026, December 28, 2024 and December 30, 2023, total depreciation and amortization expense for the healthcare segment was \$38.8 million, \$48.5 million and \$38.1 million, respectively.

The Company's total assets by segment are as follows:

(in millions)	January 3, 2026	December 28, 2024
Total assets by segment:		
Healthcare	\$ 1,697.8	\$ 1,589.7
Asset held-for-sale	1.1	1,036.0
Total assets by segment	<u>\$ 1,698.9</u>	<u>\$ 2,625.7</u>

The Company's consolidated long-lived assets (tangible non-current assets) by geographic area are as follows:

(in millions, except percentages)	Year Ended January 3, 2026		Year Ended December 28, 2024	
Total long-lived assets by geographic area:				
United States	\$ 307.7	86.5 %	\$ 312.5	87.9 %
International	48.2	13.5	43.2	12.1
Total long-lived assets by geographic area	<u>\$ 355.9</u>	<u>100.0 %</u>	<u>\$ 355.7</u>	<u>100.0 %</u>

The following schedule presents an analysis of the Company's revenues based upon the geographic area (ship to location):

(in millions, except percentages)	Year Ended January 3, 2026		Year Ended December 28, 2024		Year Ended December 30, 2023	
Total revenue by geographic area:						
United States (U.S.)	\$ 956.6	62.7 %	\$ 889.3	63.7 %	\$ 796.9	62.5 %
Europe, Middle East and Africa	391.4	25.6	349.7	25.1	312.3	24.5
Asia and Australia	119.6	7.8	105.2	7.5	117.6	9.2
North and South America (excluding U.S.)	59.3	3.9	51.0	3.7	48.7	3.8
Total revenue by geographic area	<u>\$ 1,526.9</u>	<u>100.0 %</u>	<u>\$ 1,395.2</u>	<u>100.0 %</u>	<u>\$ 1,275.5</u>	<u>100.0 %</u>

MASIMO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

26. Subsequent Event

Merger Agreement

On February 16, 2026, the Company entered into an Agreement and Plan of Merger (the Merger Agreement) with Danaher Corporation, a Delaware corporation (Parent), and Mobius Merger Sub, Inc., a Delaware corporation and wholly owned subsidiary of Parent (Merger Sub), pursuant to which, among other things, Merger Sub will merge with and into the Company (the Merger), with the Company continuing as the surviving corporation and a wholly owned subsidiary of Parent.

As set forth in the Merger Agreement, at the effective time of the Merger, each share of common stock, par value \$0.001 per share, of the Company (other than any shares owned by Parent, Merger Sub or the Company, or any of their wholly owned subsidiaries or shares in respect of which appraisal has been duly demanded, and not effectively withdrawn or otherwise waived or lost, pursuant to Section 262 of the General Corporation Law of the State of Delaware) issued and outstanding immediately prior to the effective time of the Merger will be automatically converted into the right to receive \$180.00 in cash, without interest.

The completion of the Merger is subject to various conditions, including, among others, customary conditions relating to: (i) the adoption of the Merger Agreement by the Company's stockholders; (ii) expiration or termination of any applicable waiting periods (and any extension thereof) under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the receipt of certain non-U.S. antitrust and foreign direct investment approvals; (iii) the absence of any law or order making unlawful or restraining, enjoining or otherwise prohibiting consummation of the Merger; (iv) the absence of any material adverse effect with respect to the Company; and (v) other customary conditions relating to the accuracy of representations and warranties and performance of covenants.

The Merger Agreement also contains customary representations, warranties and covenants of the Company, Parent and Merger Sub, including, among others, covenants regarding the operation of the business of the Company and its subsidiaries prior to the effective time of the Merger.

If the Merger is completed, the shares will be delisted from the Nasdaq Stock Market and deregistered under the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable following the effective time of the Merger.

Contingent or Discretionary Fees

The Company entered into certain contingent or discretionary fee agreements with various service providers, advisors and consultants in connection with the sale transaction. A \$5.0 million fee was due upon the announcement of a sale transaction, and another \$10.0 million fee will be due upon the consummation of the sale transaction.

The Company is unable to reasonably estimate any other contingent fees due under these agreements at this time. Amounts due will be recognized when probable and reasonably estimable.

MASIMO CORPORATION
VALUATION AND QUALIFYING ACCOUNTS
Years ended January 3, 2026, December 28, 2024 and December 30, 2023
(in millions)

Description	Balance at Beginning of Period	Additions Charged to Expense and Other Accounts	Amounts Charged Against Reserve	Balance at End of Period
Year ended January 3, 2026				
Allowance for credit losses	\$ 3.7	\$ 3.0	\$ (2.0)	\$ 4.7
Allowance for sales returns	2.4	3.0	(1.5)	3.9
Year ended December 28, 2024				
Allowance for credit losses	2.7	1.1	(0.1)	3.7
Allowance for sales returns	1.4	2.1	(1.1)	2.4
Year ended December 30, 2023				
Allowance for credit losses	2.4	0.4	(0.1)	2.7
Allowance for sales returns	1.8	—	(0.4)	1.4

QUINTO CONVENIO MODIFICATORIO (el "Quinto Convenio Modificatorio") a Contrato de Arrendamiento, que celebran por una parte **INDUSTRIAS ASOCIADAS MAQUILADORAS, S.A. DE C.V.**, de aquí en adelante descrito como el "**ARRENDADOR**", representado por el Sr. Eduardo Mendoza Larios, e **INDUSTRIAL VALLERA DE MEXICALI, S.A. DE C.V.**, de aquí en adelante referido como el "**ARRENDATARIO**", representado por el Sr. Sergio Francisco Tagliapietra Nassri, y con el conocimiento de **MASIMO CORPORATION**, de aquí en adelante referido como "**GARANTE**", en terminos de las siguientes declaraciones y clausulas:

DECLARACIONES:

Declaran ambas partes:

I. Que el **ARRENDADOR** y el **ARRENDATARIO** celebraron un Contrato de Arrendamiento con fecha del 1 ro de Septiembre de 2007 (en lo sucesivo el "Contrato de Arrendamiento") donde el **ARRENDADOR** arrendó una propiedad al **ARRENDATARIO**, identificada como nave Inventario II, ubicada en el "Parque Industrial Palaco", en la Ciudad de Mexicali, Baja California, con una superficie construida de aproximadamente 8,882.18 metros cuadrados (ocho mil ochocientos ochenta y dos punto dieciocho metros cuadrados) equivalentes a 95,607.00 pies cuadrados (noventa y cinco mil seiscientos siete pies cuadrados), y las mejoras ahí ubicadas, de aquí en adelante referida como la Propiedad Arrendada.

II. Que en fecha 15 de julio de 2013, celebraron un Primer Addendum o Convenio Modificatorio, para expandir la Superficie Arrendada en un area adicional de 53,797.00 pies cuadrados adicionales de area construida para tener un total de 149,404.00 pies cuadrados de superficie de la Propiedad Arrendada, y extender el termino del Arrendamiento, por un periodo de siete (7) anos iniciando el 17 de diciembre de 2013, para concluir el 16 de diciembre de 2020.

III. Que en fecha 15 de octubre de 2020, celebraron un Segundo Addendum o Convenio Modificatorio, para extender el termino del arrendamiento por cinco (5) anos adicionales iniciando el 17 de diciembre de 2020, para concluir el 16 de diciembre de 2025, y estipular la renta y cuota de mantenimiento a pagar por el **ARRENDATARIO** al **ARRENDADOR** por la Propiedad Arrendada.

FIFTH AMENDMENT AGREEMENT (the "Fifth Amendment Agreement") to Lease Agreement, entered into by and between **INDUSTRIAS ASOCIADAS MAQUILADORAS, S.A. DE C.V.**, hereinafter referred to as "**LESSOR**", represented by Mr. Eduardo Mendoza Larios, and **INDUSTRIAL VALLERA DE MEXICALI, S.A. DE C.V.**, hereinafter referred to as "**LESSEE**" represented by Mr. Sergio Francisco Tagliapietra Nassri, and with acknowledge of **MASI MO CORPORATION**, hereinafter referred to as "**GUARANTOR**" pursuant to the following recitals and clauses:

RECITALS:

Both parties declare:

I. That **LESSOR** and the **LESSEE** entered into a Lease Agreement dated September 1st, 2007 (herein after referred to as the "Lease Agreement") whereby **LESSOR** leased certain property to **LESSEE** identified as Inventario II Building, located at "Palace Industrial Park", in the City of Mexicali, Baja California, with a total constructed area of approximately 8,882.18 square meters (eight thousand eight hundred and eighty two point eighteen square meters), equivalent to 95,607.00 square feet (ninety five thousand six hundred and seven square feet), and the improvements thereon herein referred to as the Leased Property.

II. That on July 15th , 2013, the parties entered into a First Addendum or Amendment Agreement to expand the Leased Property with an additional area of 53,797.00 square feet of constructed area to a total of 149,404.00 square feet of the surface of the Leased Property, and extend the Lease Term for additional term of seven (7) years commencing December 17, 2013 and ending on December 16th 2020.

III. That on October 15th , 2020, the parties entered into a Second Addendum or Amendment Agreement to extend the lease term for five (5) additional years, commencing on December 17, 2020, to conclude on December 16th, 2025, and stipulate the rent and maintenance fee to be paid by **LESSEE** to **LESSOR** for the Leased Property.

IV. Que en fecha 17 de mayo de 2022, celebraron un Tercer Addendum o Convenio Modificadorio, para ampliar la superficie arrendable para disponer de un espacio para destinarlo a estacionamiento para empleados en una superficie de 5.430.00 pies cuadrados (en lo sucesivo el "Estacionamiento Adicional para Empleados"), para extender el termino del arrendamiento por cinco (5) anos adicionales iniciando el 1 de junio de 2022, para concluir el 16 de diciembre de 2025, y estipular la renta y cuota de mantenimiento a pagar por el ARRENDATARIO al ARRENDADOR por la Propiedad Arrendada, y para ajustar el deposito en garantia que fue otorgado al momento de la celebracion del Contrato de Arrendamiento conforme a la superficie de la Propiedad Arrendada.

V. Que con fecha 9 de abril de 2024, celebraron un Cuarto Adendum o Convenio Modificadorio, para actualizar el domicilio de la Propiedad Arrendada.

VI. Que es su voluntad celebrar este Quinto Convenio Modificadorio, para que forme parte integral del Contrato de Arrendamiento a que se refiere la Declaracion I, considerando los terminos y condiciones que se mencionan a continuaci6n, de acuerdo a la solicitud del ARRENDATARIO para, entre otros, **(i) prorrogar el termino del arrendamiento por un periodo adicional de diez (10) anos, y para (ii) ajustar la renta mensual y la cuota de mantenimiento.**

VII. Que los poderes de representaci6n bajo los cuales ellos representan el ARRENDADOR y al ARRENDATARIO se encuentran todavia vigentes y que los mismos no han sido revocado o limitados de ninguna manera, y consecuentemente las partes se reconocen mutuamente la capacidad con la que actuan para todos los efectos legales.

En terminos de lo anterior, las partes acuerdan como sigue:

CLAUSULAS:

PRIMERA.-PRORROGA DEL TERMINO DEL ARRENDAMIENTO. El ARRENDADOR y el ARRENDATARIO acuerdan prorrogar el Termino del Arrendamiento de la Propiedad Arrendada y del Estacionamiento Adicional para Empleados por un periodo adicional de **diez (10) anos**, obligatorios para las partes, iniciando el **17 de diciembre de 2025**, para concluir el **16 de diciembre de 2035**.

SEGUNDA.- RENTA Y COUTA DE MANTENIMIENTO.

A. RENTA. Desde la fecha de celebraci6n de este Quinto Convenio Modificadorio y hasta el 16 de diciembre de 2025, la Renta Base continuara a la misma cuota que el Arrendatario paga actualmente bajo el Termino de Arrendamiento corriente.

IV. That on May 17th, 2022, the parties entered into a Third Addendum or Amendment Agreement to expand the leasable area to have a parking space for employees in an area of 5,430.00 square feet (herein after referred to as the "Additional Parking for Employees"), to extend the lease term for five (5) additional years, commencing on June 1st, 2022, to conclude on December 16th, 2025, and stipulate the rent and maintenance fee to be paid by LESSEE to LESSOR for the Leased Property, and to adjust the security deposit that was granted at the time of the execution of the Lease Agreement according to the surface area of the Leased Property.

V. That on April 9th, 2024, the parties entered into a Fourth Addendum or Amendment Agreement to update the address of the Leased Property.

VI. That it's their intention to execute this Fifth Amendment Agreement to be part of the Leased Agreement described in Recital I, considering the terms and conditions listed below, according to LESSEE's request to, among others, **(i) extend the term of the Lease Agreement for an additional ten (10) years term and to (ii) adjust the rent and maintenance fee.**

VII. That the powers of attorney used to represent the LESSOR and LESSEE are still in effect, and that such have not been revoked or limited in any manner, and consequently the parties mutually recognize the capacity with which they act, for all legal purposes hereunder.

Pursuant to the above the parties agree as follows:

CLAUSES:

FIRST.-LEASE TERM EXTENSION. LESSOR an LESSEE agree to extend the Lease Term of the Leased Property and the Additional Parking for Employees for a new additional term of **ten (10) years**, mandatory for the parties with respect to the entirety of the Leased Property, commencing on **December 17th, 2025**, to conclude on **December 16th, 2035**.

SECOND.-RENT AND MAINTENANCE FEE.

A. RENT. From the execution of this Fifth Amendment Agreement until December 16th, 2025, the Base Rent shall continue at the same rate as Lessee currently pays under the existing Lease Term.

A partir del **17 de diciembre de 2025**, el ARRENDATARIO debera pagar mensualmente al ARRENDADOR, como "Renta" por el arrendamiento de la Superficie Arrendable del Edificio Inventario II, con una superficie arrendable de **149,404.00 pies cuadrados** equivalente a 13,880.09 metros cuadrados, la cantidad de **US\$ 0.56 Dolares (Cero punto cincuenta seis Dolares, Moneda de Curso Legal en los Estados Unidos de America)** por pie cuadrado de Superficie Arrendable, que equivale a **US\$ 83,666.24 Dolares (Ochenta y tres mil seiscientos sesenta y seis dolares 24/100, Moneda de Curso Legal en los Estados Unidos de America)**; mas el Impuesto al Valor Agregado que resulte aplicable al momento de pago, pagaderos mensualmente por adelantado al ARRENDADOR en el domicilio del ARRENDADOR.

Si dicha renta nose pagare dentro de los diez (10) primeros dias de cada mes, se considerara en mora y se cargara un interes moratorio a razon del cinco por ciento (5%) mensual, pagaderos en moneda de curso legal en los Estados Unidos de America.

La Renta Base sera ajustada anualmente de acuerdo al Indice, conforme se define mas adelante en esta Clausula, en cada aniversario de la Fecha de Inicio de la Propiedad Arrendada, es decir, los dias 17 de diciembre de cada ario, a partir de 2026.

B. RENTA POR EL ESTACIONAMIENTO ADICIONAL PARA EMPLEADOS. A partir del 17 de diciembre de 2025, el ARRENDATARIO debera pagar mensualmente al ARRENDADOR, como Renta por el Arrendamiento del Estacionamiento Adicional para Empleados (en lo sucesivo la "Renta por el Arrendamiento del Estacionamiento Adicional para Empleados"), con una superficie arrendable de **5,430.00 pies cuadrados** equivalente a 504.46 metros cuadrados, el ARRENDATARIO continuara pagando mensualmente al ARRENDADOR la cantidad de **US\$ 0.2932 Dolares (Cero punto dos, nueve, tres, dos Dolares, Moneda de Curso Legal en los Estados Unidos de America)** por pie cuadrado de Superficie Arrendable, que equivale a **US\$ 1,592.08 Dolares (Mil quinientos noventa y dos dolares 08/100, Moneda de Curso Legal en los Estados Unidos de America)**; mas el Impuesto al Valor Agregado que resulte aplicable al momento de pago, pagaderos mensualmente por adelantado al ARRENDADOR en el domicilio del ARRENDADOR.

Si dicha renta no se pagare dentro de los cinco (5) primeros dias de cada mes, se considerara en mora y se cargara un interes moratorio a razon del cinco por ciento (5%) mensual, pagaderos en moneda de curso legal en los Estados Unidos de America.

La Renta por el Arrendamiento del Estacionamiento Adicional para Empleados aquf establecida sera ajustada anualmente de acuerdo al Indice, conforme se define mas adelante en esta Clausula, a partir del 17 de diciembre de 2026 y en cada aniversario de dicha fecha.

As from **December 17th, 2025**, LESSEE shall pay monthly to LESSOR as "Rent" for the lease of the Leasable Area of the "Inventario II" Building, with a leasable area of **149,404.00 square feet** equivalent to 13,880.09 square meters, the amount of **US\$ 0.56 Dollars (Zero point fifty-six Dollars, Legal Currency of the United States of America)** per square foot of Leasable Area monthly, that is equivalent to **US\$ 83,666.24 Dollars (Eighty-three thousand six hundred sixty-six dollars 24/100, Legal Currency of the United States of America)**; plus the corresponding Value Added Tax (IVA by its Spanish acronym) at the moment of payment, payable in advance on a monthly basis to LESSOR in LESSOR's address.

If such Rent is not paid within the first ten (10) days of each calendar month, it will be subject to the late payment penalty of five per cent (5%), paid in the legal currency of the United States of America.

The Base Rent shall be adjusted annually in accordance with the Index, as defined in this Clause, on each anniversary of the Commencement Date, that is to say, on December 17th of each year, starting on 2026.

B. RENT FOR ADDITIONAL PARKING OR EMPLOYEES. As from December 17th, 2025, LESSEE shall pay monthly to LESSOR as Rent or the Lease of the Additional Parking for Employees (herein after referred to as the "Rent for the Lease of the Additional Parking for Employees"), with a total leasable area of **5,430.00 square feet** equivalent to 504.46 square meters, LESSEE shall continue to pay to LESSOR the monthly amount of **US\$ 0.2932 Dollars (Zero point two, nine, three, two Dollars, Legal Currency of the United States of America)** per square foot of Leasable Area monthly, that is equivalent to **US\$ 1,592.08 Dollars (One thousand five hundred and ninety-two dollars 08/100, Legal Currency of the United States of America)**; plus the corresponding Value Added Tax (IVA by its Spanish acronym) at the moment of payment, payable in advance on a monthly basis to LESSOR in LESSOR's address.

If such Rent is not paid within the first five (5) days of each calendar month, it will be subject to the late payment penalty of five percent (5%), paid in the legal currency of the United States of America.

The Rent for the Lease of the Additional Parking for Employees herein established shall be adjusted annually in accordance with the Index, as defined in this Clause, beginning on December 17, 2026, and on each anniversary of that date.

C. CUOTA DE MANTENIMIENTO. A partir **17 de diciembre de 2025**, el ARRENDATARIO debera pagar mensualmente al ARRENDADOR por concepto de Cuota de Mantenimiento de la Superficie Arrendable del Edificio Inventario II, con una superficie arrendable total de **149,404.00 pies cuadrados** equivalente a 13,880.09 metros cuadrados, a razon de **US\$0.041 Dolares** (cero punto cero, cuarenta y un dolares moneda de curso legal de los Estados Unidos de America) por pie cuadrado de Superficie Arrendable, que equivale a la cantidad de **US\$ 6,125.56 Dolares** (Seis mil ciento veinticinco dólares 56/100, Moneda de Curso Legal en los Estados Unidos de America) mas el Impuesto al Valor Agregado que resulte aplicable al momento de pago, que debera ser pagada al ARRENDADOR por adelantado, junta con la renta mensual, en el domicilio de este ultimo.

La cuota de mantenimiento se pagara por anticipado, conjuntamente con la Renta Base que corresponda dentro de los primeros cinco (5) dias de cada mes en el que dicha cuota de mantenimiento es debida y sera sujeta a las penalidades por pago tardío establecidas en el Contrato de Arrendamiento. Dicha cuota de mantenimiento tambien sera ajustada anualmente conforme al Indice definido en esta Clausula, en cad a aniversario de la Fecha de Inicio, es decir, los días 17 de diciembre de cada ario, sin perjuicio de lo anterior, la cuota de mantenimiento podra ser objeto de actualizaciones razonables de tiempo en tiempo en caso de que los costos de los servicios que se amparan con la cuota de mantenimiento y/o los insumos que se utilizan para los mismos aumenten considerablemente; siempre que el ARRENDADOR notifique al ARRENDATARIO dicho incremento en los costos, incluyendo documentacion de respaldo razonable, y las partes acuerden mutuamente una modificación al Contrato de Arrendamiento que documente el incremento en la cuota de mantenimiento.

D. Incremento de la Renta Base, la Renta por el Arrendamiento del Estacionamiento Adicional para Empleados y la Cuota de Mantenimiento para los años subsiguientes de Arrendamiento.

A partir de la fecha establecida en esta clausula, asi como de los aniversarios subsiguientes de dicha fecha, incluyendo los integrantes de prorrogas, las cantidades debidas por este Contrato de Arrendamiento seran incrementadas por una cantidad equivalente al producto de:

1. La cantidad objeto de actualizacion, multiplicada por:
2. El porcentaje de incremento en el Indice (el "Indice", segun se define mas adelante) durante el Año de Arrendamiento inmediato anterior.
 - a) No Decremento. La renta mensual de los años subsiguientes al Primero y que comprenden el Termino Inicial de Arrendamiento, en ningun caso sera menor de la renta mensual del Año de Arrendamiento inmediato anterior.

C. MAINTENANCE FEE. From **December 17th, 2025**, LESSEE shall pay LESSOR as maintenance fee for the Leasable Area of the "Inventario II" Building, with a total leasable area of **149,404.00 square feet** equivalent to 13,880.09 square meters, at the rate of **US\$0.041 Dollars** (zero point zero, Forty one Dollars, Legal Currency of the United States of America) per square foot of Leasable Area monthly, that is equivalent to the amount of **US\$ 6,125.56 Dollars** (Six thousand one hundred and twenty-five dollars 56/100, Legal Currency of the United States of America) monthly, plus the corresponding Value Added Tax (IVA by its Spanish acronym) at the moment of payment, which shall be payable in advance to LESSOR, jointly with the monthly rent, in LESSOR's address.

The maintenance fee will be payable in advance starting on the Commencement Date, jointly with e corresponding Base Rent, within the first five (5) days of each calendar month in which maintenance fee is due and will be subject to the late payment penalties established in the Lease Agreement. Such maintenance fee shall also be adjusted annually in accordance with the Index defined on this Clause on each anniversary of the Commencement Date, that is to say, on December 17th of each year, notwithstanding the foregoing, the maintenance fee may be subject to reasonable adjustments at any time in the event that the costs of the services covered by the maintenance fee and/or the supplies used for the same increase considerably; provided, that LESSOR gives LESSEE notice of such increase in costs, including reasonable backup documentation, and the parties mutually agree on an amendment to the Lease Agreement documenting the increase in the maintenance fee.

D. Increase of the Base Rent, Rent for the Lease of the Additional Parking for Employees and the Maintenance Fee for the subsequent years of Lease. Starting on the date established in this clause, as well as all subsequent anniversaries of such date, including term extensions, the amounts owed under this Lease Agreement shall be increased by an amount equal to the product of:

1. The amount object of adjustment, multiplied by:
2. The percentage increase in the Index (the "Index", as defined below) during the immediately preceding Lease Year.
 - a) No Decrease. The monthly rent for the years subsequent to the First and that comprises the Initial Term, in no event shall be decreased below the monthly rent for the immediately preceding Lease Year.

b) Índice Definido. El termino "índice", según se utiliza a lo largo del presente Contrato de Arrendamiento significa el índice de Precios al Consumidor para Todos los Consumidores Urbanos (Todos los Conceptos, Los Angeles - Long Beach - Anaheim, area de California) según publicación del Departamento de Estadísticas Laborales de los Estados Unidos. Si el control o la publicación del Índice es transferida a cualesquier otro departamento, oficina o agencia del gobierno de los Estados Unidos de America, o si es descontinuado, entonces el índice más similar al Índice será utilizado para calcular el incremento en la renta y cuotas de mantenimiento aquí mencionados. Para el cálculo de la actualización de rentas se utilizará el índice de los últimos 12 (doce) meses que se hayan publicado a la fecha del día del incremento. Si el ARRENDADOR y el ARRENDATARIO no pueden acordar en un índice alternativo semejante, entonces el asunto será sometido a arbitraje a la Asociación Americana de Arbitraje de acuerdo con las reglas de la Asociación en vigor en ese momento, y la decisión de los árbitros será obligatoria para las partes. El costo del arbitraje será prorrateado en partes iguales entre el ARRENDADOR y el ARRENDATARIO.

TERCERA.- CESION Y SUBARRENDAMIENTO.

A El ARRENDATARIO, exclusivamente en caso de obtener autorización previa y por escrito del ARRENDADOR, podrá ceder o transferir este Contrato de Arrendamiento o cualesquier interés en el mismo, o permitir el uso de la Propiedad Arrendada; lo anterior condicionado a que el ARRENDATARIO se encuentre al corriente en el cumplimiento de sus pagos de rentas u otras obligaciones. En caso de cesión realizada con autorización previa y por escrito del ARRENDADOR, el ARRENDATARIO será liberado de SUS obligaciones pero el GARANTE en términos del Contrato de Arrendamiento, seguirá siendo responsable de todas sus obligaciones establecidas respecto al presente Contrato de Arrendamiento, salvo pacto por escrito en contrario.

B. El ARRENDADOR tendrá derecho a ceder una o varias veces, de tiempo en tiempo, todos o cualesquiera de los derechos y obligaciones del ARRENDADOR en este Contrato de Arrendamiento, o cualquier interés en el mismo, siempre y cuando dicha cesión no afecte los derechos del ARRENDATARIO derivados del presente y que el ARRENDADOR continúe obligado al cumplimiento de todas y cada una de sus obligaciones derivadas de este Contrato de Arrendamiento. En caso de cualquier cesión o cesiones, el ARRENDATARIO no podrá disminuir o retener el pago de las rentas pagaderas conforme a este Contrato, entablando directamente en contra del cesionario cualquier defensa, compensación o contrademanda que el ARRENDATARIO pueda tener en contra del ARRENDADOR o de cualquier otra persona. Sin embargo, el ARRENDATARIO específicamente renuncia en este acto, con relación a la retención de la renta, a cualesquier providencia cautelar que garantice el pago de reclamaciones, en los términos establecidos por el Código Civil del Estado de Baja California y el Código de Procedimientos Civiles del Estado de Baja California.

b) Index Defined. The term "Index" as used throughout this Lease Agreement, shall mean the Consumer's Price Index for All Urban Consumers (All Items, Los Angeles - Long Beach - Anaheim, California area) as published by the United States Bureau of Labor Statistics. If control or publication of the Index is transferred to any other department, bureau or agency of the United States government or is discontinued, then the index most similar to the Index shall be used to calculate the rent and maintenance fees increases provided for herein. For the calculation of the rent adjustment, the index to be used will be that of the previous 12 (twelve) months that have been released on the day of increase. If LESSOR and LESSEE cannot agree on a similar alternate index, then the matter shall be submitted for decision to the American Arbitration Association in accordance with the then rules of such Association, and the decision of the arbitrators shall be binding upon the parties. The cost of such arbitration shall be divided equally between LESSOR and LESSEE.

THIRD.- ASSIGNMENT AND SUBLETTING.

A. LESSEE, exclusively by obtaining prior written authorization from LESSOR, shall be able to assign or transfer this Lease Agreement or any interest therein or to permit the use of the Leased Property; the foregoing provided, that LESSEE is not in default in the payment of rents or other obligations. In the event of assignments, with the prior written authorization from LESSOR, LESSEE shall be released from its obligations but the Guarantor in terms of the Lease Agreement, shall remain liable for all its obligations related to this Lease Agreement, except as otherwise agreed in writing by the parties.

B. LESSOR shall have the right to assign and reassign, from time to time, any or all of the rights and obligations of LESSOR in this Lease Agreement or any interest therein, provided that no such assignment or reassignment shall impair any of the rights of LESSEE herein, and provided further, that LESSOR shall remain liable for all of its obligations under this Lease Agreement. In the event of such assignment or reassignment, LESSEE shall not diminish or withhold any of the rents payable hereunder by asserting against such assignee any defense, setoff, or counterclaims which LESSEE may have against LESSOR or any other person. However, LESSEE hereby specifically waives, respect to withholding of rent, any preventive measures to guarantee payment of a claim, in the terms provided by the Civil Code of the State of Baja California and the Code of Civil Proceedings of the State of Baja California.

CUARTA.- SISTEMAS CONTRA INCENDIOS Y DE SEGURIDAD CIVIL. FOURTH.- FIRE DETERRENT SYSTEMS AND CIVIL SECURITY.

El ARRENDATARIO se obliga a dar el debido mantenimiento y cuidado al sistema contra incendios de la Propiedad Arrendada y en caso de ser requerido por la aseguradora del Edificio o el Departamento de Bomberos, de acuerdo o en virtud de su actividad de negocios, a mejorar el sistema contra incendios de la Propiedad Arrendada, a efecto de que cumpla exhaustivamente con las disposiciones normativas municipales y la Norma Oficial Mexicana NOM-002-STPS-2010, relativa a las condiciones de seguridad para la prevencion y proteccion contra incendios en los centros de trabajo, y tambien se obliga a certificar ante las autoridades municipales y estatales competentes que la Propiedad Arrendada cumple con los requerimientos en materia de proteccion civil, mediante la elaboracion y autorizacion de un Programa Interno de Proteccion Civil, considerando el riesgo que presente la actividad industrial, operaciones, numero de empleados y distribucion de las instalaciones del ARRENDATARIO. El ARRENDATARIO sera responsable de mejorar y modificar a su propio costo el sistema basico instalado en la nave inventario, en caso de que cualquier nueva regulacion o norma oficial requiera una modificacion al sistema basico requerido para dicho tipo de edificio.

De igual forma, el ARRENDATARIO debera, bajo su propia responsabilidad, certificar ante las autoridades competentes en materia de proteccion civil y bomberos, que su operacion no sobrepasa los cupos maximos de personal permitidos en base a las dimensiones de la Propiedad Arrendada.

QUINTA.- GARANTIA. El GARANTE en este acto, reconoce y acepta que su Garantia entregada en relacion al Contrato de Arrendamiento, se mantiene vigente y efectiva, y es aplicable y extensiva al Contrato de Arrendamiento coma se modifiko, por este Quinto Convenio Modificadorio.

SEXTA.- NO RELACION LABORAL. Las Partes acuerdan que el Contrato de Arrendamiento segun fue modificado por este Quinto Convenio Modificadorio no crea sociedad, asociacion, relacion individual de trabajo o figura juridica analoga a las anteriores entre las Partes, o bien cualquier relacion distinta a la relacion contractual considerada en el Contrato de Arrendamiento segun fue modificado por este Quinto Convenio Modificadorio, por lo que cada una de las Partes es, respectivamente responsable de sus obligaciones de caracter laboral, fiscal, civil o de cualquier otra naturaleza, salvo pacto en contrario bajo el Contrato de Arrendamiento segun fue modificado por este Quinto Convenio Modificadorio.

LESSEE hereby is bound to give the necessary maintenance to the fire deterrent system of the Leased Property and if required by the Building's insurer or the Fire Department, in accordance with or by virtue of its business activity, to improve it, so that it complies exhaustively with applicable municipal regulations and the Official Mexican Regulation NOM-002-STPS-2010, relative to the security conditions to prevent and protect against fire in the workplace, and is also bound to certify before the competent municipal and state authorities that the Leased Property complies with the requirements in the field of civil protection, by the elaboration and authorization of a Civil Protection Internal Program considering the risk presented by the industrial activity, the operations, the number of employees and the distribution of the facilities of LESSEE. LESSEE will be responsible for improving and modify at its own cost the basic system installed in the shell building, in case that any new regulation or official specification requires any improvement for the basic system required for such type of building.

In the same manner, LESSEE, under its own responsibility, shall certify before the competent authorities in the field of civil protection and before the Fire Prevention Authorities, that its operation does not exceed the maximum number of employees allowed based on the dimensions of the Leased Property.

FIFTH.- GUARANTY. GUARANTOR hereby acknowledges and accepts that its Guaranty delivered in relation to the Lease Agreement remains in full force and effect and applies and extend o the Lease Agreement as amended by this Fifth Amendment Agreement.

SIXTH.- NON-EMPLOYMENT RELATIONSHIP. The Parties agree that the Lease Agreement as amended by this Fifth Amendment Agreement does not create a partnership, association, individual employment relationship or any other legal figure analogous to the foregoing between the Parties, or any relationship different from the contractual relationship considered in the Lease Agreement as amended by this Fifth Amendment Agreement for which reason, each of the Parties is respectively responsible for its labor, tax, civil or any other type of obligations, unless otherwise expressly agreed under the Lease Agreement as amended by this Fifth Amendment Agreement.

De conformidad con lo anterior, la responsabilidad que derive de las relaciones laborales con cada una de las personas anteriormente mencionadas es única y exclusivamente de cada una de las Partes respectivamente. Las Partes expresamente acuerdan que ninguna de las cláusulas contenidas en el presente Convenio se interpretará en una manera que se considere a los empleados, agentes, proveedores o contratistas de cada Parte como empleados, agentes, proveedores, contratistas o subcontratistas al mismo tiempo que la otra Parte. Adicionalmente, ninguna de las Partes podrá celebrar un convenio y/o celebrar un contrato de cualquier tipo en representación de la otra Parte.

Las Partes expresamente declaran que cuentan con sus propios recursos humanos, materiales y financieros para cumplir con las obligaciones que le correspondan bajo la legislación aplicable (incluyendo sin limitar la Ley Federal del Trabajo) que deriven de las relaciones con sus empleados.

Cada una de las Partes, respectivamente, acordará en todo momento las tareas específicas que deberán desempeñar sus empleados, mandatarios y contratistas en términos del Contrato de Arrendamiento según fue modificado por este Quinto Convenio Modificatorio y estarán en todo tiempo a cargo de la supervisión de dichos empleados, mandatarios y contratistas en la prestación de los servicios. Los empleados, mandatarios y contratistas deberán realizar dichas actividades conforme a los acuerdos entre estos últimos y dicha Parte. Las Partes reconocen que los empleados, mandatarios y contratistas de la otra Parte no estarán a disposición de dicha Parte en términos del Contrato de Arrendamiento según fue modificado por este Quinto Convenio Modificatorio. Por lo tanto, los empleados, agentes y contratistas de cada una de las Partes deberán prestar los servicios exclusivamente conforme se acuerde entre estos últimos y dicha Parte, en los lugares en los que dicha Parte determine sea más conveniente para prestar los servicios de la manera más eficiente dentro de los horarios y conforme a los parámetros que establezcan cada Parte, respectivamente.

Cada una de las Partes será responsable frente a la otra de todos los daños o pérdidas que deriven de la culpa o negligencia de sus empleados, mandatarios y contratistas conforme a los términos del Contrato de Arrendamiento según fue modificado por este Quinto Convenio Modificatorio y que afecten a la otra Parte. Ambas Partes están de acuerdo en que los riesgos laborales y accidentes que pudieran sufrir los empleados, mandatarios o contratistas de cada una de las Partes son exclusivamente la responsabilidad de dicha Parte, respectivamente. Por lo tanto, la Parte responsable deberá cubrir los gastos y honorarios que surjan de lo anterior. La obligación de la Parte responsable será válida siempre y cuando dichos riesgos o accidentes sucedan en el interior de la Propiedad Arrendada.

In accordance with the foregoing, the liability arising from the labor relations with each of the aforementioned persons is solely and exclusively of each of the Parties respectively. The Parties expressly agree that none of the provisions contained in this Amendment Agreement shall be interpreted in such a way that it considers the employees, agents, suppliers or contractors of each Party as employees, agents, suppliers or contractors at the same time of the other Party. In addition, none of the Parties may enter into any agreement and/or enter into any contract of any type on behalf of the other Party.

The Parties expressly declare that they have their own human, material and financial resources to comply with the obligations required under applicable law (including, without limitation the Federal Labor Law) arising from their relations with their employees.

Each Party, respectively, shall at all times agree the specific tasks to be performed by its employees, agents and contractors under the terms of the Lease Agreement as amended by this Fifth Agreement and shall at all times be in charge of the supervision of such employees, agents and contractors in the performance of the services. The employees, agents and contractors shall perform such activities in accordance with the agreements between them and such Party. The Parties acknowledge that the employees, agents and contractors of the other Party shall not be at the disposal of such Party in terms of the Lease Agreement as amended by this Fifth Amendment Agreement. Therefore, the employees, agents and contractors of each Party shall perform the services exclusively as agreed between them and such Party, at such locations as such Party determines to be most convenient to perform the services in the most efficient manner within such schedules and within such parameters as each Party, respectively, may establish.

Each Party shall be liable to the other for all damages or losses arising from the fault or negligence of its employees, agents and contractors under the terms of the Lease Agreement as amended by this Fifth Amendment Agreement and that affects the other Party. Both Parties agree that the labor risks and accidents that may be suffered by the employees, agents or contractors of each Party are exclusively the responsibility of said Party, respectively. Therefore, the responsible Party shall cover the expenses and fees arising from the foregoing. The obligation of the responsible Party shall be valid provided that such risks or accidents occur inside the Leased Property.

Cada una de las Partes sera responsable frente a la otra de todos los daños o pérdidas que deriven de la culpa o negligencia de sus empleados, mandatarios y contratistas conforme a los terminos del Contrato de Arrendamiento segun fue modificado por este Quinto Convenio Modificatorio y que afecten a la otra Parte. Ambas Partes estan de acuerdo en que los riesgos laborales y accidentes que pudieran sufrir los empleados, mandatarios o contratistas de cada una de las Partes son exclusivamente la responsabilidad de dicha Parte, respectivamente. Por lo tanto, la Parte responsable debera cubrir los gastos y honorarios que surjan de lo anterior. La obligacion de la Parte responsable sera valida siempre y cuando dichos riesgos o accidentes sucedan en el interior de la Propiedad Arrendada.

SEPTIMA.-PREFERENCIA DE CONTRATISTA.

Las partes acuerdan que el ARRENDATARIO no podra realizar ninguna construcción o mejora en la Propiedad Arrendada sin considerar y dar preferencia a la cotización presentada por el ARRENDADOR para tales obras; el ARRENDATARIO, en circunstancias similares, dara preferencia el ARRENDADOR para la ejecucion de dichas obras.

Para que el ARRENDADOR, pueda llevar a cabo la supervision, y el ARRENDATARIO, pueda iniciar cualquier obra previamente autorizada, debera entregar, al ARRENDADOR, la siguiente documentacion: contrato de obra celebrado con el tercero; licencia de construccion de la obra a ejecutar; procedimiento para prevención de contagios por la pandemia COVID SARS-19; catalogo de conceptos con todos los alcances; proyecto ejecutivo completo, y en el caso, de mezzanines calculos estructurales, asi como el seguro de obra.

OCTAVA.-Todos los otros terminos y condiciones del Contrato de Arrendamiento no modificados por el presente se mantendran y continuaran vigentes y validos coma se describe en dichos documentos. De conformidad con lo anterior, las partes acuerdan que este Quinto Convenio Modificatorio debera modificar unicamente los terminos y condiciones aqui descritos; todas los demas terminos y condiciones deberan mantenerse vigentes y sin cambios, por lo que en este instrumento no existe novacion. El Contrato de Arrendamiento previamente celebrado por las Partes debera regular cualquier cuestión relativa al Contrato de Arrendamiento, que no se encuentren especificamente señaladas en el presente. Cualquier expresion o denominacion señalada en este convenio entre comillas o en Mayuscula, debera entenderse segun fue definido en el Contrato de Arrendamiento o en sus otros convenios modificatorios cuando asi proceda.

NOVENA.- Este documento forma parte del Contrato de Arrendamiento como un solo documento; conteniendo ambos las condiciones y promesas realizados entre las partes, y no deberan ser modificados verbalmente o de ninguna otra manera mas que en un contrato por escrito firmado por los representantes autorizados de las partes.

Each Party agrees to indemnify and hold harmless the other Party (including its shareholders, directors, employees and/or consultants and their assignees and sublessees) from and against any and all claims, suits, complaints, liabilities, damages, losses, injuries, damages, costs or expenses (including reasonable legal costs) brought against it by an employee of the responsible Party, its suppliers or contractors, as well as for any claim brought by an employee of the responsible Party before the Mexican Social Security Institute (Instituto Mexicano del Seguro Social, or IMSS by its Spanish acronym) or the National Institute of the Fund for Workers' Housing (Instituto Nacional del Fonda para la Vivienda de los Trabajadores, -INFONAVIT) or for any other contingency related with the employees of the responsible Party, its contractors or suppliers that affects the other Party.

SEVENTH.-CONTRACTOR PREFERENCE. The parties agree that LESSEE may not perform any construction or improvement on the Leased Property without considering and giving preference to the quotation submitted by LESSOR for such works; LESSEE, in similar circumstances, shall give preference to LESSOR for the execution of such works.

In order for the LESSOR to carry out the supervision, and LESSEE to start any previously authorized work, the following documentation must be delivered to LESSOR: work contract signed with the third party; construction license for the work to be executed; procedure for the prevention of infections due to the COVID SARS-19 pandemic; catalog of concepts with all scopes; complete executive project, and in the case of mezzanines, structural calculations, as well as construction insurance.

EIGHTH.- All other terms and conditions of the Lease Agreement not amended herein shall remain and continue in force and valid as described in such document. In accordance with the foregoing, the Parties agree that this Fifth Amendment Agreement shall only modify the provisions described herein; all other provisions shall remain in force and unchanged, so there is no novation in this instrument. The Lease Agreement previously executed by the Parties shall regulate any matters relating to the Lease Agreement, which are not specifically mentioned herein. Any expression or denomination written in quotation marks or capitalized, shall be understood as it was defined in the Lease Agreement or its other amendment agreements when applicable.

NINTH.-This document forms a part of the Lease Agreement as one whole document; both contain the conditions and promises made between the parties and may not be modified orally or in any manner other than by a written agreement signed by the authorized representatives of the parties.

DECIMA.- El presente Quinto Convenio Modificatorio se firma en español e inglés, y en caso de que resultare alguna inconsistencia con respecto a su interpretación prevalecerá la versión en español.

DECIMA PRIMERA.- Las partes acuerdan que para todo lo relativo a la interpretación y cumplimiento de este Quinto Convenio Modificatorio y del Contrato de Arrendamiento, expresamente se someten a la legislación y a la jurisdicción de los Tribunales Civiles de la Ciudad de Mexicali, Baja California, renunciando expresamente a cualquier otro fuero que pudiera ser aplicable por razón de su domicilio presente o futuro o por cualquier otra causa.

EN PRESENCIA DE LOS TESTIGOS, este documento es firmado por duplicado en la Ciudad de Mexicali, Baja California, en este día 28 de noviembre del año 2025.

**EL ARRENDADOR / LESSOR:
INDUSTRIAS ASOCIADAS MAQUILADORAS, S.A. DE C.V.**

C.P. Eduardo Mendoza Larios
Representante Legal / Legal Representative

El Garante tiene conocimiento y acepta los términos fijados en este Quinto Convenio Modificatorio tal como se describe en la Clausula Quinta.

GARANTE / GUARANTOR

/s/ ANAND SAMPATH

MASIMO CORPORATION

Anand Sampath

Representante Legal / Legal Representative

TESTIGOS / WITNESSES:

Testigo del Arrendador / Lessor's Witness

Nombre/Name: _____

Fin del Quinto Convenio Modificatorio y de hojas
de firmas

TENTH.- This Fifth Amendment Agreement, is executed in Spanish and English and in the event any inconsistency arises regarding its interpretation, the Spanish version shall prevail.

ELEVENTH.- The Parties agree that for all matters relating to the interpretation and enforcement of this Fifth Amendment Agreement and the Lease Agreement, they are expressly subjected to the law and the jurisdiction of the Civil Courts of the City of Mexicali, Baja California, expressly waiving any other jurisdiction that could be applicable by reason of present or future address or otherwise.

IN WITNESS WHEREOF this document is signed in duplicate in this City of Mexicali, Baja California, on this **28th day of November of the year 2025.**

**EL ARRENDATARIO / LESSEE: INDUSTRIAL VALL RA DE
MEXICALI, S.A. DE**

Sergio Francisco Tagliapetra Nassri Representante Legal / Legal
Representative

Guarantor Acknowledges and accepts the terms set in the Fifth Clause.

Testigo del Arrendador / Lessor's Witness

Nombre/Name: _____

End of the Fifth Amendment Agreement and
signatures page

Published CUSIP Number: 57479QAA2

CREDIT AGREEMENT

dated as of

December 1, 2025

among

MASIMO CORPORATION,

as the Borrower,

THE LENDERS AND ISSUING BANKS PARTY HERETO

and

BANK OF AMERICA, N.A.,

as Administrative Agent

BOFA SECURITIES, INC.,
JPMORGAN CHASE BANK, N.A.,
CITIBANK, N.A.,
U.S. BANK NATIONAL ASSOCIATION and
PNC CAPITAL MARKETS LLC
as Joint Lead Arrangers and Joint Bookrunners

BOFA SECURITIES, INC.,
JPMORGAN CHASE BANK, N.A.,
CITIBANK, N.A.,
U.S. BANK NATIONAL ASSOCIATION and
PNC BANK, NATIONAL ASSOCIATION
as Co-Syndication Agents

BMO BANK N.A.,
DNB BANK ASA, NEW YORK BRANCH, and
KEYBANK, NATIONAL ASSOCIATION
as Co-Documentation Agents

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Exhibit G – Form of Notice of Loan Prepayment	

CREDIT AGREEMENT dated as of December 1, 2025, among MASIMO CORPORATION, the LENDERS and ISSUING BANKS party hereto, and BANK OF AMERICA, N.A., as Administrative Agent.

The parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“Acquisition” means any transaction, or any series of related transactions, consummated on or after the date of this Agreement, by which the Borrower or any of its Subsidiaries, directly or indirectly, acquires (a) any ongoing business or all or substantially all of the assets of any Person, or division thereof, whether through purchase of assets, merger or otherwise or (b) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding ownership interests of a partnership or limited liability company.

“Administrative Agent” means Bank of America, N.A., in its capacity as administrative agent for the Lenders hereunder.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth in Section 9.01, or such other address or account as the Administrative Agent may from time to time notify to the Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Indemnitee” has the meaning assigned to it in Section 9.03(c).

“Alternate Base Rate” means, for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Effective Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” (c) Term SOFR plus 1.00% and (d) 0.00%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.13, then the Alternate Base Rate shall be the greater of clauses (a), (b) and (d) above and shall be determined without reference to clause (c) above.

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, including the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder and the UK Bribery Act.

“Applicable Party” has the meaning assigned to it in Section 8.03(c).

“Applicable Rate” means, for any day, with respect to any ABR Loan or Term SOFR Loan, or with respect to the Unused Fees payable hereunder, as the case may be, (i) from the Closing Date to the date on which the Borrower delivers (or is required to deliver) financial statements pursuant to Section 5.01(b) and a certificate pursuant to Section 5.01(c) for the fiscal quarter ending on or about March 31, 2026, 0.000% per annum for any ABR Loan, 1.000% per annum for Term SOFR Loans and 0.150% for the Unused Fee and (ii) thereafter, the applicable rate per annum set forth below under the caption “ABR Spread”, “Term SOFR Spread” or “Unused Fee”, as the case may be, based upon the Total Net Leverage Ratio as calculated by reference to and as set forth in the most recent financial statements delivered (or required to be delivered) pursuant to Section 5.01(a) or (b), as applicable, and the most recent certificate delivered (or required to be delivered) by the Borrower pursuant to Section 5.01(c):

APPLICABLE RATE

Level	Total Net Leverage Ratio	Term SOFR Spread	ABR Spread	Unused Fee
Level I	Less than 1.00 to 1.00	1.000%	0.000 %	0.150%
Level II	Greater than or equal to 1.00 to 1.00 but less than 2.00 to 1.00	1.250%	0.250%	0.175%
Level III	Greater than or equal to 2.00 to 1.00 but less than 3.00 to 1.00	1.500%	0.500%	0.225%
Level IV	Greater than or equal to 3.00 to 1.00	1.750%	0.750%	0.275%

If at any time the Borrower fails to deliver the quarterly or annual financial statements required to be delivered pursuant to Section 5.01(a) or (b), as applicable, or the certificate required to be delivered pursuant to Section 5.01(c), on or before the date such financial statements or compliance certificates are due, Level IV shall be deemed applicable for the period commencing three Business Days after such required date of delivery and ending on the date which is three Business Days after such financial statements or certificates are actually delivered, after which the Level shall be determined in accordance with the table above.

Except as expressly set forth above, any change in the pricing Level then in effect shall be effective three Business Days after the Administrative Agent has received the applicable financial statements required to be delivered pursuant to Section 5.01(a) or (b), as applicable, and the certificate required to be delivered pursuant to Section 5.01(c) (it being understood and agreed that each change in Level shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change).

In the event that financial information in any financial statements and/or compliance certificate previously delivered was incorrect or inaccurate (regardless of whether this Agreement or any Loans or Commitments are outstanding when such inaccuracy is discovered), and such inaccuracy, if corrected, would have led to the application of a higher Applicable Rate for any applicable period than the Applicable Rate applied for such applicable period, then (a) the Borrower shall, as soon as practicable, deliver to the Administrative Agent the correct financial statements and/or compliance certificates for such applicable period, (b) the Applicable Rate shall be determined as if the pricing level for such higher Applicable Rate were applicable for such applicable period, and (c) the Borrower shall within two (2) Business Days of demand thereof by the Administrative Agent pay to the Administrative Agent the accrued additional fees or interest (as applicable) owing as a result of such increased Applicable Rate for such applicable period, which payment shall be promptly applied by the Administrative Agent in accordance with this Agreement.

“Applicable Revolving Percentage” means, with respect to any Revolving Lender, the percentage of the total Revolving Commitments represented by such Revolving Lender’s Revolving Commitment; provided that, in the case of Section 2.19 when a Defaulting Lender shall exist, “Applicable Revolving Percentage” shall mean the percentage of the total Revolving Commitments (disregarding any Defaulting Lender’s Revolving Commitments) represented by such Lender’s Revolving Commitment. If the Revolving Commitments have terminated or expired, the Applicable Revolving Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments and to any Revolving Lender’s status as a Defaulting Lender at the time of determination.

“Approved Electronic Platform” has the meaning assigned to it in Section 8.03(a).

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“Arranger” means each of BofA Securities, Inc., JPMorgan Chase Bank, N.A., Citibank, N.A., U.S. Bank National Association and PNC Capital Markets LLC, each in its capacity as a joint bookrunner and joint lead arranger hereunder.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.04), and accepted by the Administrative Agent, in substantially the same form of Exhibit A or any other form (including electronic documentation generated by the use of an electronic platform) approved by the Administrative Agent.

“Availability Period” means the period from and including the Closing Date to but excluding the earlier of the Maturity Date and the date of termination of the Revolving Commitments in accordance with the provisions of this Agreement.

“Available Tenor” means, as of any date of determination and with respect to any then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 2.13(b).

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time that is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bank of America” means Bank of America, N.A. and its successors.

“Banking Services” means each and any of the following bank services provided to any Loan Party by any Lender or any of its Affiliates: (a) credit cards for commercial customers (including, without limitation, “commercial credit cards” and purchasing cards), (b) stored value cards, (c) merchant processing services, and (d) treasury management services (including, without limitation, controlled disbursement, automated clearinghouse transactions, return items, overdrafts and interstate depository network services).

“Banking Services Obligations” of the Loan Parties means any and all obligations of the Loan Parties, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor) in connection with Banking Services.

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event

shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Benchmark” means, initially, Term SOFR; provided, that if a Benchmark Transition Event has occurred with respect to Term SOFR or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.13(b).

“Benchmark Replacement” means, with respect to any Benchmark Transition Event, the sum of:(a) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for dollar-denominated syndicated credit facilities at such time and (b) the related Benchmark Replacement Adjustment; provided, that if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to any then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event,” the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided, that such nonrepresentativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to any then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will

cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the FRBNY, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Start Date**” means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

“**Benchmark Unavailability Period**” means, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13(b) and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.13(b).

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Benefit Plan**” means any of (a) an “employee benefit plan” (as defined in Section 3(3) of ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in Section 4975 of the Code to which Section 4975 of the Code applies, and (c) any Person whose assets include (for purposes of the Plan Asset Regulations or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“**BHC Act Affiliate**” of a party shall mean an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“**Borrower**” means Masimo Corporation, a Delaware corporation.

“**Borrowing**” means Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Term SOFR Loans, as to which a single Interest Period is in effect.

“**Borrowing Request**” means a request by the Borrower for a Borrowing in accordance with Section 2.03, which shall be substantially in the form of Exhibit E or such other form approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent and for which such form approval shall not be unreasonably withheld).

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or financing leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Issuing Banks and the Lenders, as collateral for LC Exposure or obligations of Lenders to fund participations in respect thereof (as the context may require), cash or deposit account balances or, if the Administrative Agent and the applicable Issuing Banks shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance reasonably satisfactory to (a) the Administrative Agent and (b) the applicable Issuing Banks.

“Cash Collateral” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“Casualty Event” means any loss, damage, destruction or condemnation of any asset of the Borrower or any of its Subsidiaries.

“CFC” shall mean any Person that is a “controlled foreign corporation” within the meaning of Section 957 of the Code.

“CFC Holding Company” means any Subsidiary substantially all of the assets of which consist of equity or debt of one or more CFCs.

“Change in Control” means the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Securities Exchange Act of 1934 and the rules of the SEC thereunder as in effect on the date hereof), of Equity Interests representing more than 40% of the aggregate ordinary voting power represented by the issued and outstanding Equity Interests of the Borrower.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption of or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted, issued or implemented.

“Charges” has the meaning assigned to it in Section 9.14.

“Class” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans or Term Loans.

“Closing Date” means the first date that the conditions precedent set forth in Section 4.01 are satisfied or waived in accordance with Section 9.02.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commitment” means a Revolving Commitment and/or a Term Commitment.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to it in Section 8.03(c).

“Conforming Changes” means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of **“Alternate Base Rate”** the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” or “Interest Payment Date” or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.15 and other technical, administrative or operational matters) that the Administrative Agent, in consultation with the Borrower, decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent, in consultation with the Borrower, decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent, in consultation with the Borrower, decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Covered Entity” shall mean any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Credit Party” means the Administrative Agent, any Issuing Bank or any other Lender.

“Debtor Relief Laws” means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States of America or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than letter of credit fees payable under Section 2.11(b), an interest rate equal to (i) the Alternate Base Rate plus (ii) the Applicable Rate, if any, applicable to ABR Loans plus (iii) 2% per annum; provided, however, that with respect to a Term SOFR Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Rate) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to letter of credit fees payable under Section 2.11(b), a rate equal to the Applicable Rate plus 2% per annum.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause

(i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has or has a Lender Parent that has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

"Denomination Date" means each of the following, with respect to any Letter of Credit: (i) the date on which such Letter of Credit is issued, (ii) the first Business Day of each calendar month, (iii) in the case of all Existing Letters of Credit, the Closing Date, (iv) the date of any amendment of such Letter of Credit that has the effect of increasing the face amount thereof, and (v) any additional date as the Administrative Agent may determine at any time when an Event of Default exists.

"Discovery Property" means the land and a 213,400 square foot building located at 52 Discovery, Irvine, California 92618.

"Disposition" or **"Dispose"** means the sale, transfer, license, lease or other disposition of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith, including any Casualty Event.

"Disqualified Lender" means (i) those banks, financial institutions and other institutional lenders and investors that have been separately identified in writing to the Administrative Agent by the Borrower prior to the Closing Date (it being understood and agreed and none were so identified), (ii) those persons who are competitors of the Borrower, that are separately identified in writing to the Administrative Agent by the Borrower from time to time prior to the Closing Date (which list of competitors may be supplemented by the Borrower after the Closing Date by means of a written notice to the Administrative Agent but which supplementation shall not apply retroactively to disqualify any persons that have previously acquired an assignment or participation in the Loans, Commitments and/or Letters of Credit), and (iii) in the case of each of clauses (i) and (ii), any of their Affiliates (which, for the avoidance of doubt, shall not include any bona fide debt investment funds that are Affiliates of the persons referenced in clause (ii) above) that are either (a) identified in writing by the Borrower from time to time (which identification shall not apply retroactively to disqualify any persons that have previously acquired an assignment or participation in the Loans, Commitments and/or Letters of Credit) or (b) identifiable on the basis of such affiliate's name. The list of Disqualified Lenders shall be posted from time to time by the Administrative Agent (and shall be made available to any Lender and any Issuing Bank upon request therefor).

"Dividing Person" has the meaning assigned to it in the definition of "Division".

"Division" means the division of the assets, liabilities and/or obligations of a Person (the "Dividing Person") among two or more Persons (whether pursuant to a "plan of division" or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

"Division Successor" means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

"dollars" or **"\$"** refers to lawful money of the United States of America.

“**EBITDA**” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP, an amount equal to Net Income for such period plus

(a) the following to the extent deducted in calculating such Net Income (other than with respect to clause (viii)), without duplication:

(i) Interest Expense (excluding the portion of rent expense of the Borrower and its Subsidiaries with respect to such period under Capital Lease Obligations or in connection with the deferred purchase price of assets that is treated as Interest Expense in accordance with GAAP), amortization or writeoff of debt discount and debt issuance costs and debt issuance commissions,

(ii) all federal, state, local and foreign taxes on or measured by income of the Borrower and its Subsidiaries during such period,

(iii) depreciation and amortization expense for such period (including, without limitation, amortization of intangibles in accordance with GAAP and amortization recorded in connection with the application of Financial Accounting Standards Board Accounting Standards Codification 350 (Intangibles - Goodwill and Other)),

(iv) the amount of noncash stock-based compensation expense for such period,

(v) other extraordinary, unusual or non-recurring expenses or losses (including without limitation losses on sales of assets outside of the ordinary course, including abandoned or discontinued operations, after tax effect of income (loss) from the early extinguishment of Indebtedness or Swap Agreements, impairment charges and effects of changes in accounting principles) of the Borrower and its Subsidiaries reducing such Net Income for such period,

(vi) any non-cash charges that have been deducted in determining Net Income for such period in accordance with GAAP, to the extent of such deduction,

(vii) legal fees and litigation costs and expenses; provided, however, that the amount of such fees, costs and expenses included in the calculation per four fiscal quarter period under this clause

(vii) may not exceed \$30,000,000, (viii) to the extent not already included in Net Income, (A) proceeds of business interruption insurance to the extent paid in cash during such period and (B) expenses with respect to liability or casualty events to the extent covered by insurance and actually reimbursed, or, so long such amount is not denied by the applicable carrier in writing and in fact reimbursed within 365 days of the date of evidence (with a deduction for any amount so added back to the extent not so reimbursed within such 365 days),

(ix) all non-recurring costs and expenses incurred in connection with or as a result of the consummation of the Transactions, any Acquisition, investment, asset acquisition or disposition, issuance of Equity Interests or amendment or modification of any agreement or instrument relating to Indebtedness,

(x) losses resulting solely from fluctuations in foreign currency (including currency remeasurements of Indebtedness) and any net loss resulting from hedge agreements for currency exchange risk associated with the above (and those resulting from intercompany indebtedness),

(xi) reasonable and customary transaction expenses incurred during such period in connection with any Permitted Acquisition, other permitted Investments, permitted debt and equity issuances, permitted Dispositions, permitted recapitalization, mergers, option buyouts or the incurrence or repayment of indebtedness incurred during such period (or any such transactions proposed but not consummated),

(xii) all non-cash expenses, charges, costs, accruals, reserves of losses related to compliance with accounting standards, enhanced accounting function or other transaction costs associated with being a public company, and

(xvi) add-backs and adjustments (including pro forma adjustments) solely in the amounts and for the periods set forth in the company model and delivered to the Administrative Agent prior to the Closing Date;

minus

(b) to the extent included in calculating such Net Income, without duplication, (i) all noncash items increasing Net Income for such period, (ii) all EBITDA of any Person other than the Borrower or a wholly-owned Subsidiary of the Borrower for such period, except (A) to the extent of any amounts distributed to the Borrower or any of its wholly-owned Subsidiaries in cash and (B) that EBITDA of a Subsidiary of the Borrower that is not wholly owned, directly or indirectly, by the Borrower shall not be subtracted pursuant to this clause (ii) if such Subsidiary is not restricted, pursuant to its organizational documents, any contract or agreement to which it is a party or otherwise, from paying dividends and making other distributions to the Borrower or to the Subsidiary that owns the Equity Interests of such Subsidiary, (iii) any cash payments made during such period in respect of items described in clause (a)(v) above subsequent to the fiscal quarter in which the relevant non-cash expense or loss were reflected as a charge in the statement of Net Income, all as determined on a consolidated basis, and (iv) gains resulting solely from fluctuations in foreign currency (including currency remeasurements of Indebtedness) and any net gain resulting from hedge agreements for currency exchange risk associated with the above (and those resulting from intercompany indebtedness).

“ECP” means an “eligible contract participant” as defined in Section 1(a)(18) of the Commodity Exchange Act or any regulations promulgated thereunder and the applicable rules issued by the Commodity Futures Trading Commission and/or the SEC.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country that is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country that is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country that is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Electronic Record” and **“Electronic Signature”** shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the management, release or threatened release of any Hazardous Material or to health and safety matters (to the extent concerning exposures to Hazardous Materials).

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to, and only to the extent of, any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest, but excluding any debt securities convertible into any of the foregoing.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code or Section 4001(14) of ERISA or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) the failure to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Multiemployer Plan; or (g) the receipt by the Borrower or any ERISA Affiliate of any notice concerning the imposition upon the Borrower or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent, within the meaning of Title IV of ERISA.

“Erroneous Payment” has the meaning assigned to it in Section 8.08(a).

“Erroneous Payment Deficiency Assignment” has the meaning assigned to it in Section 8.08(d)(i).

“Erroneous Payment Impacted Class” has the meaning assigned to it in Section 8.08(d)(i).

“Erroneous Payment Return Deficiency” has the meaning assigned to it in Section 8.08(d)(i).

“Erroneous Payment Subrogation Rights” has the meaning assigned to it in Section 8.08(e).

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“Event of Default” has the meaning assigned to such term in Section 7.01.

“Existing Letters of Credit” means the following Letters of Credit:

BANK ISSUER	BENEFICIARY	REFERENCE	ISSUED	FINAL EXPIRY	CURR	AMOUNT
JPMORGAN CHASE	AMAZON DIGITAL GERMANY GMBH	NUSCGS036762	4/13/2021	OPEN ENDED	EUR	40,000
JPMORGAN CHASE	AMAZON DIGITAL GERMANY GMBH	NUSCGS033866 / NUSCGS040766	7-Dec-202	OPEN ENDED	EUR	40,000
JPMORGAN CHASE	AMAZON DIGITAL GERMANY GMBH	NUSCGS041980	4/20/2022	OPEN ENDED	EUR	15,000
CITIBANK	B1 SHIYING NO.1 PTY LTD	69626866	12/6/2022	5/30/2028	AUD	85817
CITIBANK	JABATAN KASTAM DIRAJA MALAYSIA	69632289	12/27/2024	3/11/2026	MYR	5,000,000
CITIBANK	HAMAD MEDICAL CORPORATION	69633424	7/8/2025	12/19/2025	QAR	30000
CITIBANK	SIDRA MEDICINE	69633469	7/16/2025	12/21/2025	QAR	100820
CITIBANK	HAMAD MEDICAL CORPORATION	69633569	7/31/2025	1/16/2026	QAR	13000
CITIBANK	HAMAD MEDICAL CORPORATION	69633682	8/20/2025	1/30/2026	QAR	936000
CITIBANK	JABATAN KASTAM DIRAJA MALAYSIA	69634079	10/20/2025	3/12/2027	MYR	3000000

“Exchange Rate” means on any day, for purposes of determining the U.S. Dollar Equivalent of any other currency, the rate determined by the Administrative Agent to be the rate quoted by the Administrative Agent as the spot rate for the purchase by the Administrative Agent of U.S. Dollars with such other currency through its principal foreign exchange trading office at approximately 11:00 a.m., New York City time, on the date that is two Business Days prior to the date as of which the foreign exchange computation is made; provided, that the Administrative Agent may obtain such spot rate from another financial institution designated by the Administrative Agent if the

Administrative Agent does not have as of the date of determination a spot buying rate for any such currency; provided, further, if such spot rate cannot be determined by any of the methods set forth above, it may be determined by the Administrative Agent using any method of determination it deems appropriate in its reasonable discretion.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) (a) by virtue of such Guarantor’s failure for any reason to constitute an ECP at the time the Guarantee of such Guarantor or the grant of such security interest becomes or would become effective with respect to such Swap Obligation or (b) in the case of a Swap Obligation subject to a clearing requirement pursuant to Section 2(h) of the Commodity Exchange Act (or any successor provision thereto), because such Guarantor is a “financial entity,” as defined in Section 2(h)(7)(C)(i) of the Commodity Exchange Act (or any successor provision thereto), at the time the Guarantee of such Guarantor becomes or would become effective with respect to such related Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee or security interest is or becomes illegal.

“Excluded Taxes” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. Federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan, Letter of Credit or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan, Letter of Credit or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.18(b) or Section 9.02(d)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.16, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender acquired the applicable interest in a Loan, Letter of Credit or Commitment or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient’s failure to comply with Section 2.16(f) and (d) any withholding Taxes imposed under FATCA.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with) and any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code, as of the Closing Date (or any amended or successor version described above) and any intergovernmental agreement (and related fiscal or regulatory legislation, or related official rules or practices) implementing the foregoing.

“Federal Funds Effective Rate” means, for any day, the rate per annum calculated by the FRBNY based on such day’s federal funds transactions by depository institutions (as determined in such manner as the FRBNY shall set forth on its public website from time to time) and published on the next succeeding Business Day by the FRBNY as the federal funds effective rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Fee Letter” means that certain fee letter, dated as of November 5, 2025, by and among the Borrower and the Administrative Agent, as may be amended, restated, amended and restated, supplemented or otherwise modified.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Borrower.

“Floor” means a rate of interest equal to 0.00%.

“Foreign Lender” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“Foreign Pension Plan” means any plan, fund (including any superannuation fund) or other similar program established or maintained outside the United States of America by the Borrower or any one or more of its Subsidiaries primarily for the benefit of employees of the Borrower or such Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code.

“FRBNY” means the Federal Reserve Bank of New York.

“GAAP” means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States of America, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including the Financial Conduct Authority, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” of or by any Person (the **“guarantor”**) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the **“primary obligor”**) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business.

“Guaranteed Obligations” means all Obligations, together with all Banking Services Obligations owing to one or more Lenders or their respective Affiliates and all Swap Agreement Obligations owing to one or more Lenders or their respective Affiliates; provided, however, that the definition of “Guaranteed Obligations” shall not create any guarantee by any Guarantor of (or grant of security interest by any Guarantor to support, as applicable) any Excluded Swap Obligations of such Guarantor for purposes of determining any obligations of any Guarantor; provided, further, that Banking Service Obligations and Swap Agreement Obligations shall cease to constitute Guaranteed Obligations on and after the date all Obligations are paid in full in cash (other than any contingent indemnification obligations for which no claim has been asserted) and all Commitments hereunder have been terminated.

“Guarantors” means, collectively, Masimo Americas, Inc., a Delaware corporation, and any other Material Subsidiary that executes a joinder to the Guaranty pursuant to, and solely as required by, Section 5.09.

“Guaranty” means the Guaranty, dated as of the date hereof, made by the Guarantors in favor of the Administrative Agent and the Lenders, as the same may be amended, restated, amended and restated, supplemented or otherwise modified.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing

materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Historical Audited Financial Statements” means, with respect to the Borrower, the audited consolidated balance sheet and the related audited statements of comprehensive income, operations, equity and cash flows of each of the Borrower and its consolidated subsidiaries as of the end of and for the fiscal year ending on or about December 31, 2024.

“Historical Quarterly Financial Statements” means, with respect to the Borrower, the unaudited consolidated balance sheet and the related unaudited statements of comprehensive income, operations, equity and cash flows of the Borrower (together with its consolidated subsidiaries) as of the end of and for each quarter ended after the fiscal year for which Historical Audited Financial Statements were delivered for the Borrower and prior to the Closing Date.

“IBA” has the meaning assigned to such term in Section 1.07.

“Immaterial Subsidiary” means any Subsidiary (a) that has total assets less than 5% of the consolidated total assets of the Borrower and its Subsidiaries and (b) whose results for the period of four fiscal quarters most recently ended constituted less than 5% of EBITDA; *provided*, that at no time shall all Immaterial Subsidiaries (i) have total assets in excess of 10% in the aggregate of the consolidated total assets of the Borrower and its Subsidiaries or (ii) have results for the period of four fiscal quarters most recently ended constituting in excess of 10% of EBITDA. If at any time that entities that would otherwise be Immaterial Subsidiaries either (x) have total assets in excess of 10% in the aggregate of the consolidated total assets of the Borrower and its Subsidiaries or (y) have results for the period of four fiscal quarters most recently ended constituting in excess of 10% of EBITDA, the Borrower shall designate Subsidiaries that would otherwise be Immaterial Subsidiaries as Material Subsidiaries, it being understood that any such Subsidiary that is a U.S. Person and not a CFC Holding Company (or a Subsidiary of a CFC or CFC Holding Company) or an SPE shall be designated as a Material Subsidiary prior to the designation of any such Subsidiary that is a CFC, CFC Holding Company or SPE as a Material Subsidiary.

“Incremental Cap” means, as of any date of determination:

(a) an amount equal to (x) \$400,000,000 less (y) the aggregate amount of increases in Revolving Commitments or additional Term Loans incurred pursuant to this clause (a) on or prior to such date of determination (without including the subject increased Revolving Commitments or additional Term Loans); plus

(b) an unlimited amount, so long as on a pro forma basis after giving effect to any such increase in the Revolving Commitments or additional Term Loans, the use of proceeds thereof, any acquisition consummated concurrently therewith, and all other related transactions or events (calculated (i) in the event the Borrower is increasing the Revolving Commitments or incurring delayed draw commitments for additional Term Loans, as if such Revolving Commitments or such delayed draw commitments were fully drawn on the effective date thereof and (ii) excluding any cash constituting proceeds of any increased Revolving Commitments or additional Term Loans), the Total Net Leverage Ratio would not exceed 2.50 to 1.00;

it being understood that (I) the Borrower shall be deemed to have used amounts under clause (b) (to the extent compliant therewith) prior to utilization of amounts under clause (a), and, (II) Loans may be incurred under both clauses (a) and (b), and proceeds from any such incurrence may be utilized in a single transaction by first calculating the incurrence under clause (b) above and then calculating the incurrence under clause (a) above.

“Incremental Effective Date” has the meaning assigned to it in Section 2.21(c).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) [reserved], (d) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (e) all obligations of such Person in respect of the deferred purchase price of property or services (excluding (i) trade accounts payable incurred in the ordinary course of business and (ii) any earn-out obligation until such obligation becomes a liability on the balance sheet of such

Person in accordance with GAAP and is more than 5 days past due), (f) all Indebtedness of others secured by any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed; provided that if such Person has not assumed such Indebtedness, such indebtedness shall be deemed to be in an amount equal to the fair market value of the property subject to such Lien, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (j) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning assigned to it in Section 9.03(b).

"Ineligible Institution" has the meaning assigned to it in Section 9.04(b).

"Interest Coverage Ratio" means, as of the last day of any fiscal quarter, the ratio of (a) EBITDA for the four fiscal quarter period ending on such date to (b) Interest Expense (excluding the portion of rent expense of the Borrower and its Subsidiaries with respect to such period under Capital Lease Obligations or in connection with the deferred purchase price of assets that is treated as interest expense in accordance with GAAP) paid in cash during such four fiscal quarter period.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.07, which shall be substantially in the form of Exhibit F or such other form approved by the Administrative Agent (and for which such form approval shall not be unreasonably withheld).

"Interest Expense" means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the sum of all interest, premium payments, debt discount, fees, charges and related expenses of the Borrower and its Subsidiaries in connection with borrowed money or in connection with the deferred purchase price of assets, in each case to the extent treated as interest expense in accordance with GAAP.

"Interest Payment Date" means (a) with respect to any ABR Loan, the last day of each March, June, September and December and the Maturity Date and (b) with respect to any Term SOFR Loan, the last day of each Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Term SOFR Borrowing with an Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Maturity Date.

"Interest Period" means as to each Term SOFR Loan, the period commencing on the date such Term SOFR Loan is disbursed or converted to or continued as a Term SOFR Loan and ending on the date one, three or six months thereafter, as selected by the Borrower in its Borrowing Request or Interest Election Request, or such other period that is twelve months or less requested by the Borrower and consented to by all the Lenders and the Administrative Agent (in the case of each requested Interest Period, subject to availability); provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Term SOFR Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Term SOFR Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date;

provided, further that, the Administrative Agent (acting in its reasonable discretion) and the Borrower (without the consent of any other party hereto) may agree to set interest periods longer or shorter than the periods set forth above in order to align with the Interest Periods of other Loans and/or the end of a fiscal or calendar period.

For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“IRS” means the United States Internal Revenue Service.

“ISP” means the International Standby Practices, International Chamber of Commerce Publication No. 590 (or such later version thereof as may be in effect at the applicable time).

“Issuing Bank” means each of Bank of America, N.A., JPMorgan Chase Bank, N.A., Citibank, N.A., U.S. Bank National Association and PNC Bank, National Association, each in its capacity as an issuer of Letters of Credit hereunder, and their respective successors in such capacity as provided in Section 2.05(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Each reference herein to the “Issuing Bank” in connection with a Letter of Credit or other matter shall be deemed to be a reference to the relevant Issuing Bank with respect thereto.

“Issuer Documents” means with respect to any Letter of Credit, the Letter of Credit Agreement, and any other document, agreement and instrument entered into by the Issuing Bank and the Borrower (or any Subsidiary) or in favor of the Issuing Bank and relating to such Letter of Credit.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“LC Advance” means, with respect to each Lender, such Lender’s funding of its participation in any LC Borrowing in accordance with its Applicable Revolving Percentage.

“LC Borrowing” means an extension of credit resulting from a drawing under any Letter of Credit which has not been reimbursed on the date when made or refinanced as a Borrowing.

“LC Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“LC Disbursement” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, including any automatic or scheduled increases provided for by the terms of such Letters of Credit that are in effect at such time, plus (b) the aggregate amount of all Unreimbursed Amounts, including all LC Borrowings. The LC Exposure of any Lender at any time shall be its Applicable Revolving Percentage of the total LC Exposure at such time. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Article 29(a) of the UCP or Rule 3.13 or Rule 3.14 of the ISP or similar terms of the Letter of Credit itself, or if compliant documents have been presented but not yet honored, such Letter of Credit shall be deemed to be “outstanding” and “undrawn” in the amount so remaining available to be paid, and the obligations of the Borrower and each Lender shall remain in full force and effect until the Issuing Banks and the Lenders shall have no further obligations to make any payments or disbursements under any circumstances with respect to any Letter of Credit.

“Lender Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or pursuant to Section 2.21(b), other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Issuing Banks.

“Letter of Credit” means any letter of credit issued (or, in the case of any Existing Letter of Credit, deemed to be issued) pursuant to this Agreement. Letters of Credit may be issued in dollars, Euros, Pounds Sterling and any other currency, as agreed by the Borrower and the applicable Issuing Bank. A Letter of Credit may be a commercial letter of credit or a standby letter of credit.

“Letter of Credit Agreement” has the meaning assigned to it in Section 2.05(b).

“Letter of Credit Commitment” means with respect to any Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit, as such commitment may be reduced or increased from time to time in accordance with the provisions of this Agreement. The initial amount of each Issuing Bank’s Letter of Credit Commitment is set forth on Schedule 2.01 or in the Assignment

and Assumption pursuant to which such Issuing Bank shall have assumed its Letter of Credit Commitment, as applicable. The Letter of Credit Commitment of an Issuing Bank may be modified from time to time by agreement between such Issuing Bank and the Borrower, and notified to the Administrative Agent.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Limited Condition Transaction” means (i) any acquisition or other Investment by one or more of the Borrower and its Subsidiaries of any assets, business or Person that is permitted hereunder, in each case, the consummation of which is not conditioned on the availability of, or on obtaining, third party financing, (ii) any repayment, repurchase or refinancing of indebtedness permitted hereunder with respect to which an irrevocable notice of repayment (or similar irrevocable notice) is required to be delivered and (iii) any dividends or distributions on, or redemption of, Equity Interests permitted hereunder requiring irrevocable notice in advance thereof.

“Loan Documents” means this Agreement, including schedules and exhibits hereto, the Guaranty, any promissory notes issued pursuant to Section 2.09(e) and any other agreements entered into in connection herewith by the Borrower or any Loan Party with or in favor of the Administrative Agent and/or the Lenders, together with each Issuer Document and any other agreements between the Borrower and any Issuing Bank regarding the issuance by such Issuing Bank of Letters of Credit hereunder and/or the respective rights and obligations between the Borrower and such Issuing Bank in connection thereunder, in each case, as the same may be amended, amended and restated, restated, supplemented or otherwise modified.

“Loan Parties” means the Borrower and each Guarantor.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement, including the Revolving Loans and the Term Loans.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X, as applicable.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations or financial condition of the Borrower and the Subsidiaries taken as a whole, (b) the ability of the Loan Parties to perform any of their Obligations under the Loan Documents or (c) the rights of or benefits available to the Administrative Agent and/or the Lenders under this Agreement or any other Loan Document taken as a whole.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Borrower and its Subsidiaries in an aggregate principal amount exceeding \$125,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the

obligations of the Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Subsidiary” means each Subsidiary that is not an Immaterial Subsidiary or an SPE.

“Maturity Date” means December 1, 2030.

“Maximum Rate” has the meaning assigned to it in Section 9.14.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds” means (a) with respect to any Disposition (other than a Casualty Event), (i) the cash proceeds received by the Borrower or any of its Subsidiaries in respect of such Disposition including any cash received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise, but excluding any interest payments), but only as and when received, minus (ii) the sum of (A) selling costs and out-of-pocket expenses (including broker’s fees or commissions, legal fees, accountants’ fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, deed or mortgage recording taxes, other customary expenses and brokerage, consultant and other customary fees actually incurred in connection therewith), (B) the amount of all taxes or tax distributions paid (or reasonably estimated to be payable) and the amount of any reserves established to fund contingent liabilities reasonably estimated to be payable that are directly attributable to such event (as determined reasonably and in good faith by a financial officer of the Borrower), (iv) the principal amount, premium or penalty, if any, interest, breakage costs and other amounts on any Indebtedness that is secured by the asset subject to such Disposition and required to be repaid in connection with such Disposition (other than Indebtedness under the Loan Documents), (v) amounts provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustment associated with such Disposition (provided that to the extent and at the time any such amounts are released from such reserve, other than to make a payment for which such amount was reserved, such amounts shall constitute Net Cash Proceeds), (vi) cash escrows (until released from escrow to the Borrower or any of its Subsidiaries) from the sale price for such Disposition and (vii) in the case of any Disposition by any non-wholly-owned Subsidiary, the pro rata portion of the Net Cash Proceeds thereof (calculated without regard to this clause (vii)) attributable to any minority interest and not available for distribution to or for the account of the Borrower or a wholly-owned Subsidiary as a result thereof, (b) with respect to a Casualty Event, Net Insurance/Condemnation Proceeds and (c) with respect to any issuance or incurrence of Indebtedness or Equity Interests, the cash proceeds thereof, net of all taxes and fees, commissions, costs, underwriting discounts and other fees and expenses incurred in connection therewith.

“Net Income” means, for any period, for the Borrower and its Subsidiaries on a consolidated basis, the net income of the Borrower and its Subsidiaries (in accordance with GAAP) for that period.

“Net Insurance/Condemnation Proceeds” means an amount equal to: (a) any cash payments or proceeds (including Permitted Investments) received by the Borrower or any of its Subsidiaries (i) under any casualty insurance policy in respect of a covered loss thereunder of any assets of the Borrower or any of its Subsidiaries or (ii) as a result of the taking of any assets of the Borrower or any of its Subsidiaries by any Person pursuant to the power of eminent domain, condemnation or otherwise, or pursuant to a sale of any such assets to a purchaser with such power under threat of such a taking, *minus* (b) in respect of the Loan Parties or any of their respective Subsidiaries, Affiliates or direct or indirect equity holders (i) any actual out-of-pocket costs and expenses incurred in connection with the adjustment, settlement or collection of any claims in respect thereof, (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest and other amounts on any Indebtedness that is secured by a Lien on the assets in question and that is required to be repaid or otherwise comes due or would be in default under the terms thereof as a result of such loss, taking or sale (other than Indebtedness under the Loan Documents), (iii) in the case of a taking, the reasonable out-of-pocket costs of putting any affected property in a safe and secure position, (iv) any selling costs and out-of-pocket expenses (including reasonable broker’s fees or commissions, legal fees, accountants’ fees, investment banking fees, survey costs, title insurance premiums, and related search and recording

charges, deed or mortgage recording taxes, relocation expenses, currency hedging expenses, other expenses and brokerage, consultant and other customary fees actually incurred in connection therewith and transfer and similar taxes and the Borrower's good faith estimate of income Taxes paid or payable (including pursuant to tax sharing arrangements or that are or would be imposed on intercompany distributions with such proceeds)) in connection with any sale or taking of such assets as described in clause (a) of this definition, (v) any amounts provided as a reserve in accordance with GAAP against any liabilities under any indemnification obligation or purchase price adjustments associated with any sale or taking of such assets as referred to in clause (a) of this definition (provided that to the extent and at the time any such amounts are released from such reserve, other than to make a payment for which such amount was reserved, such amounts shall constitute Net Insurance/Condemnation Proceeds) and (vi) in the case of any covered loss or taking from any non-wholly-owned Subsidiary, the pro rata portion thereof (calculated without regard to this clause (vi)) attributable to minority interests and not available for distribution to or for the account of the Borrower or a wholly-owned Subsidiary as a result thereof.

"Non-Consenting Lender" has the meaning set forth in Section 9.02(d).

"Notice of Loan Prepayment" means a notice of prepayment with respect to a Loan, which shall be substantially in the form of Exhibit G or such other form as may be approved by the Administrative Agent (including any form on an electronic platform or electronic transmission system as shall be approved by the Administrative Agent), appropriately completed and signed by a Responsible Officer.

"Obligations" means all advances to, and debts, liabilities and obligations of any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, Letter of Credit commissions, charges, expenses, fees, indemnities and other amounts payable by the Borrower under any Loan Document, (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that the Administrative Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrower and (c) all Erroneous Payment Subrogation Rights.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan, Letter of Credit or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.18 or Section 9.02(d)).

"Participant" has the meaning assigned to such term in Section 9.04(c).

"Participant Register" has the meaning assigned to such term in Section 9.04(c).

"Parties" means the Borrower or any of its affiliates.

"Patriot Act" has the meaning assigned to it in Section 9.15.

"Payment Recipient" has the meaning assigned to it in Section 8.08(a).

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” has the meaning assigned to such term in Section 6.04(e).

“Permitted Encumbrances” means: (a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 5.04; (b) carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s and other Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04; (c) pledges and deposits made in the ordinary course of business in compliance with workers’ compensation, unemployment insurance and other social security laws or regulations; (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business; (e) judgment liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII; (f) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Borrower or any Subsidiary; (g) Liens arising under any shareholders’ agreements or other similar agreements with respect to Equity Interests of any joint venture or other Person (other than a Subsidiary of the Borrower) owned by the Borrower or any of its Subsidiaries; (h) Liens created by or existing from any litigation or legal proceeding that are currently being contested in good faith by appropriate proceedings diligently conducted, with respect to which adequate reserves are being maintained in accordance with GAAP and which could not reasonably be expected to result in a Material Adverse Effect; (i) customary rights of set-off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code or common law of banks or other financial institutions where any Borrower or any of their Subsidiaries maintains deposits (other than deposits intended as cash collateral) in the ordinary course of business; (j) leases, non-exclusive licenses, subleases or sublicenses granted in the ordinary course of business to others not interfering in any material respect with the business of the Loan Parties, taken as a whole, and any interest or title of a lessor under any lease not in violation of this Agreement; (k) statutory Liens arising from the rights of lessors under leases (including any precautionary financing statements regarding property subject to a lease) not in violation of the requirements of this Agreement; provided that such Liens are only in respect of the property subject to, and secure only, the respective lease; (l) rights of consignors of goods, whether or not perfected by the filing of a financing statement or other registration, recording or filing; (m) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods; (n) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business; (o) Liens (a) of a collection bank arising under Section 4-210 of the Uniform Commercial Code or any comparable or successor provision on items in the course of collection, (b) attaching to commodity trading accounts or other commodity brokerage accounts incurred in the ordinary course of business and (c) in favor of banking institutions arising as a matter of law encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry; (p) Liens solely on any cash earnest money deposits made by the Borrower or any of its Subsidiaries in connection with any investment or acquisition permitted hereunder; (q) restrictive covenants affecting the use to which real property may be put in each case that do not secure Indebtedness and do not involve, either individually or in the aggregate, (1) a substantial and prolonged interruption or disruption of the business activities of the Borrower and its Subsidiaries, taken as a whole, or (2) a Material Adverse Effect; (r) Liens arising out of conditional sale, title retention, consignment or other arrangements for sale of goods entered into by the Borrower or any of its Subsidiaries in the ordinary course of business; (s) Liens that are contractual rights of set-off (i) relating to pooled deposit or sweep accounts of the Borrower or any of other Loan Party to permit satisfaction of overdraft or similar obligations of the Loan Parties incurred in the ordinary course of business of the Borrower and any other Loan Party, (ii) relating to pooled deposit or sweep accounts of the non U.S. Subsidiaries that are not Loan Parties to permit satisfaction of overdraft or similar obligations of such non U.S Subsidiaries incurred in the ordinary course of business of such non U.S Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Borrower or any of its Subsidiaries in the ordinary course of business; (t) Liens granted in favor of a Loan Party from a Subsidiary that is not a Loan Party; and (u) Liens on cash and cash equivalents deposited to discharge, redeem or defease Indebtedness permitted to be discharged, redeemed or defeased pursuant to the terms hereof and so long as such cash or cash equivalents are actually used to discharge, redeem or defease such Indebtedness (or the related Liens are released) within 90 days of the imposition of such Lien.

“Permitted Investments” means: (a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America); (b) investments in commercial paper maturing within 12 months from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s; (c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within 12 months from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof which has a combined capital and surplus and undivided profits of not less than \$500,000,000; (d) fully collateralized repurchase agreements with a term of not more than 90 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; (e) money market funds that have portfolio assets of at least \$1,000,000,000 or money market accounts maintained in mutual funds investing solely in any one or more of the Permitted Investments described in clauses (a) through (d) above; (f) investments in investment grade debt obligations issued by corporations that are U.S. Persons if the following conditions are met: (i) the maturity of such obligations is no greater than 12 months at the time of purchase and (ii) has a minimum “Aa” long term debt rating by Moody’s or a minimum “AA” long term debt rating by S&P at the time of purchase; (g) any investment that is expressly permitted pursuant to Section 6.04(f); (h) securities issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof or any political subdivision of any such state or any public instrumentality thereof having maturities not more than 24 months from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s; and (i) shares of investment companies that are registered under the Investment Company Act of 1940 and substantially all the investments of which are one or more of the types of securities described in clauses (a) through (h) above.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Plan Asset Regulations” means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

“Platform” means Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“Public-Sider” means a Lender whose representatives may trade in securities of the Borrower or its Controlling person or any of its Subsidiaries while in possession of the financial statements provided by the Borrower under the terms of this Agreement.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guaranty or grant of the relevant security interest becomes or would become effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Receivables Assets” means (a) any accounts receivable owed to the Borrower or a Subsidiary subject to a Receivables Facility or customary factoring arrangement and the proceeds thereof and (b) all collateral securing such

accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement and which are sold, conveyed, assigned or otherwise transferred or pledged in connection with a Receivables Facility. **Receivables Facility**” means any of one or more receivables financing or factoring facilities (and any guarantee of such financing facility), the obligations of which are non-recourse (except for customary representations, warranties, covenants, and indemnities made in connection with such facilities) to the Borrower and the Subsidiaries (other than a Receivables Subsidiary) pursuant to which the Borrower or any Subsidiary sells, directly or indirectly, grants a security interest in or otherwise transfers its Receivables Assets to either (i) a Person that is not the Borrower or a Subsidiary or (ii) a Receivables Subsidiary that in turn funds such purchase by purporting to sell its accounts receivable to a Person that is not the Borrower or a Subsidiary or by borrowing from such a Person or from another Receivables Subsidiary that in turn funds itself by borrowing from such a Person.

“Receivables Subsidiary” means any Subsidiary formed for the purpose of facilitating or entering into one or more Receivables Facilities that engages only in activities reasonably related or incidental thereto or another Person formed for the purposes of engaging in a Receivables Facility in which any Subsidiary makes an Investment and to which any Subsidiary transfers accounts receivables and related assets.

“Recipient” means (a) the Administrative Agent, (b) any Lender and (c) any Issuing Bank, as applicable.

“Refinancing” means all amounts under that certain Credit Agreement, dated as of April 11, 2022 (as may be amended, restated, amended and restated, supplemented or otherwise modified), by and among the Borrower, the lenders and issuing banks party thereto from time to time and CITIBANK, N.A., as administrative agent (and the termination of commitments thereunder and release of all guarantees related thereto).

“Register” has the meaning assigned to such term in Section 9.04(b).

“Regulation D” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents, advisors, partners, trustees, administrators, managers, consultants and representatives of such Person and such Person’s Affiliates.

“Relevant Governmental Body” means the Federal Reserve Board or the Federal Reserve Bank, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank, or any successor thereto.

“Request for Credit Extension” means (a) with respect to a Borrowing, a Borrowing Request, and (b) with respect to an LC Credit Extension, a Letter of Credit Agreement.

“Required Lenders” means, at any time, (a) at any time that there are two (or fewer) unaffiliated Lenders, each Lender and (b) at any time that there are more than two unaffiliated Lenders, Lenders holding Loans, LC Exposure and unused Commitments representing more than 50% of the sum of the total Loans, LC Exposure and unused Commitments at such time; provided that solely for purposes of the foregoing, in the event that any Lender is an Affiliate of any other Lender, any such affiliated Lenders shall be deemed to be a single Lender. The Total Credit Exposure of any Defaulting Lender shall be disregarded in determining Required Lenders at any time; provided that, the amount of any Unreimbursed Amounts that such Defaulting Lender has failed to fund that have not been

reallocated to and funded by another Lender shall be deemed to be held by the Lender that is the applicable Issuing Bank, as the case may be, in making such determination.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Responsible Officer” means the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, any director or other executive officer of the Loan Parties, and, solely for purposes of notices given pursuant to Article II, any other officer or employee of the applicable Loan Party so designated by any of the foregoing officers in a notice to the Administrative Agent or any other officer or employee of the applicable Loan Party designated in or pursuant to an agreement between the applicable Loan Party and the Administrative Agent.

“Restricted Indebtedness” means all Subordinated Indebtedness for borrowed money of the Borrower and its Subsidiaries.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests.

“Revolving Borrowing” means a Borrowing with respect to a Revolving Loan.

“Revolving Commitment” with respect to each Lender, the commitment of such Lender to make Revolving Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.08, (b) increased from time to time pursuant to Section 2.21 and (c) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. The initial amount of each Lender’s Revolving Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Revolving Commitment, as applicable. The initial aggregate amount of the Lenders’ Revolving Commitments is \$750,000,000.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure at such time.

“Revolving Lender” means each Lender that has a Revolving Commitment or holds Revolving Loans. Unless the context otherwise requires, the term “Revolving Lenders” includes the Issuing Banks.

“Revolving Loan” means a Loan made pursuant to Section 2.03(a).

“S&P” means S&P Global Ratings.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any comprehensive Sanctions (at the time of this Agreement, the Crimea, the so-called Donetsk People’s Republic, the so-called Luhansk People’s Republic, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, or by the United Nations Security Council, the European Union or any European Union member state, His Majesty’s Treasury of the United Kingdom, or Norway, (b) any Person located, organized or resident in a Sanctioned Country, (c) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a) or (b) or (d) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state or His Majesty’s Treasury of the United Kingdom or Norway.

“**SEC**” means the Securities and Exchange Commission of the United State of America.

“**SOFR**” means the Secured Overnight Financing Rate as administered by the FRBNY (or a successor administrator).

“**SOFR Administrator**” means the FRBNY, as the administrator of SOFR, or any successor administrator of SOFR designated by the FRBNY or other Person acting as the SOFR Administrator at such time that is satisfactory to the Administrative Agent in its reasonable discretion.

“**Solvent**” means, as to any Person and its consolidated subsidiaries, as of any date of determination, that on such date:

(a) the fair value of the assets of such Person and its subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise;

(b) the present fair saleable value of the property of such Person and its subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;

(c) such Person and its subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured; and

(d) such Person and its subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

“**SPE**” means any Person that is a direct or indirect subsidiary of the Borrower that engages in no activities other than those reasonably related to or in connection with the ownership of the Discovery Property and the incurrence of Indebtedness permitted pursuant to Section 6.01(r) not securing any real property other than the Discovery Property; provided that no portion of the Indebtedness of such Person shall be recourse to the Borrower or any other Subsidiary of the Borrower (other than customary limited recourse guarantees entered into in connection with the Indebtedness permitted pursuant to Section 6.01(r)).

“**Specified Currency**” has the meaning assigned to such term in Section 9.17.

“**Specified Event of Default**” means any Event of Default under Section 7.01(a), (b), (h) or (i).

“**Specified Issuing Bank**” means any of Bank of America, JPMorgan Chase Bank, N.A., and Citibank, N.A., each in its capacity as an Issuing Bank.

“**Specified Material Investment**” means an investment, loan, advance or Acquisition having an aggregate consideration of at least \$100,000,000.

“**Subordinated Indebtedness**” of a Person means any Indebtedness of such Person the payment of which is at all times subordinated to payment of the Obligations on terms reasonably satisfactory to the Administrative Agent.

“**subsidiary**” means, with respect to any Person (the “**parent**”) at any date, any corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“**Subsidiary**” means any subsidiary of the Borrower. For the purposes of this Agreement, unless otherwise expressly specified, the term “Subsidiary” shall not include any Unrestricted Subsidiary of the Borrower.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Agreement Obligations” of a Loan Party means any and all obligations of such Loan Party, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (a) any and all Swap Agreements permitted hereunder with a Lender or an Affiliate of a Lender, and (b) any and all cancellations, buy backs, reversals, terminations or assignments of any such Swap Agreement transaction.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act or any rules or regulations promulgated thereunder.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), value added taxes, or any other goods and services, use or sales taxes, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“Term Commitment” with respect to each Lender, the commitment of such Lender to make Term Loans. The amount of each Lender’s Term Commitment on the Closing Date is set forth on Schedule 2.01. The aggregate amount of the Lenders’ Term Commitments (immediately prior to the funding of the Term Loans on the Closing Date) is \$250,000,000.

“Term Lender” means each Lender that has a Term Commitment or holds Term Loans.

“Term Loan” means a Loan made pursuant to Section 2.01(b) (or, as the context may require, an additional Term Loan made in accordance with Section 2.21).

“Term SOFR” means,

(a) for any Interest Period with respect to a Term SOFR Loan, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to the commencement of such Interest Period with a term equivalent to such Interest Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto; and

(b) for any interest calculation with respect to an ABR Loan on any date, the rate per annum equal to the Term SOFR Screen Rate two U.S. Government Securities Business Days prior to such date with a term of one month commencing that day; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first U.S. Government Securities Business Day immediately prior thereto;

provided that if the Term SOFR determined in accordance with either of the foregoing provisions (a) or (b) of this definition would otherwise be less than zero, the Term SOFR shall be deemed zero for purposes of this Agreement.

“Term SOFR Borrowing” means, as to any Borrowing, the Term SOFR Loans comprising such Borrowing.

“Term SOFR Loan” means a Loan that bears interest at a rate based on Term SOFR, other than pursuant to clause (c) of the definition of “Alternate Base Rate”.

“Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by the SOFR Administrator and published on the applicable Reuters screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time).

“Total Assets” means, at any time, the total assets of the Borrower and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

“Total Credit Exposure” means, as to any Lender at any time, the unused Commitments and Revolving Credit Exposure of such Lender at such time.

“Total Net Leverage Ratio” means, as of the last day of any fiscal quarter, the ratio of (a) total Indebtedness of the Borrower and its Subsidiaries on a consolidated basis as of such measurement date (other than (i) Indebtedness described in clauses (d) and (e) of the definition of Indebtedness, (ii) Indebtedness in respect of any Receivables Facility, to the extent such Indebtedness is not classified as a liability on the financial statements of the Borrower or any of its Subsidiaries other than any Receivables Subsidiary and (iii) Indebtedness permitted pursuant to Section 6.01(p) which by its terms is non-recourse to the Borrower and its Subsidiaries (other than the SPE), except in the case of misappropriation of funds and other willful misconduct, so long as the Borrower and its Subsidiaries have not then become obligated to make any payment in connection therewith or otherwise taken any action that would cause such Indebtedness to become recourse to the Borrower or such Subsidiary) minus the amount of Unrestricted Cash on such date to (b) EBITDA for the four fiscal quarter period ending on such measurement date.

“Transactions” means the (i) the Refinancing, (ii) the execution, delivery and performance by the Borrower of this Agreement, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder and (iii) the payment of fees and expenses in connection with the foregoing.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Term SOFR Rate or the Alternate Base Rate.

“UCP” means the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 600 (or such later version thereof as may be in effect at the applicable time).

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unadjusted Benchmark Replacement” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“Unrestricted Cash” means the unrestricted cash and Permitted Investments of the Borrower and its Subsidiaries organized in the United States of America (or any state thereof) and held in the United States of America (or any state thereof).

“Unrestricted Subsidiary” shall mean (1) any subsidiary of the Borrower, whether now owned or acquired or created after the Closing Date, that is designated on or after the Closing Date by the Borrower as an Unrestricted Subsidiary hereunder by written notice to the Administrative Agent; provided, that the Borrower shall only be permitted to so designate a new Unrestricted Subsidiary after the Closing Date so long as (a) no Default or Event of Default has occurred and is continuing or would result therefrom, (b) immediately after giving effect to such designation, the Borrower shall be in pro forma compliance with Section 6.09 as of the last day of the most recently ended period of four fiscal quarters for which financial statements were (or were required to be) delivered pursuant to Section 5.01(a) and/or (b); provided that, for the purposes of this clause (b), pro forma compliance with Section

6.09(a) shall be determined without giving effect to any Specified Material Investment Step-Up, (c) all Investments in such Unrestricted Subsidiary at the time of designation (as contemplated by the immediately following sentence) are permitted in accordance with the relevant requirements of Section 6.04, (d) such subsidiary was not previously designated as an Unrestricted Subsidiary and thereafter re-designated as a Subsidiary and (e) the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by a Financial Officer of the Borrower, certifying to the best of such officer's knowledge, compliance with the requirements of the preceding clauses (a) through (d); and (2) any subsidiary of an Unrestricted Subsidiary (unless transferred to such Unrestricted Subsidiary or any of its subsidiaries by the Borrower or one or more of its Subsidiaries after the date of the designation of the parent entity as an "Unrestricted Subsidiary" hereunder, in which case the subsidiary so transferred would be required to be independently designated in accordance with preceding clause (1)). The designation of any Subsidiary as an Unrestricted Subsidiary shall constitute an Investment by the Loan Parties therein at the date of designation in an amount equal to the fair market value of the Loan Parties' Investments therein, which shall be required to be permitted on such date in accordance with Section 6.04 (and not as an Investment permitted thereby in a Subsidiary). Notwithstanding anything to the contrary herein, no Unrestricted Subsidiary may hold ownership of or an exclusive license in any assets that are material to the business or operations of the Borrower and its Subsidiaries taken as a whole (as reasonably determined in good faith by the Borrower) and no Subsidiary that holds ownership of or an exclusive license in any such assets that are material to the business or operations of the Borrower and the Subsidiaries taken as a whole (as reasonably determined in good faith by the Borrower) may be designated as an Unrestricted Subsidiary. The Borrower may designate any Unrestricted Subsidiary to be a Subsidiary for purposes of this Agreement (each, a "**Subsidiary Redesignation**"); provided, that (i) no Default or Event of Default has occurred and is continuing or would result therefrom (after giving effect to the provisions of the immediately succeeding sentence), (ii) immediately after giving effect to such Subsidiary Redesignation, the Borrower shall be in pro forma compliance with Section 6.09 as of the last day of the most recently ended period of four fiscal quarters for which financial statements were (or were required to be) delivered pursuant to Section 5.01(a) and/or (b); provided that, for the purposes of this clause (b), pro forma compliance with Section 6.09(a) shall be determined without giving effect to any Specified Material Investment Step-Up and (iii) the Borrower shall have delivered to the Administrative Agent an officer's certificate executed by a Responsible Officer of the Borrower, certifying compliance with the requirements of the preceding clauses (i) and (ii). The designation of any Unrestricted Subsidiary as a Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a return on any Investment by the applicable Loan Party (or its relevant Subsidiaries) in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the date of such designation of such Loan Party's (or its relevant Subsidiaries') Investment in such Subsidiary.

"Unreimbursed Amount" has the meaning specified in Section 2.05(e).

"Unused Fee" means the fee payable by the Borrower pursuant to Section 2.11(a).

"U.S. Dollar Equivalent" means, for any amount, at the time of determination thereof, (a) if such amount is expressed in dollars, such amount and (b) if such amount is expressed in another currency, the equivalent of such amount in dollars determined by reference to the Exchange Rate then in effect.

"U.S. Government Securities Business Day" means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means a "United States person" within the meaning of Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 2.17(f)(ii)(B)(3). "Withdrawal Liability" means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In

Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Class (e.g., a “*Revolving Loan*”) or by Type (e.g., a “*Term SOFR Loan*”) or by Class and Type (e.g., a “*Term SOFR Revolving Loan*”). Borrowings also may be classified and referred to by Class (e.g., a “*Revolving Borrowing*”) or by Type (e.g., a “*Term SOFR Borrowing*”) or by Class and Type (e.g., a “*Term SOFR Revolving Borrowing*”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP.

(a) Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith and the Administrative Agent, the Required Lenders and the Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to (i) any election under Financial Accounting Standards Board Accounting Standards Codification 825 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein and (ii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

(b) Notwithstanding anything to the contrary contained in Section 1.04(a) or in the definition of “Capital Lease Obligations,” in the event of an accounting change requiring all leases to be capitalized, only those leases (assuming for purposes hereof that such leases were in existence on the date hereof) that would constitute capital leases in conformity with GAAP on the date hereof shall be considered capital leases, and all calculations and

deliverables under this Agreement or any other Loan Document shall be made or delivered, as applicable, in accordance therewith.

SECTION 1.05. Limited Condition Transactions. In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of:

(a) determining compliance with any provision of this Agreement which requires the calculation of EBITDA (including, without limitation, tests measured as a percentage of EBITDA or Total Assets), the Total Net Leverage Ratio (other than for purposes of (x) any Applicable Rate or (y) Section 6.09) or the Interest Coverage Ratio (other than for purposes of Section 6.09); or

(b) testing availability under baskets set forth in this Agreement (including, without limitation, baskets measured as a percentage of EBITDA or Total Assets or by reference to the Total Net Leverage Ratio or the Interest Coverage Ratio),

in each case, at the option of the Borrower (the Borrower's election to exercise such option in connection with any Limited Condition Transaction, an "**LCT Election**"), the date of determination of whether any such action is permitted hereunder shall be deemed to be (i) in the case of an Acquisition, the date of the definitive agreements for such Acquisition are entered into or solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a "Rule 2.7 announcement" of a firm intention to make an offer is published on a regulatory information service in respect of a target of a Limited Condition Transaction, (ii) in the case of any redemption or repayment of Indebtedness requiring irrevocable advance notice or any irrevocable offer to purchase Indebtedness that is not subject to obtaining financing, the date of such irrevocable advance notice or irrevocable offer and (iii) in the case of any declaration of a distribution or dividend in respect of, or irrevocable advance notice of, or any irrevocable offer to, purchase, redeem or otherwise acquire or retire for value any Equity Interests of, the Borrower that is not subject to obtaining financing, the date of such declaration, irrevocable advance notice or irrevocable offer (each, an "**LCT Test Date**"), and if, both before and after giving pro forma effect to the Limited Condition Transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they had occurred at the beginning of the most recently ended four fiscal quarter period for which financial statements have been delivered pursuant to Section 5.01(a) or (b), as applicable, as of the LCT Test Date, the Borrower could have taken such action on the relevant LCT Test Date in compliance with such test, ratio or basket, calculated on a pro forma basis, then such test, ratio, representation or basket shall be deemed to have been complied with. If the Borrower has made an LCT Election and any of the tests, ratios or baskets for which compliance was determined or tested as of the LCT Test Date are subsequently exceeded as a result of fluctuations in any such test, ratio or basket, including due to fluctuations in EBITDA of the Borrower and its Subsidiaries (including the target of any Limited Condition Transaction), at or prior to the consummation of the relevant transaction or action, such tests, baskets or ratios will be deemed not to have been exceeded as a result of such fluctuations solely for purposes of determining whether the relevant transaction or action is permitted to be consummated or taken; provided that, if any such ratio or available amount under any baskets improve or increase as a result of such fluctuations in any such ratio or basket, such improved ratios or baskets may be utilized. If the Borrower has made an LCT Election for any Limited Condition Transaction, then (x) in connection with any subsequent calculation of any test, ratio or basket availability (other than the testing of any ratio for purposes of Section 6.09 and the definition of "Applicable Rate") on or following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the definitive agreement/announcement for such Limited Condition Transaction is terminated or expires without consummation of such Limited Condition Transaction, any such ratio, basket or amount shall be calculated on a pro forma basis assuming such Limited Condition Transaction and other transactions in connection therewith (including any incurrence or discharge of Indebtedness and/or Liens and the use of proceeds thereof) have been consummated. In connection with any action being taken in connection with a Limited Condition Transaction, for purposes of determining compliance with any provision of this Agreement which requires (i) that no Event of Default or Default (other than any Specified Event of Default), as applicable, has occurred, is continuing or would result from any such action, or (ii) the making of the accuracy of any representation or warranty hereunder, as applicable, such condition shall, at the option of the Borrower, be deemed satisfied, so long as no Event of Default or Default, exists and/or such representations and warranties were made on, as applicable, the LCT Test Date. If the Borrower has exercised its option under this Section 1.05 and any Event of Default or Default (other than any Specified Event of Default) occurs, or such representation or warranty would have been inaccurate on any date,

following the LCT Test Date and prior to the consummation of the applicable transaction, any such Event of Default or Default (other than any Specified Event of Default) shall be deemed to not have occurred or be continuing, and such representation or warranty shall be deemed to have been true and correct in all material respects (or in all respects, in the case of representations and warranties qualified by materiality) for purposes of determining whether any action being taken in connection with such Limited Condition Transaction is permitted hereunder.

SECTION 1.06. Pro Forma Adjustments for Acquisitions and Dispositions. To the extent the borrower or any Subsidiary makes any Acquisition permitted pursuant to Section 6.04 or disposition of material assets outside the ordinary course of business not prohibited by Section 6.03 during the period of four fiscal quarters of the Borrower most recently ended and/or subsequent to the end of such four quarter period, but prior to the date of the relevant calculation, if the Borrower is required to make pro forma disclosures relating to such Acquisition or disposition pursuant to Article 11 of Regulation S-X of the Securities Act of 1933, as amended, then the Total Net Leverage Ratio and the Interest Coverage Ratio shall be calculated after giving pro forma effect thereto (including pro forma adjustments arising out of events which are directly attributable to the acquisition or the disposition of assets, are factually supportable and are expected to have a continuing impact, in each case as determined on a basis consistent with Article 11 of Regulation S-X of the Securities Act of 1933, as amended, as interpreted by the SEC, and as certified by a Financial Officer of the Borrower), as if such acquisition or such disposition (and any related incurrence, repayment or assumption of Indebtedness) had occurred in the first day of such four-quarter period.

SECTION 1.07. Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to ABR, the Term SOFR Screen Rate, Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, ABR, the Term SOFR Screen Rate, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of ABR, the Term SOFR Screen Rate, Term any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain ABR, the Term SOFR Screen Rate, Term SOFR, or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 1.08. Currency Translation. The Administrative Agent shall determine the U.S. Dollar Equivalent of any Letter of Credit or LC Disbursement denominated in a currency other than U.S. Dollars using the Exchange Rate for such currency in relation to dollars in effect on each Denomination Date therefor, and each amount shall be the U.S. Dollar Equivalent of such Letter of Credit or LC Disbursement until the next required calculation thereof pursuant to this sentence. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the U.S. Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time.

ARTICLE II

The Credits

SECTION 2.01. Commitments.

(a) Subject to the terms and conditions set forth herein, each Revolving Lender agrees to make Revolving Loans to the Borrower in dollars from time to time during the (b) Subject to the terms and conditions set forth herein, each Term Lender agrees to make Term Loans to the Borrower in dollars on the Closing Date in an aggregate principal amount not to exceed such Term Lender's Term Commitment on the Closing Date. Term Loans that are prepaid or repaid may not be reborrowed. Availability Period in an aggregate principal amount that will not result (after giving effect to any application of proceeds of such Borrowing pursuant to Section 2.09) in (i) such Revolving Lender's Revolving Credit Exposure exceeding such Lender's Revolving Commitment or (ii) the total Revolving Credit Exposures exceeding the total Revolving Commitments. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans.

(b) Subject to the terms and conditions set forth herein, each Term Lender agrees to make Term Loans to the Borrower in dollars on the Closing Date in an aggregate principal amount not to exceed such Term Lender's Term Commitment on the Closing Date. Term Loans that are prepaid or repaid may not be reborrowed.

SECTION 2.02. Loans and Borrowings.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans of the same Class made by the Lenders of such Class ratably in accordance with their respective Commitments of such Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.13, each Borrowing shall be comprised entirely of ABR Loans or Term SOFR Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any Term SOFR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Term SOFR Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$1,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$100,000 and not less than \$500,000; provided that an ABR Borrowing may be in an aggregate amount that is equal

to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e). Borrowings of more than one Type and Class may be outstanding at the same time; provided that there shall not at any time be more than a total of 10 Term SOFR Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

SECTION 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request (a) in the case of a Term SOFR Borrowing denominated in dollars, not later than 1:00 p.m., New York City time, three U.S. Government Securities Days before the date of the proposed Borrowing, or (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the Business Day of the proposed Borrowing; provided that any such notice of an ABR Borrowing to finance the reimbursement of an LC Disbursement as contemplated by Section 2.05(e) may be given not later than 1:00 p.m., New York City time, on the date of the proposed Borrowing (in each case of the foregoing, or such later time as may be agreed to by the Administrative Agent in its reasonable discretion); provided, further,

that, notwithstanding the foregoing, the Borrowing Request for any Borrowing to be made on the Closing Date shall be submitted not later than 1:00 p.m., New York City time, on the Business Day immediately prior to the anticipated Closing Date (or such later time as the Administrative Agent may agree in its reasonable discretion). Each such Borrowing Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

- (i) the aggregate amount of the requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be an ABR Borrowing or a Term SOFR Borrowing;
- (iv) in the case of a Term SOFR Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (v) the Class of the requested Borrowing; and
- (vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.06.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Term SOFR Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Reserved].

SECTION 2.05. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit as the applicant thereof for the support of its or its Subsidiaries' obligations denominated in dollars or, solely with respect to any Specified Issuing Bank and to the extent such Specified Issuing Bank then issues letters of credit in such currency, Euros, Pounds Sterling and each other currency approved by such Issuing Bank in its sole discretion, in each case, in a form reasonably acceptable to the Administrative Agent and such applicable Issuing Bank, at any time and from time to time during the period from and including the Closing Date to but excluding the earlier of (i) the date that is five Business Days prior to the Maturity Date and (ii) the date of termination of the Revolving Commitments in accordance with the provisions of this Agreement. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any Letter of Credit Agreement, the terms and conditions of this Agreement shall control. Notwithstanding anything herein to the contrary, no Issuing Bank shall have any obligation hereunder to issue, and shall not issue, any Letter of Credit the proceeds of which would be made available to any Person (i) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions, (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement or (iii) in any manner that would result in a violation of one or more policies of such Issuing Bank applicable to letters of credit generally. Unless otherwise specified herein, the amount of a Letter of Credit denominated in any currency other than dollars shall be deemed to the U.S. Dollar Equivalent of the stated amount of such Letter of Credit in effect at such time.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension, but in any event no less than three Business Days in the case of a Letter of Credit denominated in dollars and no less than four Business Days in the case of a Letter of Credit denominated in any other currency, or such shorter time as may be agreed to by the Administrative Agent and Issuing Bank in their reasonable discretion) a notice requesting the issuance of a

Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, whether such Letter of Credit is to be denominated in dollars or in another currency, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. In addition, as a condition to any such Letter of Credit issuance, the Borrower shall submit a letter of credit application as required by the applicable Issuing Bank and using such bank's standard form (each, a "**Letter of Credit Agreement**"). A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the aggregate amount of all LC Exposures of all Revolving Lenders shall not exceed \$50,000,000 (the "**LC Sublimit**"), (ii) the aggregate Revolving Credit Exposures of all of the Revolving Lenders shall not exceed the total Revolving Commitments, (iii) the Revolving Credit Exposure of each Revolving Lender shall not exceed the Revolving Commitment of such Revolving Lender and (iv) the aggregate amount of all LC Exposure in respect of Letters of Credit issued by any Issuing Bank shall not exceed such Issuing Bank's Letter of Credit Commitment. On and after the Closing Date, each Existing Letter of Credit shall be deemed to be a Letter of Credit issued hereunder for all purposes under this Agreement and the other Loan Documents.

(c) Expiration Date. Each Letter of Credit shall expire (or be subject to termination by notice from the applicable Issuing Bank to the beneficiary thereof) at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date; provided that (x) any Letter of Credit shall, with the consent of the applicable Issuing Bank, be permitted to expire on a date later than the date set forth in clause (ii) above so long as the Borrower shall deposit in an LC Collateral Account an amount in cash equal to 103% of the amount of the LC Exposure as of such date plus accrued and unpaid interest thereon and (y) any Letter of Credit with a one-year tenor may provide for the automatic renewal or extension thereof for additional one-year periods (which shall, subject to clause (x) of this proviso, in no event extend beyond the date in clause (ii) above).

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of any Issuing Bank or the Revolving Lenders, each Issuing Bank hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from each Issuing Bank, a participation in each Letter of Credit issued by such Issuing Bank equal to such Revolving Lender's Applicable Revolving Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Revolving Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of each Issuing Bank, the U.S. Dollar Equivalent of such Revolving Lender's Applicable Revolving Percentage of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Revolving Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 2:00 p.m., New York City time, on the Business Day that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on the Business Day on the date of such LC Disbursement, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 2:00 p.m., New York City time, on the Business Day that the Borrower receives such notice (with any notice received after 10:00 a.m., New York City time, on any date being deemed to have been received on the immediately succeeding Business Day); provided that the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such

payment be financed with an ABR Revolving Borrowing in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Revolving Borrowing. In the case of a Letter of Credit denominated in any currency other than dollars, the Borrower shall reimburse the applicable Issuing Bank in such currency, unless (A) such Issuing Bank (at its option) shall have specified in the notice of such LC Disbursement that it will require reimbursement in dollars, (B) in the absence of any such requirement for reimbursement in dollars, the Borrower shall have notified such Issuing Bank promptly following receipt of the notice of drawing that the Borrower will reimburse such Issuing Bank in dollars or (C) the Borrower shall have requested that such payment be financed with an ABR Revolving Borrowing. In the case of any such reimbursement in dollars of a drawing under a Letter of Credit denominated in any currency other than dollars, such Issuing Bank shall notify the Borrower of the U.S. Dollar Equivalent of the amount of the drawing promptly following the determination thereof. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Revolving Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof (the "Unreimbursed Amount") (which in the case of any payment in any currency other than dollars shall be the U.S. Dollar Equivalent thereof), and such Revolving Lender's Applicable Revolving Percentage thereof. Promptly following receipt of such notice, each Revolving Lender shall pay to the Administrative Agent its Applicable Revolving Percentage of the payment then due from the Borrower (which in the case of any payment in any currency other than dollars shall be the U.S. Dollar Equivalent thereof), in the same manner as provided in Section 2.06 with respect to Revolving Loans made by such Revolving Lender (and Section 2.06 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders), and the Administrative Agent shall promptly pay to the applicable Issuing Bank the amounts so received by it from the Revolving Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Revolving Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse any Issuing Bank for any LC Disbursement (other than the funding of ABR Revolving Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement. In the event that (A) a drawing denominated in any currency other than dollars is to be reimbursed in dollars and (B) the dollar amount paid by the Borrower, including pursuant to an ABR Revolving Borrowing, shall not be adequate on the date of that payment to purchase in accordance with normal banking procedures a sum denominated in such other currency equal to the drawing, the Borrower agrees, as a separate and independent obligation, to indemnify the applicable Issuing Bank for the loss resulting from its inability on that date to purchase such other currency in the full amount of the drawing.

(f) **Obligations Absolute.** The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by any Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, (iv) any adverse change in the relevant exchange rates or in the availability of any currency to the Borrower or in the relevant currency markets generally or (v) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Lenders nor the Issuing Banks, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when

determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of any applicable Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, each Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Each Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by teletype or electronic mail) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Revolving Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If any Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the reimbursement is due and payable at the rate *per annum* then applicable to ABR Revolving Loans and such interest shall be due and payable on the date when such reimbursement is payable; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.12(d) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Banks, except that interest accrued on and after the date of payment by any Revolving Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Banks shall be for the account of such Revolving Lender to the extent of such payment.

(i) Replacement and Resignation of any Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Revolving Lenders of any such replacement of any Issuing Bank.

(i) At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.11(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of any Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(ii) Any Issuing Bank may resign as an Issuing Bank at any time upon thirty days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such resigning Issuing Bank may be replaced in accordance with Section 2.05(i) above (but the effectiveness of such resignation shall not be conditioned on any such replacement). After the replacement of any Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Lenders with respect to the Revolving Commitments (or, if the maturity of the Revolving Loans has been accelerated and/or the Revolving Commitments terminated, Lenders with LC Exposure representing greater than 50.1% of the total LC Exposure)

demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Lenders and/or the Issuing Banks (an “**LC Collateral Account**”), an amount in cash equal to 103% of the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in Section 7.01(h) or (i). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the Guaranteed Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over any LC Collateral Account. Other than any interest earned on any Permitted Investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower’s risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such LC Collateral Account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Revolving Loans has been accelerated and/or the Revolving Commitments have been terminated (but subject to the consent of Revolving Lenders with LC Exposure representing greater than 50.1% of the total LC Exposure), be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

(k) Letters of Credit Issued for Account of Subsidiaries. Notwithstanding that a Letter of Credit issued or outstanding hereunder supports any obligations of, or is for the account of, a Subsidiary, or states that a Subsidiary is the “account party,” “applicant,” “customer,” “instructing party,” or the like of or for such Letter of Credit, and without derogating from any rights of the applicable Issuing Bank (whether arising by contract, at law, in equity or otherwise) against such Subsidiary in respect of such Letter of Credit, the Borrower (i) shall reimburse, indemnify and compensate the applicable Issuing Bank hereunder for such Letter of Credit (including to reimburse any and all drawings thereunder) as if such Letter of Credit had been issued solely for the account of the Borrower and (ii) irrevocably waives any and all defenses that might otherwise be available to it as a guarantor or surety of any or all of the obligations of such Subsidiary in respect of such Letter of Credit. The Borrower hereby acknowledges that the issuance of such Letters of Credit for its Subsidiaries inures to the benefit of the Borrower, and that the Borrower’s business derives substantial benefits from the businesses of such Subsidiaries.

SECTION 2.06. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof solely by wire transfer of immediately available funds in the applicable currency by 12:00 noon, New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. Except in respect of the provisions of this Agreement covering the reimbursement of Letters of Credit, the Administrative Agent will make such Loans available to the Borrower by promptly crediting the funds so received in the aforesaid account of the Administrative Agent to an account of the Borrower designated by the Borrower in the applicable Borrowing Request; provided that ABR Revolving Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.05(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and the Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank

compensation or (ii) in the case of the Borrower, the interest rate applicable to ABR Loans. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

SECTION 2.07. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Term SOFR Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Term SOFR Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.03:

(i) the Borrowing to which such Interest Election Request applies (including the Class and principal amount thereof) and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Term SOFR Borrowing; and

(iv) if the resulting Borrowing is a Term SOFR Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Term SOFR Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Term SOFR Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Term SOFR Borrowing and (ii) unless repaid, each Term SOFR Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

SECTION 2.08. Termination and Reduction of Commitments.

(a) Unless previously terminated, all Revolving Commitments shall terminate on the Maturity Date.

(b) The Term Commitments shall automatically terminate on the Closing Date immediately upon the making of the Term Loans on the Closing Date.

(c) The Borrower may at any time terminate, or from time to time reduce, any unfunded Commitments; provided that (i) each reduction of such Commitments shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, the Revolving Credit Exposures would exceed the total Commitments.

(d) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (c) of this Section at least three Business Days prior to the effective date of such termination or reduction (or such shorter time as may be agreed to by the Administrative Agent in its reasonable discretion), specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked or extended by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.09. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Revolving Lender the then unpaid principal amount of each Revolving Loan on the Maturity Date.

(b) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Term Lender:

(i) on the last Business Day of each fiscal quarter of the Borrower (commencing with the last Business Day of the first full fiscal quarter ending after the Closing Date) an amount equal to (x) 0.625% multiplied by (y) the aggregate principal amount of the Term Loans outstanding on the Closing Date; provided that, notwithstanding anything to the contrary in this Agreement, the Administrative Agent may, in consultation with the Borrower (and without the consent of any other Person), at the time of the incurrence of any additional Term Loans incurred pursuant to Section 2.21, adjust the amount of the amortization payments to be made to any Term Lender in order to ensure that all that all Term Loans constitute a single Class of Loans and are “fungible” for all purposes (including tax purposes); and

(ii) on the Maturity Date, the then unpaid principal amount of each Term Loan.

(c) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(d) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender’s share thereof.

(e) The entries made in the accounts maintained pursuant to paragraph (c) or (d) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement. Copies of the accounts maintained pursuant to paragraphs (c) and (d) of this Section will be made available to the Borrower upon the Borrower’s request.

(f) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent (for which such form approval shall not be unreasonably withheld). Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form.

SECTION 2.10. Prepayment of Loans.

(a) Optional Prepayments. The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to prior notice in accordance clause (d) below. Each partial voluntary prepayment of any Borrowing pursuant to Section 2.10(a) shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02.

(b) Revolving Loans and Letters of Credit.

(i) If the Administrative Agent notifies the Borrower at any time that the sum of the total Revolving Credit Exposures exceeds the total Revolving Commitments then in effect, then, within two Business Days after receipt of such notice, the Borrower shall prepay Revolving Loans and/or Cash Collateralize the LC Exposure in an aggregate amount sufficient to cause the total Revolving Credit Exposures to be less than or equal to the total Revolving Commitments then in effect. The Administrative Agent shall provide such notice to the Borrower upon the request of any Revolving Lender if at such time the sum of the total Revolving Credit Exposures exceeds the total Revolving Commitments then in effect. The Administrative Agent may, at any time and from time to time after the initial deposit of any Cash Collateral, request that additional Cash Collateral be provided in order to protect against the results of exchange rate fluctuations.

(ii) If the Administrative Agent notifies the Borrower at any time that the LC Exposure exceeds an amount equal to 103% of the LC Sublimit, then, within two Business Days after receipt of such notice, the Borrower shall Cash Collateralize the LC Exposure in an aggregate amount sufficient to cause the LC Exposure to be less than or equal to the LC Sublimit. The Administrative Agent may, at any time and from time to time after the initial deposit of such Cash Collateral, request that additional Cash Collateral be provided in order to protect against the results of exchange rate fluctuations.

(c) Term Loans.

(i) Within three Business Days after the Borrower or any of its Subsidiaries receives any cash proceeds from any issuance or incurrence of Indebtedness by the Borrower or any of its Subsidiaries (other than Indebtedness permitted by Section 6.01), the Borrower shall prepay Term Loans in an amount equal to 100% of the Net Cash Proceeds of such Indebtedness.

(ii) Within three (3) Business Days after the Borrower or any of its Subsidiaries receives any cash proceeds from any non-ordinary course Disposition made pursuant to Section 6.03(c)(viii) and/or Section 6.03(c)(x), the Borrower shall prepay Term Loans in an amount equal to 100% of the Net Cash Proceeds of such Disposition; provided, however, that (A) the foregoing requirement shall not apply to Net Cash Proceeds that do not exceed the greater of (i) \$62,500,000 and 2.5% of Total Assets with respect to any individual Disposition, and (ii) \$125,000,000 and 5% of Total Assets in the aggregate in any fiscal year (and, in each case, only amounts in excess of such thresholds shall be required to be applied for such prepayment), and (B) such Net Cash Proceeds shall not be required to be so applied on such date so long as no Event of Default then exists and such Net Cash Proceeds shall be used to purchase assets useful to the Borrower's business within 12 months following the date of such Disposition (or if the Borrower or any of its Subsidiaries enters into a legally binding commitment to reinvest such Net Cash Proceeds within 12 months following the date of such Disposition, no later than one hundred and eighty days after the end of such 12 month period); and provided, further, that if all or any portion of such Net Cash Proceeds not required to be so applied as provided above in this clause (ii) are not so reinvested within such 180 day period (or such earlier date, if any, as the Borrower or the relevant Subsidiary determines not to reinvest the Net Cash Proceeds from such Disposition as set forth above), such remaining portion shall be applied on the last day of

such period (or such earlier date, as the case may be) as provided above in this clause (ii) without regard to the preceding proviso.

(d) The Borrower shall notify the Administrative Agent by delivery to the Administrative Agent of a Notice of Loan Prepayment of any prepayment under this Section 2.10 (other than Section 2.10(b)), (i) in the case of prepayment of a Term SOFR Borrowing, not later than 1:00 p.m., New York City time, three U.S. Government Securities Days before the date of prepayment or (ii) in the case of prepayment of an ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of prepayment (or, in each case, such other time as may be agreed to by the Administrative Agent in its reasonable discretion). Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid; provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.08, then such notice of prepayment may be revoked or extended if such notice of termination is revoked or extended in accordance with Section 2.08. Promptly following receipt of any such notice relating to any Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each prepayment of (x) Term Loans shall be applied to the remaining scheduled principal payments of Term Loans as of the date of such prepayment in direct order of maturity thereof and (y) any Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12 and any break funding payments required by Section 2.15.

SECTION 2.11. Fees.

(a) Subject to Section 2.19(c), the Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender an Unused Fee, which shall accrue at the Applicable Rate per annum on the daily unused amount of the Revolving Commitments of such Revolving Lender during the period from and including the Closing Date to but excluding the date on which such Revolving Commitment terminates. Accrued Unused Fees shall be payable in arrears on the last Business Day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after the date hereof.

All Unused Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate used to determine the interest rate applicable to Term SOFR Revolving Loans on the actual daily amount of such Revolving Lender's LC Exposure (excluding any portion thereof attributable to LC Borrowings) during the period from and including the Closing Date to but excluding the later of the date on which such Revolving Lender's Revolving Commitment terminates and the date on which such Revolving Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank for its own account, a fronting fee, which shall accrue at the rate of 0.125% *per annum* on the actual daily amount of the LC Exposure with respect to the Letters of Credit issued by it (excluding any portion thereof attributable to LC Borrowings) during the period from and including the Closing Date to but excluding the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last Business Day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Banks pursuant to this paragraph shall be payable within 10 Business Days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, and to any Lender, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent or such Lender, including pursuant to the Fee Letter.

(d) All fees payable hereunder shall be paid on the dates due, in dollars, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, in the case of facility fees and participation fees, to the Lenders. Fees paid shall not be refundable under any circumstances.

SECTION 2.12. Interest.

(a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Term SOFR Borrowing shall bear interest at Term SOFR for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate *per annum* equal to the Default Rate to the fullest extent permitted by applicable Laws.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Term SOFR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Term SOFR or SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.13. Alternate Rate of Interest.

(a) Subject to clause (b) below, if as of any date:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining Term SOFR or SOFR, as applicable, for any Interest Period; or

(ii) the Administrative Agent is advised in writing by the Required Lenders that Term SOFR or SOFR, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone, telecopy or electronic mail as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Term SOFR Borrowing shall be ineffective and (B) if any Borrowing Request requests a Term SOFR Borrowing, such Borrowing shall be made as an ABR Borrowing; provided that if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted.

(b) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the

Borrower may amend this Agreement to replace the applicable then current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00p.m., New York City time, on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.13(b) will occur prior to the applicable Benchmark Transition Start Date.

(ii) Conforming Changes. In connection with the use, administration, adoption or implementation of Term SOFR and/or any Benchmark Replacement, the Administrative Agent will have the right, in consultation with the Borrower, to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices, Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.13(b)(iv) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.13(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.13(b).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the applicable then-current Benchmark is a term rate and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of “Interest Period” or “Interest Payment Date” (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or nonrepresentative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of “Interest Period” or “Interest Payment Date” (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrower’s receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke any pending request for a Term SOFR Borrowing or, conversion to or continuation of Term SOFR Loans, to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans and (ii) any outstanding affected Term SOFR Loans will be deemed to have been converted into ABR Loans immediately. During a Benchmark Unavailability Period, the component of ABR based upon the then-current Benchmark will not be used in any determination of ABR.

SECTION 2.14. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, liquidity or similar requirement (including any compulsory loan requirement, insurance charge or

(ii) impose on any Lender or any Issuing Bank or any applicable interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, continuing, converting or maintaining any Term SOFR Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender, such Issuing Bank or such other Recipient of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by such Lender, such Issuing Bank or such other Recipient hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender, such Issuing Bank or such other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, such Issuing Bank or such other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital or on the capital of such Lender's or such Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's policies and the policies of such Lender's or such Issuing Bank's holding company with respect to capital adequacy and liquidity), then from time to time the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender's or such Issuing Bank's holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.15. Break Funding Payments. In the event of (a) the payment of any principal of any Term SOFR Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Term SOFR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Term SOFR Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(b) and is revoked in accordance therewith (other than solely by reason of a Lender being a Defaulting Lender or any revocation pursuant to Section 2.13)), or (d) the assignment of any Term SOFR Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.18 or Section 9.02(d), then, in any such event (excluding any loss of the Applicable Rate on the relevant Revolving Loan), the

Borrower shall compensate each Lender for the loss, cost and expense arising from the liquidation or redeployment of funds or from any fees payable. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 Business Days after receipt thereof.

SECTION 2.16. Withholding of Taxes; Gross-Up.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law (as determined in the good faith discretion of the applicable withholding agent) and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.16) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes by the Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of Other Taxes.

(c) Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section 2.16, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(d) Indemnification by the Borrower. The Loan Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.16(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), an executed copy of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, an executed copy of IRS Form W-8BEN-E or IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN-E or IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. Federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) in the case of a Foreign Lender claiming that its extension of credit will generate U.S. effectively connected income, an executed copy of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit C-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a "**U.S. Tax Compliance Certificate**") and (y) an executed copy of IRS Form W-8BEN-E or IRS Form W-8BEN; or

(4) to the extent a Foreign Lender is not the beneficial owner, an executed copy of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN-E, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-2 or Exhibit C-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a

partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit C-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. Federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement. Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.16 (including by the payment of additional amounts pursuant to this Section 2.16), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 2.16 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) Survival. Each party's obligations under this Section 2.16 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, the expiration or cancellation of all Letters of Credit and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) FATCA. For purposes of determining withholding Taxes imposed under FATCA, from and after the Closing Date the Borrower and the Administrative Agent shall treat (and the Lenders hereby authorize the Administrative Agent to treat) this Agreement as not qualifying as a “grandfathered obligation” within the meaning of Treasury Regulation Section 1.1471-2(b)(2)(i).

(j) Defined Terms. For purposes of this Section 2.16, the term “*Lender*” includes any Issuing Bank and the term “*applicable law*” includes FATCA.

SECTION 2.17. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.14, 2.15 or 2.16, or otherwise) prior to 1:00 p.m., New York City time, on the date when due, in immediately available funds in dollars (or, in the case of LC Disbursements with respect to Letters of Credit denominated in a currency other than dollars, which may be paid in the applicable currency in accordance with Section 2.05(e)), without set-off, recoupment or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to one or more accounts as it may designate to the Borrower in writing from time to time, except payments to be made directly to the Issuing Banks as expressly provided herein and except that payments pursuant to Sections 2.14, 2.15, 2.16 and 9.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, LC Borrowings, interest and fees then due hereunder, such funds shall be first, to pay any fees, indemnities, or expense reimbursements including amounts then due to the Administrative Agent and the Issuing Banks from the Loan Parties (other than in connection with Banking Services Obligations or Swap Agreement Obligations), second, to pay any fees, indemnities or expense reimbursements then due to the Lenders from the Loan Parties (other than in connection with Banking Services Obligations or Swap Agreement Obligations), third, to pay interest then due and payable on the Loans ratably, fourth, to prepay principal on the Loans and LC Borrowings and to pay any amounts owing with respect to Swap Agreement Obligations and Banking Services Obligations up to and including the respective amounts most recently provided to the Administrative Agent pursuant to Section 2.20, ratably, fifth, to pay an amount to the Administrative Agent equal to one hundred three percent (103%) of the aggregate LC Exposure, to be held in an LC Collateral Account as cash collateral for such Obligations, and sixth, to the payment of any other Guaranteed Obligation due to the Administrative Agent or any Lender by any Loan Party. Notwithstanding the foregoing, amounts received from any Loan Party shall not be applied to any Excluded Swap Obligation of such Loan Party. Notwithstanding anything to the contrary contained in this Agreement, unless so directed by the Borrower, or unless an Event of Default is in existence, neither the Administrative Agent nor any Lender shall apply any payment which it receives to any Term SOFR Loan, except (a) on the expiration date of the Interest Period applicable thereto or (b) in the event, and only to the extent, that there are no outstanding ABR Loans and, in any such event, the Borrower shall pay the break funding payment required in accordance with Section 2.15.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans of any Class and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender of the applicable Class, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of the applicable Class and participations in LC Disbursements of other Lenders of such Class to the extent necessary so that the benefit of all such payments shall be shared by the Lenders of such Class ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans of such Class and participations in LC Disbursements; provided that (i) if any such participations are purchased and all

or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

SECTION 2.18. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender's obligation to make Term SOFR Loans, or to continue or convert outstanding Loans as or into Term SOFR Loans, is suspended pursuant to Section 2.13, if any Lender requests compensation under Section 2.14, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would reinstate such Lender's obligations to make, continue or convert Term SOFR Borrowings, or eliminate or reduce amounts payable pursuant to Sections 2.14 or 2.16, as the case may be, in the future and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable out-of-pocket costs and expenses actually incurred by any Lender in connection with any such designation or assignment so long as the Borrower received prior notice of the making of such designation or assignment and the Administrative Agent and the Issuing Banks did not previously reject a request by the Borrower to replace such Lender pursuant to this Section 2.18.

(b) If any Lender's obligation to make Term SOFR Loans, or to continue or convert outstanding Loans as or into Term SOFR Loans, is suspended pursuant to Section 2.13, if any Lender requests compensation under Section 2.14, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.16, or if any Lender becomes a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights (other than its existing rights to payments pursuant to Sections 2.14 or 2.16) and obligations under this Agreement and the other Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent (and if a Revolving Commitment is being assigned, the Issuing Banks), which consent shall not unreasonably be withheld, delayed or conditioned, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and LC Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.16, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such

assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each party hereto agrees that (x) an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants), and (y) the Lender required to make such assignment need not be a party thereto in order for such assignment to be effective and shall be deemed to have consented to an be bound by the terms thereof; provided that, following the effectiveness of any such assignment, the other parties to such assignment agree to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender, provided that any such documents shall be without recourse to or warranty by the parties thereto.

SECTION 2.19. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.11(a);

(b) any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 7.02 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.08 shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to the Issuing Banks hereunder; third, to Cash Collateralize the Issuing Banks' LC Exposure with respect to such Defaulting Lender in accordance with this Section; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section; sixth, to the payment of any amounts owing to the Lenders or the Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender or any Issuing Bank against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; seventh, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (x) such payment is a payment of the principal amount of any Revolving Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Revolving Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 4.02 were satisfied or waived, such payment shall be applied solely to pay the Revolving Loans of, and LC Disbursements owed to, all non-Defaulting Revolving Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Revolving Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure are held by the Revolving Lenders pro rata in accordance with the Revolving Commitments without giving effect to clause (d) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post cash collateral pursuant to this Section shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(c) the Loans, Commitments and LC Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided, that this clause (c) shall not apply

to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby pursuant to Section 9.02(b);

(d) if any LC Exposure exists at the time a Revolving Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Revolving Lenders in accordance with their respective Applicable Revolving Percentages but only to the extent that such reallocation does not, as to any non-Defaulting Revolving Lender, cause such non-Defaulting Revolving Lender's Revolving Credit Exposure to exceed its Revolving Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall within three Business Days following notice by the Administrative Agent, Cash Collateralize for the benefit of the Issuing Banks only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.05(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower Cash Collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.11(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is Cash Collateralized;

(iv) if the LC Exposure of the non-Defaulting Revolving Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Revolving Lenders pursuant to Section 2.11(a) and Section 2.11(b) shall be adjusted in accordance with such non-Defaulting Revolving Lenders' Applicable Revolving Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor Cash Collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all Unused Fees that otherwise would have been payable to such Defaulting Lender and letter of credit fees payable under Section 2.11(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Banks until and to the extent that such LC Exposure is reallocated and/or Cash Collateralized; and

(e) so long as such Revolving Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.19(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.19(c)(i) (and such Defaulting Lender shall not participate therein).

If a Bankruptcy Event with respect to a Lender Parent of a Revolving Lender shall occur following the date hereof and for so long as such event shall continue, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless such Issuing Bank shall have entered into arrangements with the Borrower or such Revolving Lender, satisfactory to such Issuing Bank, as the case may be, to defease any risk to it in respect of such Revolving Lender hereunder.

In the event that the Administrative Agent, the Borrower and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Revolving Lender to be a Defaulting Lender, then the LC Exposure of the Revolving Lenders shall be readjusted to reflect the inclusion of such Revolving Lender's Revolving Commitment and on such date such Revolving Lender shall purchase at par such of the Revolving Loans of the other Revolving Lenders as the Administrative Agent shall determine may be necessary in order for such Revolving Lender to hold such Revolving Loans in accordance with its Applicable Revolving Percentage.

SECTION 2.20. Banking Services and Swap Agreements. Each Lender or Affiliate thereof providing Banking Services for, or having Swap Agreements with, any Loan Party or any Subsidiary of a Loan Party shall deliver to the Administrative Agent (with a copy to the Borrower), promptly after entering into such Banking

Services or Swap Agreements, written notice setting forth the aggregate amount of all Banking Services Obligations and Swap Agreement Obligations of such Loan Party or Subsidiary thereof to such Lender or Affiliate (whether matured or unmatured, absolute or contingent). In addition, each such Lender or Affiliate thereof shall deliver to the Administrative Agent (with a copy to the Borrower) from time to time after a significant change therein or upon a request therefor, a summary of the amounts due or to become due in respect of such Banking Services Obligations and Swap Agreement Obligations. The most recent information provided to the Administrative Agent shall be used in determining the amounts to be applied in respect of such Banking Services Obligations and/or Swap Agreement Obligations pursuant to Section 2.17(b) and which tier of the waterfall, contained in Section 2.17(b), such Banking Services Obligations and/or Swap Agreement Obligations will be placed.

SECTION 2.21. Increase in Commitments.

(a) Request for Increase. Subject to no Default or Event of Default having occurred and continuing, the Borrower may from time to time request (x) an increase in the Revolving Commitments and/or (y) incur additional Term Loans (which may, at the election of the Borrower, be incurred as an increase to the existing Term Loans or a separate Class of Term Loans and, in any case, which may be incurred on a delayed draw basis) in an amount not to exceed the Incremental Cap from one or more existing Lenders or other financial institutions who will become Lenders (“**Additional Lenders**”) willing to provide such increase in Revolving Commitments or additional Term Loans, as the case may be, in their sole discretion; provided that (i) no Additional Lender shall be an Ineligible Institution and each Additional Lender shall be acceptable to (x) the Administrative Agent (such consent not to be unreasonably withheld, delayed or conditioned) and (y) to the extent such Additional Lender will be providing Revolving Commitments, each Issuing Bank (such consent not to be unreasonably withheld, delayed or conditioned), (ii) any such increase shall be in a minimum amount of \$25,000,000 with minimum increments of \$5,000,000 in excess thereof (or such lesser amount if such amount represents all remaining availability under this Section 2.21), (iii) [reserved], (iv) any additional Revolving Commitments shall constitute a single Class with the then-existing Revolving Commitments, and shall be on the same terms (including the pricing and maturity date thereof, but excluding upfront fees payable on such additional Revolving Commitments) as, the then-existing Revolving Commitments and (v) any additional Term Loans shall, at the option of the Borrower, either (a) constitute a single Class, and be “fungible” for all purposes (including tax purposes) with the then existing Term Loans, and shall be on the same terms (including the pricing and maturity date thereof, but excluding upfront fees payable on such Term Loans) as, the then-existing Term Loans or (b) be incurred as a separate Class of Term Loans and shall be on terms as determined by the Borrower and the lender(s) providing such additional Term Loans; provided that (I) the applicable maturity date of such additional Term Loans shall be no earlier than the Maturity Date, (II) the weighted average life to maturity of such additional Term Loans shall be no shorter than the weighted average life to maturity of the existing Term Loans and (III) such additional Term Loans (w) shall rank *pari passu* or junior in right of payment with the existing Term Loans, (x) may participate on a *pro rata* basis or less than *pro rata* basis (but, except as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any voluntary prepayment of any Class of existing Term Loans hereunder and may participate on a *pro rata* basis or less than *pro rata* basis (but, except as otherwise permitted by this Agreement, not on a greater than *pro rata* basis) in any mandatory prepayments of any existing Class of Term Loans hereunder, (y) shall be unsecured and (z) shall not be guaranteed by any Subsidiary other than a Loan Party hereunder.

(b) Effective Date. The Borrower and the Administrative Agent shall determine the effective date of any such increase in Revolving Commitments or commitments to provide additional Term Loans (the “**Incremental Effective Date**”). The Administrative Agent shall promptly notify the Lenders of the Incremental Effective Date.

(c) Conditions to Effectiveness of Incremental Effective Date. Subject in all cases to Section 1.05, no increase in the aggregate Revolving Commitments or commitments to provide additional Term Loans pursuant to this Section 2.21 shall be effective, and the Incremental Effective Date shall not occur, unless:

(i) as of the Incremental Effective Date both before and after giving effect to such increased Revolving Commitments or additional Term Loans, (x) no Default or Event of Default (including Specified Events of Default) shall have occurred and be continuing and (y) the condition set forth in Section 4.02(a) shall be satisfied;

(ii) to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of (A) customary legal opinions, board resolutions and officers' certificates consistent with the documentation delivered on the Incremental Effective Date (conformed as appropriate) other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent and the applicable Lenders and Additional Lenders providing such increased Revolving Commitments or additional Term Loans and (B) any reaffirmation or similar documentation as reasonably requested by the Administrative Agent in order to ensure that each is provided with the benefit of the applicable Loan Documents; and

(iii) the Borrower shall be in pro forma compliance with the covenants in Section 6.09.

(d) Amendments. The Borrower, the Administrative Agent and each Lender and Additional Lender providing the increased Revolving Commitments and/or additional Term Loans shall execute and deliver to the Administrative Agent such other documentation as the Administrative Agent shall reasonably specify to evidence the increased Revolving Commitments and/or additional Term Loans, as applicable. Notwithstanding anything contained in Section 9.02 to the contrary, the Administrative Agent, the Borrower and the Lenders providing the increased Revolving Commitments or the additional Term Loans, as applicable, pursuant to this Section 2.21 shall be permitted to make any amendments or modifications to this Agreement (including to Section 2.09(b) (i)) to the extent necessary to reflect the implementation of such increased Revolving Commitments or additional Term Loans. If on the Incremental Effective Date for any increase in Revolving Commitments, there are any Revolving Loans outstanding hereunder, the Borrower shall borrow from all or certain of the Revolving Lenders and/or Additional Lenders and/or prepay Revolving Loans of all or certain of the Revolving Lenders such that, after giving effect thereto, the Revolving Loans (including, without limitation, the Types and Interest Periods thereof) and participations in Letters of Credit shall be held by the Revolving Lenders (including for such purposes the Additional Lenders) ratably in accordance with their respective Revolving Commitments. On and after each Incremental Effective Date, the ratable share of each Lender's participation in Letters of Credit and Loans from draws under Letters of Credit shall be calculated after giving effect to each such Revolving Commitment increase.

(e) Conflicting Provisions. This Section shall supersede any provisions in Section 2.17 or 9.02 to the contrary.

ARTICLE III

Representations and Warranties

The Borrower represents and warrants to the Lenders and the Issuing Banks, on and as of the Closing Date and on each other date as required herein, that:

SECTION 3.01. Organization; Powers. Each of the Loan Parties and their Material Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate or other organizational powers and have been duly authorized by all necessary corporate or other organizational and, if required, stockholder or equity holder action. Each Loan Document has been duly executed and delivered by each Loan Party party thereto and constitutes the legal, valid and binding obligation of each Loan Party party thereto, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of any of the Loan Parties or their Subsidiaries or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture, agreement or other instrument binding upon any Loan Party or any of its Subsidiaries or any of their respective assets, or give rise to a right thereunder to require any payment to be made by any Loan Party or any of its Subsidiaries, and (d) will not result in the creation or imposition of, or the requirement to create, any Lien on any asset of any Loan Party or any of its Subsidiaries (other than Liens permitted under Section 6.02(a)), in each case, except any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.04. Financial Condition; No Material Adverse Change.

(a) The Borrower has heretofore furnished to the Lenders the Historical Audited Financial Statements and the Historical Quarterly Financial Statements. The Historical Audited Financial Statements and the Historical Quarterly Financial Statements of the Borrower and its consolidated subsidiaries present fairly, in all material respects, the financial position and results of operations and cash flows of the Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP (in effect as of the date hereof), subject to year-end audit adjustments and the absence of footnotes in the case of the Historical Quarterly Financial Statements.

(b) Since December 28, 2024, there has been no material adverse change in the business, assets, operations or financial condition of the Borrower and its Subsidiaries, taken as a whole.

SECTION 3.05. Properties.

(a) Each of the Loan Parties and its Subsidiaries has good title to, or valid leasehold interests in, all its real and personal property material to its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes.

(b) Each of the Loan Parties and their Subsidiaries owns, or is licensed to use, all trademarks, trade names, copyrights, patents and other intellectual property necessary to its business except to the extent such failure to own or license such intellectual property would not reasonably be expected to have a Material Adverse Effect and the use thereof by each of the Loan Parties and their Subsidiaries does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters.

(a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Loan Party, threatened against or affecting any Loan Party or any of its Subsidiaries (i) that would reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, none of the Loan Parties or their Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements; No Default.

(a) Each of the Loan Parties and each of their Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(b) No Default has occurred and is continuing.

SECTION 3.08. Investment Company Status; Covered Entity.

(a) No Loan Party nor any of its Subsidiaries is required to register as an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

(b) No Loan Party is a Covered Entity.

SECTION 3.09. Taxes. Each of the Loan Parties and their Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which such Loan Party or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA.

(a) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, would reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by an amount that would reasonably be expected to result in a Material Adverse Effect the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by an amount that would reasonably be expected to result in a Material Adverse Effect the fair market value of the assets of all such underfunded Plans.

(b) Each Foreign Pension Plan has been maintained in substantial compliance with its terms and with the requirements of any and all applicable laws, statutes, rules, regulations and orders and has been maintained, where required, in good standing with applicable regulatory authorities, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. All contributions required to be made with respect to a Foreign Pension Plan have been timely made. Neither the Borrower nor any of its Subsidiaries has incurred any obligation in connection with the termination of, or withdrawal from, any Foreign Pension Plan that would reasonably be expected to result in a Material Adverse Effect. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Pension Plan,

determined as of the end of the Borrowers' most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Foreign Pension Plan allocable to such benefit liabilities.

SECTION 3.11. Disclosure.

(a) The Borrower has disclosed to the Lenders all written agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that to the knowledge of the Borrower, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. None of the written reports, financial statements, certificates or other written information (other than general economic or industry information) furnished by or on behalf of the Borrower or any Subsidiary to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or delivered hereunder (as modified or supplemented by other written information so furnished), taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected financial information or other forward-looking information or information of a general economic or general industry specific nature (including without limitation, budgets, estimates and forecasts), the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

(b) As of the Closing Date, to the best knowledge of the Borrower, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all respects.

SECTION 3.12. Anti-Corruption Laws and Sanctions.

(a) The Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrower, its Subsidiaries and their respective officers and directors and to the knowledge of each Loan Party, its employees and agents, are and have been during the past five (5) years in compliance with Anti-Corruption Laws and applicable Sanctions. None of (a) the Borrower, any Subsidiary, any of their respective directors or officers or employees, or (b) to the knowledge of any Loan Party, any agent of any Loan Party or any of their Subsidiaries that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate the Patriot Act, any Anti-Corruption Law or anti-money laundering law or applicable Sanctions.

(b) To the extent applicable, each Loan Party is in compliance, in all material respects, with the Patriot Act.

(c) To the extent applicable, each Loan Party is in compliance, in all material respects, with all applicable anti-money laundering laws.

SECTION 3.13. EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

SECTION 3.14. Plan Assets; Prohibited Transactions. None of the Loan Parties nor any of their Subsidiaries is an entity deemed to hold "plan assets" (within the meaning of the Plan Asset Regulations), and, assuming none of the Lender or such Issuing Bank is using "plan assets" (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments, neither the execution, delivery or performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code except as otherwise would not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.15. Margin Regulations. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing or LC

Credit Extension hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.16. Solvency. The Borrower and its consolidated subsidiaries are Solvent on a consolidated basis as of the Closing Date.

SECTION 3.17. Capitalization and Subsidiaries. Schedule 3.17 sets forth, as of the Closing Date, (a) a correct and complete list of the name and relationship to the Borrower of each and all of the Borrower's subsidiaries, (b) the type of entity and jurisdiction of organization of the Borrower and each of its subsidiaries, (c) which of the Borrower's subsidiaries are Loan Parties and (d) which of the Borrower's subsidiaries are Material Subsidiaries. All of the issued and outstanding Equity Interests owned by any Loan Party has been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and is fully paid and non-assessable.

SECTION 3.18. Insurance. Schedule 3.18 sets forth a true, complete and correct description, in all material respects, of all material insurance (excluding any title insurance) maintained by or on behalf of the Borrower or any of its Subsidiaries as of the Closing Date. As of the Closing Date, such insurance is in full force and effect.

ARTICLE IV

Conditions

SECTION 4.01. Closing Date. The occurrence of the Closing Date, the effectiveness of the Commitments hereunder and the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder on the Closing Date, shall be subject to the satisfaction (or waived in accordance with Section 9.02) of each of the following conditions:

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent (or its counsel) shall have received the Guaranty duly executed by each Guarantor.

(c) The Administrative Agent shall have received a customary written opinion (addressed to the Administrative Agent, the Lenders and the Issuing Banks and dated the Closing Date) of White & Case LLP, counsel for the Borrower and the Guarantors.

(d) The Administrative Agent shall have received a certificate from a director, secretary or Responsible Officer of each Loan Party, properly executed by a Responsible Officer of each such Loan Party, attaching: (A) a customary certificate of good standing from the secretary of state of the state of organization of each Loan Party; (B) resolutions or other action of the governing body of each Loan Party approving this Agreement and the other Loan Documents; and (C) an incumbency certificate and/or other certificate of a Responsible Officer of each Loan Party evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to execute this Agreement and the other Loan Documents.

(e) The Administrative Agent shall have received a solvency certificate, duly executed and delivered by a Financial Officer of the Borrower, substantially in the form of Exhibit D.

(f) The Administrative Agent shall have received a Borrowing Request in accordance with Section 2.03 for the Borrowings to be made on the Closing Date.

(g) Substantially concurrently with the occurrence of the Closing Date, the Refinancing shall have occurred.

(h) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by the President, a Vice President or a Financial Officer of the Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(i) (i) The Administrative Agent shall have received, at least five Business Days prior to the Closing Date, all documentation and other information regarding the Loan Parties requested in connection with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrower and the other Loan Parties at least 10 days prior to the Closing Date and (ii) to the extent any Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, at least five Business Days prior to the Closing Date, any Lender that has requested, in a written notice to the Borrower at least 10 days prior to the Closing Date, a Beneficial Ownership Certification in relation to such Loan Party shall have received such Beneficial Ownership Certification.

(j) The Administrative Agent, the Arrangers and the Lenders shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, any amounts due pursuant to the Fee Letter and, to the extent invoiced prior to the Closing Date, reimbursement or payment of all out of pocket expenses required to be reimbursed or paid by the Borrower hereunder and under the Fee Letter.

The Administrative Agent shall notify the Borrower and the Lenders and the Issuing Banks of the Closing Date, and such notice shall be conclusive and binding.

SECTION 4.02. Each Credit Event. The obligation of each Lender to make any Loan on the occasion of any Borrowing, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit on and after the Closing Date, is subject to the satisfaction of the following conditions:

(a) The representations and warranties of the Loan Parties contained in this Agreement and each other Loan Document shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date);

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing; and

(c) The Administrative Agent and, if applicable, the applicable Issuing Bank shall have received a Request for Credit Extension in accordance with the requirements hereof. Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated, in each case, without any pending draw, or otherwise Cash Collateralized and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Ratings Change and Other Information. The Borrower will furnish to the Administrative Agent and each Lender, including their Public-Siders:

(a) within 90 days after the end of each fiscal year of the Borrower, its audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Grant Thornton LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification, commentary or exception and without any qualification or exception as to the scope of such audit except for qualifications resulting solely from the Obligations being classified as short term indebtedness during the one year period prior to the Maturity Date) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) within 60 days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower, its consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures as of the end of and for the corresponding period or periods of the previous fiscal year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Sections 5.09 (including a designation of each Subsidiary as a Material Subsidiary or an Immaterial Subsidiary), 6.01(e), (f), (g) and (q), 6.04(c)(iv), (d), (e), (f) and (o), 6.06(e) and 6.09, (iii) setting forth any Unrestricted Subsidiaries as of such date and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) promptly after the same become publicly available, upon the request of the Administrative Agent, copies of all periodic reports and proxy statements filed by the Borrower or any Subsidiary with the SEC, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Borrower to its shareholders generally, as the case may be;

(e) promptly following any request therefor, (x) such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

Documents required to be delivered pursuant to Section 5.01(a), (b) or (d) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and Retrieval system (EDGAR); or (ii) on which such documents are posted on

the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether made available by the Administrative Agent); provided that: (A) upon written request by the Administrative Agent (or any Lender through the Administrative Agent) to the Borrower, the Borrower shall deliver paper copies of such documents to the Administrative Agent or such Lender until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (B) the Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) of the posting of any such documents and provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

So long as the Borrower is required to file periodic reports under Section 13(a) or Section 15(d) of the Exchange Act, the Borrower may satisfy its obligation to deliver the financial statements referred to in clauses (a) and (b) above by delivering such financial statements to the SEC or any Governmental Authority succeeding to any or all of the functions of said Commission, in accordance with the Section 13(a) or Section 15(d) of the Exchange Act.

SECTION 5.02. Notices of Material Events. The Borrower will furnish to the Administrative Agent and each Lender prompt written notice of the following:

(a) the Chief Executive Officer or any Financial Officer of the Borrower obtaining knowledge of the occurrence of any Default;

(b) the Chief Executive Officer or any Financial Officer of the Borrower obtaining knowledge of the filing or commencement of any action, suit or proceeding or investigation by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof, including pursuant to any applicable Environmental Laws, that would reasonably be expected to result in a Material Adverse Effect;

(c) the Chief Executive Officer or any Financial Officer of the Borrower obtaining knowledge of the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, would reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount that could reasonably be expected to result in a Material Adverse Effect;

(d) the Chief Executive Officer or any Financial Officer of the Borrower obtaining knowledge that any other development has resulted in, or would reasonably be expected to result in, a Material Adverse Effect; and

(e) at the reasonable request of the Administrative Agent, any change in the information provided in the Beneficial Ownership Certification delivered to any Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and its respective rights, licenses, permits, privileges and franchises except (other than with respect to the legal existence of the Borrower) where the failure to do so would not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, Division, liquidation or dissolution permitted under Section 6.03.

SECTION 5.04. Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, would result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Borrower or such Subsidiary has set aside on its

books adequate reserves with respect thereto to the extent required by GAAP and (c) the failure to make payment pending such contest would not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. The Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, and (b) maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all material dealings and transactions in relation to its business and activities, including any such dealings and transactions to the extent necessary to prepare the consolidated financials of the Borrower and its Subsidiaries in accordance with GAAP. The Borrower will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during normal operating hours and as often as reasonably requested; provided, excluding any such visits and inspections during the continuation of a Default, only the Administrative Agent on behalf of the Lenders may exercise rights of the Administrative Agent and the Lenders under this Section 5.06 and the Administrative Agent shall not exercise such rights more often than two (2) times during any consecutive four fiscal quarter period absent the existence of a Default and only one (1) such time shall be at the Borrower's expense; provided, further, that when a Default is continuing, the Administrative Agent or any Lender may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon at least 24 hours' notice. The Administrative Agent, the Lenders and their respective representatives and independent contractors shall use commercially reasonable efforts to avoid interruption of the normal business operations of the Loan Parties and their Subsidiaries. The Administrative Agent and the Lenders shall give the Loan Parties the opportunity to participate in any discussions with the independent public accountants of the Loan Parties and their Subsidiaries.

Notwithstanding anything to the contrary in this Section 5.06, none of the Loan Parties nor any of their Subsidiaries will be required to disclose, permit the inspection, examination or making copies or abstracts of, or discussion of, any document, information or other matter that (i) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives or contractors) is prohibited by law or any binding agreement or (ii) is subject to attorney-client or similar privilege or constitutes attorney work product.

SECTION 5.07. Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect. The Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance in all material respects by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08. Use of Proceeds and Letters of Credit. The proceeds of the Term Loans extended on the Closing Date shall be used to finance, in part, the Transactions. The proceeds of the Revolving Loans (x) drawn on the Closing Date, will be used to finance, in part the Transactions and (y) will be used only for general corporate purposes of the Borrower and the Guarantors in the ordinary course of business (including for permitted Acquisitions and permitted share repurchases). No part of the proceeds of any Loan or Letter of Credit will be used, whether directly or indirectly, for any purpose that entails a violation of any of the regulations of the Federal Reserve Board, including Regulations T, U and X. Letters of Credit will be issued only to support the general corporate purposes of the Loan Parties and their Subsidiaries in the ordinary course of business. The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of (i) directly funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or

in any Sanctioned Country or (ii) indirectly funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country, solely in the case of this clause (ii), to the extent such activities, businesses or transaction would be prohibited by Sanctions if conducted by a corporation incorporated in the United States or in a European Union member state or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 5.09. Additional Guarantors. The Borrower will notify the Administrative Agent within 30 days (or such later date as determined by the Administrative Agent in its reasonable discretion) that (i) any Person that is either a Material Subsidiary or directly owns a Material Subsidiary becomes a Subsidiary, (ii) any Immaterial Subsidiary becomes or is designated as a Material Subsidiary or (iii) any Unrestricted Subsidiary is re-designated as a Subsidiary (unless it is an Immaterial Subsidiary), and promptly thereafter (and in any event within 60 days or such later date as determined by Administrative Agent in its reasonable discretion): if such Material Subsidiary is a U.S. Person, is directly or indirectly wholly owned by the Borrower and is not a (w) CFC Holding Company (or a Subsidiary of a CFC or CFC Holding Company), (x) Subsidiary that is a regulated entity subject to net worth or net capital restrictions or similar capital and surplus restrictions (including any insurance company, broker-dealer or other financial institution) or Receivables Subsidiary, (y) Subsidiary that is prohibited or restricted from providing a Guaranty by (i) applicable law or (ii) contractual obligation (to the extent such prohibition is existing on the Closing Date or the date of acquisition of such Subsidiary and not entered into in contemplation thereof), or (z) Subsidiary from which providing a Guaranty would result in adverse tax consequences as reasonably determined by the Borrower in consultation with the Administrative Agent, Borrower shall cause such Material Subsidiary to become a Guarantor by executing and delivering to the Administrative Agent a counterpart of the Guaranty, or such other document as the Administrative Agent shall deem appropriate for such purpose, in form, content and scope reasonably satisfactory to the Administrative Agent. At its sole election, the Borrower may also cause Subsidiaries organized outside of the United States to become a Guarantor by executing and delivering to the Administrative Agent a counterpart of the Guaranty, so long as the jurisdiction of organization of such Subsidiary is reasonably acceptable to the Administrative Agent and the Lenders on the basis (A) that any guarantee provided by such entity can reasonably be expected to be enforceable by the Administrative Agent and (B) of any law, rule or regulation or other requirement applicable to the Administrative Agent acting in such capacity with respect to such jurisdiction. Notwithstanding anything in the preceding sentence or otherwise in any Loan Document, in no event shall the Borrower be required to cause any CFC, CFC Holding Company (or any Subsidiary of a CFC or CFC Holding Company) or SPE to become a Guarantor.

SECTION 5.10. Compliance with Environmental Laws. The Borrower shall, and shall cause its Subsidiaries to, promptly take any and all actions necessary to (a) cure any violation of applicable Environmental Laws by the Borrower or its Subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (b) make an appropriate response to any Environmental Liability of the Borrower or any of its Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

SECTION 5.11. Intellectual Property. The Borrower shall, and shall cause its Subsidiaries to, maintain adequate licenses, patents, patent applications, copyrights, service marks, trademarks, trademark applications, tradestyles and trade names to continue its business as heretofore conducted by it or as hereafter conducted by it unless the failure to maintain any of the foregoing would not reasonably be expected to have a Material Adverse Effect on the Borrower and its Subsidiaries.

SECTION 5.12. Unrestricted Subsidiaries. The Borrower may, at any time from time to time after the Closing Date, designate any Subsidiary as an Unrestricted Subsidiary or redesignate any Unrestricted Subsidiary as a Subsidiary in accordance with the definition of "Unrestricted Subsidiary" contained herein.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated, in

each case, without any pending draw, or otherwise Cash Collateralized and all LC Disbursements shall have been reimbursed, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) the Obligations, including without limitation, Indebtedness created hereunder and under any other Loan Documents;

(b) Indebtedness existing on the date hereof and, if in an amount in excess of \$5,000,000 individually, set forth in Schedule 6.01, and extensions, renewals and replacements of any such Indebtedness that (i) do not increase the outstanding principal amount thereof, and (ii) does not shorten the maturity or weighted average life to maturity thereof;

(c) Indebtedness of (i) the Borrower owing to any Guarantor, (ii) any Guarantor owing to the Borrower or any other Guarantor, (iii) any Loan Party to any Subsidiary (other than a Guarantor), (iv) of any Subsidiary (other than a Guarantor) owing to the Borrower or any other Subsidiary; provided, that any such Indebtedness permitted under subclause (iii) shall be subordinated to the Obligations on terms satisfactory to the Administrative Agent and shall have a maturity date after the Maturity Date; provided, further, that, any such Indebtedness permitted under subclause (iv) shall be subject to Section 6.04(c);

(d) Guarantees by the Borrower of Indebtedness of any Guarantor and by any Guarantor of Indebtedness of the Borrower or any other Guarantor; provided, that (i) Guarantees by any Loan Party of Indebtedness of any Subsidiary that is not a Loan Party shall be subject to Section 6.04(d) and (ii) Guarantees permitted by this clause (d) shall be subordinated to the Obligations to the same extent that the guaranteed Indebtedness is subordinated to the Obligations;

(e) Indebtedness of the Borrower or any Subsidiary incurred to finance all or a portion of the acquisition, construction, repair, replacement or improvement of any fixed or capital assets, including Capital Lease Obligations and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that (i) such Indebtedness is incurred prior to or within 270 days after such acquisition or the completion of such construction, repair, replacement or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed the greater of (x) \$125,000,000 and (y) 5% of Total Assets at any time outstanding determined at the time of incurrence of such Indebtedness as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

(f) Indebtedness of any Person that becomes a Subsidiary after the date hereof other than as a result of a Division; provided that (i) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (ii) the aggregate principal amount of Indebtedness permitted by this clause (f) at any time outstanding shall not exceed the greater (x) \$150,000,000 and (y) 6% of Total Assets determined at the time of incurrence of such Indebtedness as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

(g) Indebtedness of Subsidiaries of Borrower that are not U.S. Persons in an aggregate principal amount at any time outstanding not to exceed the greater of (x) \$250,000,000 and (y) 10% of Total Assets determined at the time of incurrence of such Indebtedness as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

(h) Swap Obligations permitted by Section 6.05;

(i) endorsements for collection or deposit in the ordinary course of business;

(j) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees or obligations in respect thereto provided by either Borrower or any of its Subsidiaries in the ordinary course of business;

(k) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within five (5) Business Days of its incurrence;

(l) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case entered into in connection with the disposition of any business, assets or Equity Interests permitted hereunder;

(m) Indebtedness arising from agreements providing for deferred consideration, indemnification, adjustments of purchase price (including “earnouts”) or similar obligations, in each case entered into in connection with Permitted Acquisitions or other investments and acquisitions permitted by this Agreement;

(n) obligations under an agreement to provide such Banking Services and other Indebtedness in respect of netting services, automatic clearing house arrangements, employees’ credit or purchase cards, overdraft protections and similar arrangements in each case incurred in the ordinary course of business;

(o) Indebtedness comprising reimbursement obligations in respect of retention obligations or any casualty obligations, in each case under any insurance policy;

(p) Indebtedness that is secured by real property of the Borrower or any of its Subsidiaries and is recourse to such real property in an aggregate amount not to exceed 75% of the appraised value of such real property outstanding at any time;

(q) Subordinated Indebtedness that, in each case that (i) is not secured by any asset of the Borrower or its Subsidiaries, (ii) does not mature and is not mandatorily redeemable (other than solely for common stock of the Borrower), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control, public equity offering or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control, public equity offering or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments and the expiration, cancellation, termination or cash collateralization of any Letters of Credit in accordance with the terms hereof), (ii) is not redeemable or otherwise callable at the option of the holder thereof (other than solely for the common stock for the Borrower and except as permitted in clause (i) above), in whole or in part, (iii) does not require mandatory prepayments or scheduled payments of dividends in cash (for this purpose, dividends shall not be considered required if the issuer has the option to permit them to accrue, cumulate, accrete or increase in liquidation preference or if the Borrower has the option to pay such dividends solely in shares of common stock of the Borrower), and (iv) does not become convertible into or exchangeable for Indebtedness (other than other Subordinated Indebtedness), in each case, prior to the date that is 91 days after the Maturity Date; provided that, no Event of Default has occurred and is continuing at the time of the incurrence of such Subordinated Indebtedness, or would result therefrom;

(r) other Indebtedness in an aggregate principal amount at any time outstanding not exceeding the greater of (x) \$250,000,000 and (y) 10% of Total Assets determined at the time of incurrence of such Indebtedness as of the last day of the most recently ended fiscal quarter for which financial statements have been delivered pursuant to Section 5.01(a) or (b), as applicable; and

(s) Indebtedness of a Receivables Subsidiary in respect of any Receivables Facility; *provided* that the outstanding principal amount of such Indebtedness incurred under this clause (s) shall not exceed at any time outstanding the greater of (x) \$125,000,000 and (y) 5% of Total Assets determined at the time of incurrence of such Indebtedness as of the last day of the most recently ended four fiscal quarter period for which financial statements have been delivered pursuant to Section 5.01(a) or (b), as applicable.

For purposes of determining compliance with this Section 6.01, in the event that an item of Indebtedness when incurred meets the criteria of more than one of the categories of Indebtedness described in this Section 6.01, the

Borrower may, in its sole discretion, classify such item as incurred in whole or in part pursuant to any one or combination of such categories, and may thereafter from time to time reclassify such item of Indebtedness, in whole or in part, into any one or more other categories, so long as such item of Indebtedness meets the criteria for such other categories when reclassified. The Borrower will only be required to count any item of Indebtedness against the availability for any category of Indebtedness to the extent that, and for so long as, the Borrower has classified such item as incurred pursuant to such category. The accrual of interest, the accretion of accreted value and the payment of interest in the form of additional Indebtedness shall not be deemed to be an incurrence of Indebtedness for purposes of this Section 6.01.

SECTION 6.02. Liens. The Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or rights in respect of any thereof, except:

(a) Liens on Cash Collateral securing the Guaranteed Obligations;

(b) Permitted Encumbrances;

(c) any Lien on any property or asset of the Borrower or any Subsidiary existing on the date hereof and, to the extent securing Indebtedness with an aggregate principal amount in excess of \$5,000,000, set forth on Schedule 6.02; provided that such Lien shall not apply to any other property or asset of the Borrower or any Subsidiary;

(d) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, and (ii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be and extensions, renewals and replacements thereof that (A) do not increase the outstanding principal amount thereof, and (B) do not shorten the maturity or weighted average life to maturity;

(e) Liens on fixed or capital assets acquired, constructed, repaired, replaced or improved by the Borrower or any Subsidiary; provided that (i) such security interests secure Indebtedness permitted by clause (e) of Section 6.01, (ii) such security interests and the Indebtedness secured thereby are incurred prior to or within 360 days after such acquisition or the completion of such construction, repair, replacement or improvement, (iii) the Indebtedness secured thereby does not exceed 100% of the cost of acquiring, constructing or improving such fixed or capital assets and (iv) such security interests shall not apply to any other property or assets of the Borrower or any Subsidiary; provided, however, that individual financings of assets subject to such Liens provided by one lender or lessor may be cross-collateralized to the other financings provided by such lender or lessor;

(f) Liens on any assets of Subsidiaries of Borrower that are not U.S. Persons securing Indebtedness permitted under Section 6.01;

(g) Liens on real property of the Borrower or any of its Subsidiaries securing Indebtedness permitted under clause (p) of Section 6.01;

(h) additional Liens on property of Borrower or any of its Subsidiaries securing any Indebtedness or other liabilities; provided, that the aggregate outstanding principal amount of all such Indebtedness and liabilities secured by property of the Loan Parties shall not exceed the greater of (x) \$50,000,000 and (y) 2.0% of Total Assets determined at the time of such Lien is granted as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable; and

(i) Liens on Receivables Assets and related assets incurred in connection with a Receivables Facility; provided that the outstanding principal amount thereof secured by such Liens under this clause (i) shall not exceed the greater of (x) \$125,000,000 and (y) 5% of Total Assets determined at the time of such Lien is granted as

of the last day of the most recently ended four fiscal quarter period for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable.

SECTION 6.03. Fundamental Changes; Dispositions.

(a) The Borrower will not, and will not permit any Material Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, consummate a Division as the Dividing Person or sell, transfer, lease or otherwise dispose of (in one transaction or a series of transactions) all or substantially all of its assets, or all or substantially all of the stock of any of its Material Subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Subsidiary may merge into the Borrower in a transaction in which the Borrower is the surviving corporation, (ii) any Subsidiary may merge into any Subsidiary in a transaction in which the surviving entity is a Subsidiary so long as, in the event that either such Subsidiary is a Guarantor, the surviving entity is a Guarantor or becomes a Guarantor concurrently with such merger, (iii) any Subsidiary may sell, transfer, lease or otherwise dispose of its assets to the Borrower or to another Subsidiary so long as, in the event that the Subsidiary selling, transferring, leasing or otherwise disposing such assets is a Guarantor, the entity to which it sells, transfers, leases or otherwise disposes of its assets is the Borrower or a Guarantor or becomes a Guarantor concurrently with such asset sale, (iv) any Subsidiary may liquidate or dissolve if the Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Borrower and is not materially disadvantageous to the Lenders, (v) any Subsidiary may merge into or consolidate with any Person in connection with a Permitted Acquisition so long as, in the event that such Subsidiary is a Guarantor, the surviving entity is a Guarantor or becomes a Guarantor concurrently with such merger or consolidation; provided that any such merger involving a Person that is not a wholly owned Subsidiary immediately prior to such merger shall not be permitted unless also permitted by Section 6.04, (vi) the Borrower and any Subsidiary may consummate a Disposition permitted by Section 6.03(c) and (vii) any Subsidiary that is a limited liability company may consummate a Division as the Dividing Person if, immediately upon the consummation of the Division, the assets of the applicable Dividing Person are held by one or more Subsidiaries at such time so long as, in the case of a Division pursuant to which the Dividing Person is a Guarantor, any such Subsidiaries which hold such assets upon the consummation of such Division are Guarantors or become Guarantors concurrently with such Division.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related, ancillary or complementary thereto (including related, complementary, synergistic or ancillary technologies in which the Borrower and its Subsidiaries are currently engaged).

(c) The Borrower will not, nor will it permit any Subsidiary to, make any Disposition except:

(i) Dispositions of surplus, obsolete, used or worn out property or other property that, in the business judgement of the Borrower, is (A) no longer used or useful in the business of the Borrower or its Subsidiaries, or (B) otherwise economically impracticable or not commercially reasonable to maintain;

(ii) (A) Dispositions (including non-exclusive licenses) of inventory and goods in the ordinary course of business (including on an intercompany basis) and (B) the leasing or subleasing of real property (x) in the ordinary course of business and (y) which do not materially interfere with the business of the Borrower and its Subsidiaries;

(iii) Dispositions of equipment or real property for fair market value to the extent that (A) such property is exchanged for credit against the purchase price of similar replacement property or (B) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(iv) Dispositions of property by (A) the Borrower to any other Loan Party and by any Subsidiary of the Borrower to the Borrower or any other Loan Party and (B) any Subsidiary of the Borrower that is not a Loan Party to any other Subsidiary of the Borrower that is not a Loan Party;

(v) Dispositions permitted by Sections 6.02, 6.04 and 6.06;

(vi) Dispositions of overdue accounts receivable solely in connection with the collection or compromise thereof;

(vii) Dispositions for fair market value pursuant to operating leases (not in connection with any sale and leaseback transactions or other Capital Lease Obligations) entered into in the ordinary course of business;

(viii) Dispositions of property and assets subject to Casualty Events;

(ix) Dispositions of cash and cash equivalents in the ordinary course of business;

(x) Dispositions by Borrower and any Subsidiary not otherwise permitted under this Section 6.03(c); provided, that (A) the Borrower or the applicable Subsidiaries shall receive fair market value for the assets subject to such Disposition; (B)(i) at the time of entry into the definitive agreements for such Disposition, no Default shall exist or would result from such Disposition and the Borrower is in compliance with Section 6.09 on a pro forma basis and (ii) at the time of such Disposition, no Specified Event of Default shall have occurred and be continuing; and (C) the Borrower or the applicable Subsidiaries shall receive not less than 75% of the consideration payable in respect of such Disposition in the form of cash or cash equivalents; and (D) the aggregate fair market value of all property Disposed of in reliance on this subclause (x) in any fiscal year shall not exceed the greater of (x) \$125,000,000 and (y) 5% of Total Assets determined at the time of the consummation of such Disposition as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

(xi) Dispositions of Investments in joint ventures to the extent required by, or made pursuant to, buy/sell arrangements between joint venture or similar parties set forth in the relevant joint venture arrangements and/or similar binding arrangements;

(xii) Dispositions of notes receivable or accounts receivable in the ordinary course of business (including any discount and/or forgiveness thereof) or in connection with the collection or compromise thereof, or as part of any bankruptcy or similar proceeding;

(xiii) Dispositions and/or terminations of, or constituting, leases, subleases, licenses, sublicenses or cross-licenses (including the provision of software under any open source license), the Dispositions or terminations of which (i) do not materially interfere with the business of the Borrower and its Subsidiaries and (ii) are made in the ordinary course of business;

(xiv) any expiration of any option agreement in respect of real or personal property; (xv) any surrender or waiver of contractual rights or the settlement, release or surrender of contractual rights or litigation claims (including in tort) in the ordinary course of business;

(xvi) the termination, unwinding or other disposition of Swap Agreements in the ordinary course of business; and

(xvii) any disposition or discount of Receivables Assets to a Person other than an Unrestricted Subsidiary in connection with any Receivables Facility or any customary factoring arrangement;

provided that, notwithstanding anything to the contrary herein, none of clauses (i) through (xv) of this Section 6.03(c) shall permit the Disposition of any asset (or any exclusive license in any asset) that is material to the business or operations of the Borrower and its Subsidiaries taken as a whole (as reasonably determined in good faith by the Borrower) to an Unrestricted Subsidiary.

SECTION 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. The Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with, or as a Division Successor pursuant to the Division of, any Person that was not a wholly owned Subsidiary prior to such merger or Division) any capital stock, evidences of indebtedness or other securities of, make or permit to exist

any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit (any of the foregoing, an “*Investment*”), except:

(a) Permitted Investments;

(b) Investments by the Borrower and its Subsidiaries existing on the date hereof in or to other Persons (including investments, loans and advances by Borrower in or to its Subsidiaries) and, if in an initial amount in excess of \$5,000,000 individually, set forth on Schedule 6.04;

(c) Investments (i) made by the Borrower or any Guarantor to any Guarantor (or any Person that will substantially concurrently with such investment, loan or advance become a Guarantor), (ii) made by any Subsidiary to the Borrower or any Guarantor, (iii) made by any Subsidiary that is not a Guarantor to any other Subsidiary that is not a Guarantor, (iv) made by Borrower or any Guarantor to any Subsidiary that is not a Guarantor (other than as a result of directors’ qualifying shares as required by applicable law); provided, that the aggregate amount of investments, loans or advances incurred under this clause (iv) plus the aggregate amount of Guarantees referred to in the proviso to clause (d) below shall not exceed the greater of (A) \$250,000,000 and (B) 10% of Total Assets determined on the date of such investment, loan or advance as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable, and (v) made by the Borrower or any Guarantor to any Subsidiary that is not a Guarantor for the purpose of enabling such Subsidiary to make, substantially concurrently with such Investment, a Permitted Acquisition otherwise already permitted to be made by it hereunder;

(d) Guarantees constituting Indebtedness permitted by Section 6.01 or any other liabilities; provided, that the aggregate principal amount of Indebtedness and liabilities of a Subsidiary that is not a Loan Party that is Guaranteed by a Loan Party plus the aggregate amount of investments, loans and advances outstanding pursuant to clause (c)(iv) above shall not exceed the greater of (A) \$250,000,000 and (B) 10% of Total Assets determined on the date of such Guarantee as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

(e) Acquisitions meeting the following requirements or otherwise approved by the Required Lenders (each such Acquisition constituting a “*Permitted Acquisition*”):

(i) (x) as of the date of the entry into the definitive agreements in respect of such Acquisition, no Event of Default shall have occurred and be continuing or would result from such Acquisition and (y) as of the date of the consummation of such Acquisition, no Specified Event of Default shall have occurred and be continuing or would result from such Acquisition;

(ii) such Acquisition is consummated on a non-hostile basis pursuant to a negotiated acquisition agreement approved by the board of directors or other applicable governing body of the seller or entity to be acquired;

(iii) the business to be acquired in such Acquisition is similar, ancillary, complementary or related to one or more of the lines of business in which the Borrower and its Subsidiaries are engaged on the Closing Date (including without limitation related, complementary, synergistic or ancillary technologies in which the Borrower and its Subsidiaries are currently engaged);

(iv) as of the date of the consummation of such Acquisition, all material governmental approvals required in connection therewith shall have been obtained; and

(v) after giving pro forma effect to such Acquisition, the Borrower shall be in pro forma compliance with Section 6.09 as of the last day of the most recently ended four fiscal quarter period for which financial statements were (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable; provided that, for the purposes of this clause (v), pro forma compliance with Section 6.09(a) shall be determined without giving effect to any Specified Material Investment Step-Up unless the Permitted Acquisition with respect to which compliance with this clause (v) is being tested constitutes a Specified Material Investment.

(f) Investments made by the Borrower or any Guarantor in or for the benefit of any Subsidiary that is not a Guarantor, investments in or loans or advances to, joint ventures and other investments in any other Persons (including Unrestricted Subsidiaries), and Guarantees of obligations of any Person other than a Loan Party, provided that (i) as of the date of such Investment, no Event of Default shall have occurred and be continuing or result from such investment, loan, advance or Guarantee, (ii) such Investment is related to one or more of the lines of business conducted by the Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related, ancillary or complementary thereto (including related, complementary, synergistic or ancillary technologies in which the Borrower and its Subsidiaries are currently engaged) and (iii) after giving effect to such Investment, the Borrower shall be in pro forma compliance with Section 6.09 as of the last day of the most recently-ended fiscal four fiscal quarter period for which financial statements were (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable; provided that, for the purposes of this clause (f), pro forma compliance with Section 6.09(a) shall be determined without giving effect to any Specified Material Investment Step-Up unless the Investment with respect to which compliance with this clause (f) is being tested constitutes a Specified Material Investment; (g) transactions consummated pursuant to Swap Agreements permitted by Section 6.05; (h) loans and advances constituting Indebtedness permitted by Section 6.01;

(i) (i) endorsements for collection or deposit in the ordinary course of business consistent with past practice, (ii) extensions of trade credit (other than to Affiliates of the Borrower) arising or acquired in the ordinary course of business and (iii) Investments received in settlements in the ordinary course of business of such extensions of trade credit;

(j) Investments by any Loan Party or any Subsidiary of a Loan Party in any Subsidiary of such Person which is required by law to maintain a minimum net capital requirement or as may otherwise be required by applicable law or regulation;

(k) extensions of credit in the nature of accounts receivable or notes receivable arising from the sale or lease of goods in the ordinary course of business;

(l) loans or advances to employees, officers or directors of the Borrower or any of its Subsidiaries in the ordinary course of business; provided that the aggregate amount of all such loans and advances does not exceed \$5,000,000 at any time outstanding;

(m) Investments held and loans and advances made by a Person acquired in a Permitted Acquisition or an Investment that is otherwise permitted hereunder to the extent that such Investments were not made in connection with or contemplation of such acquisition and were in existence as of the date of consummation of such acquisition;

(n) Investments by the Borrower or any of its Subsidiaries for which the consideration consists solely of Equity Interests of the Borrower;

(o) other Acquisitions and Investments in an annual aggregate amount for all such transactions not to exceed the greater of (x) \$250,000,000 and (y) 10% of Total Assets determined on the date of such Acquisition or investment as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

(p) other investments so long as (1) no Event of Default shall have occurred and be continuing or would result therefrom and (2) on a pro forma basis after giving effect to such investment and any pro forma adjustments described in Section 1.06, the Total Net Leverage Ratio is equal to or less than 2.50 to 1.00, determined on the date of such investment as of the last day of the most recently ended fiscal quarter for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable; and

(q) any Investment in a Receivables Subsidiary (that is not an Unrestricted Subsidiary) in order to effectuate a Receivables Facility or any Investment by a Receivables Subsidiary in any other Person in connection with a Receivables Facility; *provided, however*, that (i) any such Investment in a Receivables Subsidiary is in the form of a contribution of additional Receivables Assets or as equity and (ii) the amount of such contributions in the aggregate at any time outstanding pursuant to this clause (q) shall not exceed the greater of (x) \$125,000,000 and (y)

5% of Total Assets as of the last day of the most recently ended four fiscal quarter period for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable;

provided that, notwithstanding anything to the contrary herein, none of clauses (a) through (q) of this Section 6.04 shall permit any Investment which would result in any asset (or any exclusive license in any asset) that is material to the business or operations of the Borrower and its Subsidiaries taken as a whole (as reasonably determined in good faith by the Borrower) being held by an Unrestricted Subsidiary.

SECTION 6.05. Swap Agreements. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any Swap Agreement, except (a) Swap Agreements entered into to hedge or mitigate risks to which the Borrower or any Subsidiary has actual exposure (other than those in respect of Equity Interests of the Borrower or any of its Subsidiaries), and (b) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of the Borrower or any Subsidiary.

SECTION 6.06. Restricted Payments; Restricted Debt Payments.

(a) The Borrower will not, and will not permit any of its Subsidiaries to, declare or make, directly or indirectly, any Restricted Payment, except (i) the Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (ii) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (iii) the Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries, (iv) Subsidiaries may make any Restricted Payment to the Borrower or another Subsidiary that constitutes an Investment permitted under Section 6.04 and (v) the Borrower may declare and make Restricted Payments (x) in an unlimited amount so long as at the time of such making or declaration (1) no Event of Default shall be then continuing and (2) after giving effect to such Restricted Payment, the Borrower shall be in pro forma compliance with Section 6.09 as of the last day of the most recently-ended fiscal four fiscal quarter period for which financial statements were delivered pursuant to Section 5.01(a) or (b), as applicable; provided that, for the purposes of this clause (v), pro forma compliance with Section 6.09(a) shall be determined without giving effect to any Specified Material Investment Step-Up, or (y) otherwise in an annual aggregate amount for all such transactions not to exceed the greater of \$250,000,000 and 10% of Total Assets (determined as of the last day of the most recently ended fiscal quarter preceding the record date of such Restricted Payment for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable) so long as at the time of such making or declaration no Event of Default shall be then continuing; and

(b) The Borrower will not, and will not permit any of its Subsidiaries to, make directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Restricted Indebtedness, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Restricted Indebtedness (any of the foregoing, a "Restricted Debt Payment"), except:

(i) payment of regularly scheduled interest and principal payments as and when due in respect of any Indebtedness permitted under Section 6.01; it being understood and agreed that no such principal payments shall be permitted with respect to any Subordinated Indebtedness pursuant to this clause (i);

(ii) refinancings of Indebtedness to the extent permitted by Section 6.01;

(iii) the Borrower may make Restricted Debt Payments, in an unlimited amount so long as at the time of such making or declaration (1) no Event of Default shall be then continuing and (2) after giving effect to such Restricted Payment, the Borrower shall be in pro forma compliance with Section 6.09 as of the last day of the most recently ended four fiscal quarter period for which financial statements were (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable; provided that, for the purposes of this clause (iii), pro forma compliance with Section 6.09(a) shall be determined without giving effect to any Specified Material Investment Step-Up, and

(iv) the Borrower may make other Restricted Debt Payments in an annual aggregate amount for all such transactions not to exceed the greater of \$250,000,000 and 10% of Total Assets (determined as of the last day of the most recently ended fiscal quarter preceding the record date of such Restricted Debt Payment for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable) so long as at the time of such making or declaration no Event of Default shall be then continuing.

SECTION 6.07. Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, involving aggregate consideration for any such transaction or series of related transactions in excess of the greater of (x) \$62,500,000 and (y) 2.5% of Total Assets determined on the date of such transaction as of the last day of the most recently ended four fiscal quarter period for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b), as applicable, except (a) in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between or among the Borrower and its wholly owned Subsidiaries not involving any other Affiliate, (c) any Restricted Payment permitted by Section 6.06, (d) the issuance of Equity Interests of the Borrower to any employee, director, officer, manager, distributor or consultant (or their respective controlled Affiliates) of the Borrower or any of its Subsidiaries, (e) reasonable compensation and salaries (and expense reimbursement and indemnification arrangements for) to officers and directors of the Borrower and its Subsidiaries and (f) any customary transactions with a Receivables Subsidiary effected as part of a Receivables Facility.

SECTION 6.08. Restrictive Agreements; Amendments to Certain Documents; Changes to Fiscal Year End.

(a) The Borrower will not, and will not permit any of its Subsidiaries to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (x) the ability of the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets, or (y) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its capital stock or to make or repay loans or advances to the Borrower or any other Subsidiary or to Guarantee Indebtedness of the Borrower or any other Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law, regulation, rule or order, by this Agreement or any other Loan Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof identified on Schedule 6.08 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or any assets of Borrower or any of its Subsidiaries pending such sale, provided such restrictions and conditions apply only to the Subsidiary or asset that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness, (v) the foregoing shall not apply to agreements or obligations to which a Person was subject at the time such Person becomes a Subsidiary so long as such agreements or obligations were not entered into in contemplation of such Person becoming a Subsidiary and (vi) clause (a) of the foregoing shall not apply to customary provisions in leases, licenses and other contracts restricting the assignment thereof.

(b) The Borrower will not, and will not permit any of its Subsidiaries to, amend, modify or waive any of (i) its rights under its certificate of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, to the extent any such amendment, modification or waiver would be materially adverse to the Lenders as reasonably determined by the Borrower except as required by applicable law (and with concurrent written notice thereof to Administrative Agent) or (ii) the provisions of any Subordinated Indebtedness to the extent that any such waiver, amendment or modification, taken as a whole, would be adverse to the Lenders in any material respect other than in connection with (A) a refinancing or replacement of such Subordinated Indebtedness permitted hereunder and under the applicable subordination terms or agreement(s), or (B) in a manner expressly permitted by, or not prohibited under, the applicable subordination terms or agreement(s) governing the relationship between the Lenders, on the one hand, and the lenders or purchasers of the applicable Subordinated Indebtedness on the other hand.

(c) The Borrower will not change the ending dates with respect to its fiscal year or fiscal quarter; provided, however, that the Borrower may, upon written notice to the Administrative Agent, make any such changes that are (i) reasonably acceptable (such consent not to be unreasonably withheld or delayed) to the Administrative Agent or (ii) otherwise not materially adverse to the Lenders as reasonably determined by the Administrative Agent, and in each case of (i) and (ii), the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to (without the consent of any other Person), make any adjustments to this Agreement that are necessary in order to reflect such change in fiscal year or fiscal quarter, including adjustment to calculations determined by reference to any fiscal quarter or fiscal year.

SECTION 6.09. Financial Covenants.

(a) Total Net Leverage Ratio. The Total Net Leverage Ratio shall not exceed 3.50 to 1.00 as of the last day of the most recently ended four fiscal quarter period for which financial statements have been delivered or were required to be delivered pursuant to Sections 5.01(a) or 5.01(b), as applicable; provided that if the Borrower or any of its Subsidiaries consummates a Specified Material Investment in any fiscal quarter, the maximum Total Net Leverage Ratio permitted pursuant to this Section 6.09(a) shall increase to no greater than 4.00 to 1.00 at the end of such fiscal quarter until and including the end of the third full fiscal quarter following the quarter in which such Specified Material Investment was consummated (such increase, the ***“Specified Material Investment Step-Up”***) and shall be reduced to 3.50 to 1.00 thereafter; provided, further, that there shall be at least two full fiscal quarters following the cessation of each Specified Material Investment Step-Up during which no Specified Material Investment Step-Up shall then be in effect prior to the commencing of any subsequent Specified Material Investment Step-Up pursuant to the immediately preceding proviso.

(b) Interest Coverage Ratio. The Interest Coverage Ratio shall not be less than 3.00 to 1.00 as of the last day of the most recently ended four fiscal quarter period for which financial statements have been delivered or were required to be delivered pursuant to Sections 5.01(a) or 5.01(b), as applicable.

ARTICLE VII

Events of Default

SECTION 7.01. Events of Default. If any of the following events ("*Events of Default*") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement or any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three Business Days;

(c) any representation or warranty made or deemed made by or on behalf of the Borrower or any Guarantor in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any amendment or modification hereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) when made or deemed made;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.02, 5.03 (with respect to the Borrower's existence) or 5.08 or in Article VI;

(e) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article) or any other Loan Document, and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender);

(f) the Borrower or any Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable;

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness; provided, in each case, such event or condition remains unremedied or has not been waived by the holders of such Material Indebtedness;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Borrower or any Material Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for

or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Borrower or any Material Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; inability or fail generally to pay its debts as they become due;

(k) one or more judgments for the payment of money in an aggregate amount in excess of the greater of \$125,000,000 and 5% of Total Assets (determined as of the last day of the most recently ended four fiscal quarter period for which financial statements have been delivered or were required to be delivered pursuant to Sections 5.01(a) or 5.01(b), as applicable) (to the extent not covered by insurance as to which the insurer has not denied coverage) shall be rendered against the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount that would reasonably be expected to result in a Material Adverse Effect;

(m) any invalidity of any subordination agreement or other provision pursuant to which any Subordinated Indebtedness is subordinated to the Obligations (or any Loan Party shall challenge the enforceability of any such agreement or provision or shall assert in writing, or engage in any action or inaction based on any such assertion, that any such agreement or provision has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms);

(n) the Guaranty shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of the Guaranty or any Guarantor shall deny that it has any further liability under the Guaranty to which it is a party, or shall give notice to such effect;

(o) any material provision of any Loan Document for any reason ceases to be valid, binding and enforceable in accordance with its terms (or any Loan Party shall challenge the enforceability of any Loan Document or shall assert in writing, or engage in any action or inaction based on any such assertion, that any provision of any of the Loan Documents has ceased to be or otherwise is not valid, binding and enforceable in accordance with its terms) other than any cessation in validity or enforceability that occurs in accordance with its terms; or

(p) a Change in Control shall occur;

then, and in every such event (other than an event with respect to the Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times: (i) terminate any outstanding Commitments, and thereupon such Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, (iii) require that the Borrower provide cash collateral as required in Section 2.05(j), and (iv) exercise on behalf of itself, the Lenders and the Issuing Banks all rights and remedies available to it, the Lenders and the Issuing Banks under the Loan Documents and applicable law; and in case of any event with respect to the Borrower described in clause (h) or (i) of this Article, all outstanding Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, and the obligation of the Borrower to Cash Collateralize the LC Exposure as provided in clause (iii) above shall automatically become effective, without presentment, demand,

protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity.

ARTICLE VIII

The Administrative Agent

SECTION 8.01. Authorization and Action.

(a) Each Lender and each Issuing Bank hereby irrevocably appoints the entity named as Administrative Agent in the heading of this Agreement and its successors and assigns to serve as the administrative agent under the Loan Documents and each Lender and each Issuing Bank authorizes the Administrative Agent to take such actions as agent on its behalf and to exercise such powers under this Agreement and the other Loan Documents as are delegated to the Administrative Agent under such agreements and to exercise such powers as are reasonably incidental thereto. Without limiting the foregoing, each Lender and each Issuing Bank hereby authorizes the Administrative Agent to execute and deliver, and to perform its obligations under, each of the Loan Documents to which the Administrative Agent is a party, to exercise all rights, powers and remedies that the Administrative Agent may have under such Loan Documents.

(b) As to any matters not expressly provided for herein and in the other Loan Documents (including enforcement or collection), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the written instructions of the Required Lenders (or such other number or percentage of the Lenders as the Administrative Agent shall deem to be necessary, pursuant to the terms in the Loan Documents), and, unless and until revoked in writing, such instructions shall be binding upon each Lender and each Issuing Bank; provided, however, that the Administrative Agent shall not be required to take any action that (i) the Administrative Agent in good faith believes exposes it to liability unless the Administrative Agent receives an indemnification satisfactory to it from the Lenders and the Issuing Banks with respect to such action or (ii) is contrary to this Agreement or any other Loan Document or applicable law, including any action that may be in violation of the automatic stay under any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any requirement of law relating to bankruptcy, insolvency or reorganization or relief of debtors; provided, further, that the Administrative Agent may seek clarification or direction from the Required Lenders prior to the exercise of any such instructed action and may refrain from acting until such clarification or direction has been provided. Except as expressly set forth in the Loan Documents, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower, any Subsidiary or any Affiliate of any of the foregoing that is communicated to or obtained by the Person serving as Administrative Agent or any of its Affiliates in any capacity. Nothing in this Agreement shall require the Administrative Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(c) In performing its functions and duties hereunder and under the other Loan Documents, the Administrative Agent is acting solely on behalf of the Lenders and the Issuing Banks (except in limited circumstances expressly provided for herein relating to the maintenance of the Register), and its duties are entirely mechanical and administrative in nature. Without limiting the generality of the foregoing:

(i) the Administrative Agent does not assume and shall not be deemed to have assumed any obligation or duty or any other relationship as the agent, fiduciary or trustee of or for any Lender, any Issuing Bank or holder of any other obligation other than as expressly set forth herein and in the other Loan Documents, regardless of whether a Default or an Event of Default has occurred and is continuing (and it is understood and agreed that the use of the term "agent" (or any similar term) herein or in any other Loan Document with reference to the Administrative Agent is not intended to connote any fiduciary duty or other implied (or express) obligations arising under agency doctrine of any applicable law, and that such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties); additionally, each Lender agrees that it will not assert any claim against the Administrative Agent based on an alleged breach of fiduciary duty by the Administrative Agent in connection with this Agreement and the transactions contemplated hereby; and

(ii) nothing in this Agreement or any Loan Document shall require the Administrative Agent to account to any Lender for any sum or the profit element of any sum received by the Administrative Agent for its own account;

(d) The Administrative Agent may perform any of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any of their respective duties and exercise their respective rights and powers through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities pursuant to this Agreement. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agent except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agent.

(e) No Arranger shall have obligations or duties whatsoever in such capacity under this Agreement or any other Loan Document and shall incur no liability hereunder or thereunder in such capacity, but all such persons shall have the benefit of the indemnities provided for hereunder.

(f) In case of the pendency of any proceeding with respect to any Loan Party under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, the Administrative Agent (irrespective of whether the principal of any Loan or any Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, LC Disbursements and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the Issuing Banks and the Administrative Agent (including any claim under Sections 2.11, 2.12, 2.14, 2.16 and 9.03) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such proceeding is hereby authorized by each Lender and each Issuing Bank to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders or the Issuing Banks, to pay to the Administrative Agent any amount due to it, in its capacity as the Administrative Agent, under the Loan Documents (including under Section 9.03).

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or any Issuing Bank any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or any Issuing Bank or to authorize the Administrative Agent to vote in respect of the claim of any Lender or any Issuing Bank in any such proceeding.

(g) The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the Issuing Banks, and, except solely to the extent of the Borrower's rights to consent pursuant to and subject to the conditions set forth in this Article, none of the Borrower or any Subsidiary, or any of their respective Affiliates, shall have any rights as a third party beneficiary under any such provisions.

SECTION 8.02. Administrative Agent's Reliance, Indemnification, Etc.

(a) Neither the Administrative Agent nor any of its Related Parties shall be (i) liable for any action taken or omitted to be taken by it under or in connection with this Agreement or the other Loan Documents (x) with the consent of or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith to be necessary, under the circumstances as provided in the Loan Documents) or (y) in the absence of its own gross negligence or willful misconduct (such absence to be presumed unless otherwise determined by a court of competent jurisdiction by a final and

nonappealable judgment) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party to perform its obligations hereunder or thereunder.

(b) The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof (stating that it is a “notice of default”) is given to the Administrative Agent by the Borrower, a Lender or a Issuing Bank, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document or the occurrence of any Default, (iv) the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or satisfaction of any condition that expressly refers to the matters described therein being acceptable or satisfactory to the Administrative Agent. Notwithstanding anything herein to the contrary, the Administrative Agent shall not be liable for, or be responsible for any loss, cost or expense suffered by the Borrower, any Subsidiary, any Lender or any Issuing Bank as a result of, any determination of the Revolving Credit Exposure, any of the component amounts thereof or any portion thereof attributable to each Lender or each Issuing Bank, or any Exchange Rate.

(c) Without limiting the foregoing, the Administrative Agent (i) may treat the payee of any promissory note as its holder until such promissory note has been assigned in accordance with Section 9.04, (ii) may rely on the Register to the extent set forth in Section 9.04(b), (iii) may consult with legal counsel (including counsel to the Borrower), independent public accountants and other experts selected by it, and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts, (iv) makes no warranty or representation to any Lender or any Issuing Bank and shall not be responsible to any Lender or any Issuing Bank for any statements, warranties or representations made by or on behalf of any Loan Party in connection with this Agreement or any other Loan Document, (v) in determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, may presume that such condition is satisfactory to such Lender or such Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or such Issuing Bank sufficiently in advance of the making of such Loan or the issuance of such Letter of Credit and (vi) shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any notice, consent, certificate or other instrument or writing (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated by the proper party or parties (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

(d) The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Lenders. Without limiting the generality of the foregoing, the Administrative Agent shall not (a) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Lender or (b) have any liability with respect to or arising out of any assignment.

SECTION 8.03. Posting of Communications.

(a) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make any Communications available to the Lenders and the Issuing Banks by posting the Communications on IntraLinks™, DebtDomain, SyndTrak, ClearPar or any other electronic platform chosen by the Administrative Agent to be its electronic transmission system (the “*Approved Electronic Platform*”).

(b) Although the Approved Electronic Platform and its primary web portal are secured with generally-applicable security procedures and policies implemented or modified by the Administrative Agent from time to time (including, as of the Closing Date, a user ID/password authorization system) and the Approved Electronic Platform is secured through a per-deal authorization method whereby each user may access the Approved Electronic Platform only on a deal-by-deal basis, each of the Lenders, each of the Issuing Banks and the Borrower acknowledges and agrees that the distribution of material through an electronic medium is not necessarily secure, that the Administrative Agent is not responsible for approving or vetting the representatives or contacts of any Lender that are added to the Approved Electronic Platform, and that there are confidentiality and other risks associated with such distribution. Each of the Lenders, each of the Issuing Banks and the Borrower hereby approves distribution of the Communications through the Approved Electronic Platform and understands and assumes the risks of such distribution.

(c) THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS ARE PROVIDED “AS IS” AND “AS AVAILABLE”. THE APPLICABLE PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS, OR THE ADEQUACY OF THE APPROVED ELECTRONIC PLATFORM AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS OR OMISSIONS IN THE APPROVED ELECTRONIC PLATFORM AND THE COMMUNICATIONS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON- INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE APPLICABLE PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE APPROVED ELECTRONIC PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT, ANY ARRANGER OR ANY OF THEIR RESPECTIVE RELATED PARTIES (COLLECTIVELY, “**APPLICABLE PARTIES**”) HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER, ANY ISSUING BANK OR ANY OTHER PERSON OR ENTITY FOR DAMAGES OF ANY KIND, INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY’S OR THE ADMINISTRATIVE AGENT’S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET OR THE APPROVED ELECTRONIC PLATFORM.

“**Communications**” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Approved Electronic Platform.

(d) Each Lender and each Issuing Bank agrees that notice to it (as provided in the next sentence) specifying that Communications have been posted to the Approved Electronic Platform shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender and each Issuing Bank agrees (i) to notify the Administrative Agent in writing (which could be in the form of electronic communication) from time to time of such Lender’s or such Issuing Bank’s (as applicable) email address to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such email address.

(e) Each of the Lenders, each of the Issuing Banks and the Borrower agrees that the Administrative Agent may, but (except as may be required by applicable law) shall not be obligated to, store the Communications on the Approved Electronic Platform in accordance with the Administrative Agent’s generally applicable document retention procedures and policies.

(f) Nothing herein shall prejudice the right of the Administrative Agent, any Lender or any Issuing Bank to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 8.04. The Administrative Agent Individually. With respect to its Commitment, Loans, Letter of Credit Commitments and Letters of Credit, the Person serving as the Administrative Agent shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the

extent set forth herein for any other Lender or Issuing Bank, as the case may be. The terms “Issuing Bank”, “Lenders”, “Required Lenders” and any similar terms shall, unless the context clearly otherwise indicates, include the Administrative Agent in its individual capacity as a Lender, an Issuing Bank or as one of the Required Lenders, as applicable. The Person serving as the Administrative Agent and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of banking, trust or other business with, the Borrower, any Subsidiary or any Affiliate of any of the foregoing as if such Person was not acting as the Administrative Agent and without any duty to account therefor to the Lenders or the Issuing Banks.

SECTION 8.05. Successor Administrative Agent.

(a) The Administrative Agent may resign at any time by giving 30 days’ prior written notice thereof to the Lenders, the Issuing Banks and the Borrower, whether or not a successor Administrative Agent has been appointed. Upon any such resignation, the Required Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent’s giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Bank, appoint a successor Administrative Agent, which shall be a bank with an office in New York, New York or an Affiliate of any such bank. In either case, such appointment shall be subject to the prior written approval of the Borrower (which approval may not be unreasonably withheld and shall not be required while an Event of Default has occurred and is continuing). Upon the acceptance of any appointment as Administrative Agent by a successor Administrative Agent, such successor Administrative Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Administrative Agent. Upon the acceptance of appointment as Administrative Agent by a successor Administrative Agent, the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement and the other Loan Documents. Prior to any retiring Administrative Agent’s resignation hereunder as Administrative Agent, the retiring Administrative Agent shall take such action as may be reasonably necessary to assign to the successor Administrative Agent its rights as Administrative Agent under the Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, in the event no successor Administrative Agent shall have been so appointed and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its intent to resign, the retiring Administrative Agent may give notice of the effectiveness of its resignation to the Lenders, the Issuing Banks and the Borrower, whereupon, on the date of effectiveness of such resignation stated in such notice, (i) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents; and (ii) the Required Lenders shall Administrative Agent; provided that (A) all payments required to be made hereunder or under any other Loan Document to the Administrative Agent for the account of any Person other than the Administrative Agent shall be made directly to such Person and (B) all notices and other communications required or contemplated to be given or made to the Administrative Agent shall directly be given or made to each Lender and each Issuing Bank. Following the effectiveness of the Administrative Agent’s resignation from its capacity as such, the provisions of this Article and Section 9.03, as well as any exculpatory, reimbursement and indemnification provisions set forth in any other Loan Document, shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Administrative Agent was acting as Administrative Agent.

SECTION 8.06. Acknowledgements of Lenders and Issuing Banks.

(a) Each Lender represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business and that it has, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement as a Lender, and to make, acquire or hold Loans hereunder. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any Arranger or any other Lender, or any of the Related Parties of any of the foregoing, and based on such documents and information (which may contain material, non-public information within the meaning of the United States securities laws concerning the Borrower and its

Affiliates) as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

(b) Each Lender, by delivering its signature page to this Agreement on the Closing Date, or delivering its signature page to an Assignment and Assumption or any other Loan Document pursuant to which it shall become a Lender hereunder, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be delivered to, or be approved by or satisfactory to, the Administrative Agent or the Lenders on the Closing Date.

SECTION 8.07. Certain ERISA Matters.

(a) Each Lender and each Issuing Bank (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender or Issuing Bank party hereto to the date such Person ceases being a Lender or Issuing Bank party hereto, for the benefit of, the Administrative Agent, and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender or such Issuing Bank is not using “plan assets” (within the meaning of the Plan Asset Regulations) of one or more Benefit Plans in connection with the Loans, the Letters of Credit or the Commitments,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s or such Issuing Bank’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender or such Issuing Bank is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender or such Issuing Bank, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s or such Issuing Bank’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender or such Issuing Bank.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or Issuing Bank or such Lender or such Issuing Bank has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender or such Issuing Bank further (x) represents and warrants, as of the date such Person became a Lender or an Issuing Bank party hereto, to, and (y) covenants, from the date such Person became a Lender or an Issuing Bank party hereto to the date such Person ceases being a Lender or an Issuing Bank party hereto, for the benefit of, the Administrative Agent, and each Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that none of the Administrative Agent, or any Arranger or any of their respective Affiliates is a fiduciary with respect to the assets of such Lender or such Issuing Bank (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related to hereto or thereto).

(c) The Administrative Agent, and each Arranger hereby informs the Lenders and the Issuing Banks that each such Person is not undertaking to provide impartial investment advice, or to give advice in a fiduciary capacity, in connection with the transactions contemplated hereby, and that such Person has a financial interest in the transactions contemplated hereby in that such Person or an Affiliate thereof (i) may receive interest or other payments with respect to the Loans, the Letters of Credit, the Commitments and this Agreement, (ii) may recognize a gain if it extended the Loans, the Letters of Credit or the Commitments for an amount less than the amount being paid for an interest in the Loans, the Letters of Credit or the Commitments by such Lender or such Issuing Bank or (iii) may receive fees or other payments in connection with the transactions contemplated hereby, the Loan Documents or otherwise, including structuring fees, commitment fees, arrangement fees, facility fees, upfront fees, underwriting fees, ticking fees, agency fees, administrative agent or collateral agent fees, utilization fees, minimum usage fees, letter of credit fees, fronting fees, deal-away or alternate transaction fees, amendment fees, processing fees, term out premiums, banker's acceptance fees, breakage or other early termination fees or fees similar to the foregoing.

SECTION 8.08. Erroneous Payments.

(a) If the Administrative Agent (x) notifies a Lender or an Issuing Bank, or any Person who has received funds on behalf of a Lender or an Issuing Bank (any such Lender, Issuing Bank, or other recipient (and each of their respective successors and assigns), a "**Payment Recipient**") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Administrative Agent) received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Bank or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent pending its return or repayment as contemplated below in this Section 8.08 and held in trust for the benefit of the Administrative Agent, and such Lender or such Issuing Bank shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Administrative Agent may, in its sole discretion, specify in writing), return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Administrative Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Issuing Bank, or any Person who has received funds on behalf of a Lender or Issuing Bank (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender or such Issuing Bank, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

(i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender or such Issuing Bank shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 8.08(b).

For the avoidance of doubt, the failure to deliver a notice to the Administrative Agent pursuant to this Section 8.08(b) shall not have any effect on a Payment Recipient's obligations pursuant to Section 8.08(a) or on whether or not an Erroneous Payment has been made.

(c) Each Lender or Issuing Bank hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender or such Issuing Bank under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender or such Issuing Bank under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Administrative Agent has demanded to be returned under immediately preceding clause (a).

(d)

(i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon the Administrative Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance)), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an Approved Electronic Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any promissory notes evidencing such Loans to the Borrower or the Administrative Agent (but the failure of such Person to deliver any such promissory notes shall not affect the effectiveness of the foregoing assignment), (B) the Administrative Agent as the assignee Lender shall be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Administrative Agent and the Borrower shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Administrative Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to Section 9.04 (but excluding, in all events, any assignment consent or approval requirements (whether from the Borrower or otherwise)), the Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the

proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Administrative Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Administrative Agent) and (y) may, in the sole discretion of the Administrative Agent, be reduced by any amount specified by the Administrative Agent in writing to the applicable Lender from time to time.

(e) The parties hereto agree that (x) irrespective of whether the Administrative Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Administrative Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Issuing Bank, to the rights and interests of such Lender or Issuing Bank, as the case may be) under the Loan Documents with respect to such amount (the “***Erroneous Payment Subrogation Rights***”) (provided that the Loan Parties’ Obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Administrative Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party; provided that this Section 8.08 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Borrower relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Administrative Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on “discharge for value” or any similar doctrine.

(g) Each party’s obligations, agreements and waivers under this Section 8.08 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

SECTION 8.09. Guaranty Matters. Each Lender and each Issuing Bank irrevocably authorizes the Administrative Agent (i) to be the agent for and representative of the Lenders and Issuing Banks with respect to the Guaranty and (i) upon the request of the Borrower, release any Subsidiary from its obligations under the Guaranty under the circumstances, and subject to the conditions for release, set forth in Section 16 of the Guaranty. In connection with any such release, the Administrative Agent shall be entitled to rely and shall rely exclusively on an officer’s certificate of the Borrower (the “Release Certificate”) confirming that (a) such release has occurred or will occur upon consummation of one or more identified transactions (an “Identified Transaction”) occur, (b) the conditions to any such release have occurred or will occur upon consummation of an Identified Transaction, and (c) that any such Identified Transaction is permitted by the Loan Documents. The Administrative Agent will be fully exculpated from any liability and shall be fully protected and shall not have any liability whatsoever to any Lender or any Issuing Bank as a result of such reliance. Each Lender and each Issuing Bank irrevocably authorizes and irrevocably consents to reliance on the Release Certificate.

ARTICLE IX

Miscellaneous

SECTION 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at Masimo Corporation, 52 Discovery, Irvine, California 92618, Attention of Chief Financial Officer (Facsimile No. 949-297-7099) with a copy to White & Case LLP, 1221 Avenue of the Americas, New York, New York 10020, Attention of Yehuda Rubel;

(ii) if to the Administrative Agent, to it at its address (or e-mail) set forth on Schedule 9.01; and

(iii) if to any Lender or Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices delivered through Approved Electronic Platforms, to the extent provided in paragraph

(b) below, shall be effective as provided in said paragraph (b).may be delivered or furnished by using Approved Electronic Platforms pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

SECTION 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) or (c) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for

which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Subject to Section 2.13(b) and Section 9.02(c) below, neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected directly and adversely thereby; provided, however, that only the consent of the Required Lenders shall be necessary (A) to amend or waive default interest pursuant hereto or (B) to amend any financial covenant (or any term defined therein) even if the effect of such amendment would be to reduce the rate of interest on any Loan or Letter of Credit or to reduce any fee payable hereunder, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement (it being understood that the waiver of (or amendment to the terms of) any obligation of the Borrower to make any mandatory prepayment of the Loans or mandatory reduction of any commitments (but not, for the avoidance of doubt, any amortization payments pursuant to Section 2.09) shall only require the consent of Required Lenders), or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected directly and adversely thereby, (iv) change Section 2.17(b) or (c) in a manner that would alter ratable reduction of Commitments or the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) change the payment waterfall provisions of Section 2.19(b) without the written consent of each Lender, (vi) change any of the provisions of this Section or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender, (vii) release all or substantially all of the value of the Guarantees provided by the Guarantors without the consent of each Lender, other than any such release expressly contemplated under Article VIII or (viii) other than pursuant to any debtor-in-possession financing, subordinate the Obligations (or any Class thereof) in right of payment to any other Indebtedness without the written consent of each Lender directly and adversely affected thereby; provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or for any Issuing Bank hereunder (including any amendments or modifications to Section 2.19) without the prior written consent of the Administrative Agent or such Issuing Bank, as the case may be; provided further that any waiver, amendment or modification requiring the consent of all Lenders or each directly and adversely affected Lender that by its terms affects any Defaulting Lender disproportionately adversely relative to other directly and adversely affected Lenders shall require the consent of such Defaulting Lender; provided further that no such agreement shall amend or modify the provisions of Section 2.05 or any letter of credit application and any bilateral agreement between the Borrower and any Issuing Bank regarding such Issuing Bank’s Letter of Credit Commitment or the respective rights and obligations between the Borrower and such Issuing Bank in connection with the issuance of Letters of Credit without the prior written consent of the Administrative Agent and such Issuing Bank, respectively.

(c) If the Administrative Agent and the Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement; provided that, for the avoidance of doubt, the foregoing shall not apply in the case of amendments, modifications or supplements requiring the consent of each Lender, each directly and adversely affected Lender or each Issuing Bank, as applicable, pursuant to clause (b) above.

(d) If, in connection with any proposed amendment, waiver or consent requiring the consent of “each Lender” or “each Lender directly and adversely affected thereby”, the consent of the Required Lenders is obtained, but the consent of other necessary Lenders is not obtained (any such Lender whose consent is necessary but not obtained being referred to herein as “**Non-Consenting Lender**”), then the Borrower may elect to replace a Non-

Consenting Lender as a Lender party to this Agreement, provided that, concurrently with such replacement, (i) another bank or other entity which reasonably satisfactory to the Borrower and the Administrative Agent shall agree, as of such date, to purchase for cash the Loans and the other Obligations due to the Non-Consenting Lender pursuant to an Assignment and Assumption and become a Lender for all purposes under this Agreement and to assume all obligations of the Non-Consenting Lender to be terminated as of such date and to comply with the requirements of clause (b) of Section 9.04 and (ii) the Borrower shall pay to such Non-Consenting Lender in same day funds on the day of replacement all interest, fees and other amounts then accrued but unpaid to such Non-Consenting Lender by the Borrower hereunder to an including the date of termination.

SECTION 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented out of pocket expenses actually incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of counsel for the Administrative Agent, in connection with the syndication of the credit facility provided for herein, the preparation and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated) (but limited, in the case of legal fees and expenses of legal counsel, to the actual reasonable and documented out-of-pocket fees, disbursements and other charges of one lead counsel and one local counsel in each relevant jurisdiction to the Arranger, the Administrative Agent and their Affiliates), (ii) all reasonable and documented out-of-pocket expenses incurred by each of the Issuing Banks in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the fees, charges and disbursements of counsel, in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Borrower shall indemnify the Administrative Agent, each Arranger, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “*Indemnitee*”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by any Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation, arbitration or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation, arbitration or proceeding is brought by the Borrower or any other Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that (A) for claims made by an Indemnitee pursuant to clause (i) of this Section 9.03(b), the Borrower shall not be liable for legal fees and expenses of legal counsel with respect to any individual claims, damages, losses, liabilities or expenses of more than one primary counsel, one local counsel and, in the case of an actual or perceived conflict of interest, any other primary and/or local counsel to the Administrative Agent and the Lenders, and (B) such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or any of its Related Parties. This Section 9.03(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(c) Each Lender severally agrees to pay any amount required to be paid by the Borrower under paragraph (a) or (b) of this Section 9.03 to the Administrative Agent, each Issuing Bank, and each Related Party of any of the foregoing Persons (each, an “*Agent Indemnitee*”) (to the extent not reimbursed by the Borrower and without limiting the obligation of the Borrower to do so), ratably according to their respective amounts of Loans, Commitments and LC Exposure in effect on the date on which indemnification is sought under this Section (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with their respective amounts of Loans, Commitments and LC Exposure immediately prior to such date), from and against any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent Indemnitee in any way relating to or arising out of the Commitments, the Loans, the Letters of Credit, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent Indemnitee under or in connection with any of the foregoing; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent Indemnitee in its capacity as such; provided further that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Agent Indemnitee or any of its Related Parties. The agreements in this Section shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d) To the extent permitted by applicable law (i) the Borrower shall not assert, and the Borrower hereby waives, any claim against any Indemnitee for any damages arising from the use by others of information or other materials obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii) no party hereto shall assert, and each such party hereby waives, any claim against any other party hereto, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this clause (d)(ii) shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable not later than ten Business Days after written demand therefor.

SECTION 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more Persons (other than an Ineligible Institution) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment, participations in Letters of Credit and/or the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Borrower; provided that the Borrower shall be deemed to have consented to an assignment of all or a portion of the Loans and/or Commitments unless it shall have objected thereto by written notice to the Administrative Agent within ten (10) Business Days after having received notice thereof provided that no consent of the Borrower shall be required for (i) an assignment to a Lender, an Affiliate of a Lender, an Approved Fund or (ii) if an Event of Default has occurred and is continuing, any other assignee;

(B) the Administrative Agent, provided that no consent of the Administrative Agent shall be required for an assignment of any Commitment to an assignee that is a Lender (other than a Defaulting Lender) with a Commitment immediately prior to giving effect to such assignment; and

(C) in the case of any assignment of Revolving Commitments, the Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Borrower and the Administrative Agent otherwise consent, provided that no such consent of the Borrower shall be required if an Event of Default has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, provided that this clause shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent (x) an Assignment and Assumption or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, together with a processing and recordation fee of \$3,500; and

(D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire in which the assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower and its related parties or its securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws.

For the purposes of this Section 9.04(b), the term "**Approved Fund**" and "**Ineligible Institution**" have the following meanings:

"**Approved Fund**" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"**Ineligible Institution**" means (a) a natural person, (b) a Defaulting Lender, (c) the Borrower or any of its Affiliates, (d) a Disqualified Lender and (e) a company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person or relative(s) thereof; provided that, such company, investment vehicle or trust shall not constitute an Ineligible Institution if it (x) has not been established for the primary purpose of acquiring any Loans or Commitments, (y) is managed by a professional advisor, who is not such natural person or a relative thereof, having significant experience in the business of making or purchasing commercial loans, and (z) has assets greater

than \$25,000,000 and a significant part of its activities consist of making or purchasing commercial loans and similar extensions of credit in the ordinary course of its business.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.14, 2.15, 2.16 and 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of (x) a duly completed Assignment and Assumption executed by an assigning Lender and an assignee or (y) to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and the parties to the Assignment and Assumption are participants, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register; provided that if either the assigning Lender or the assignee shall have failed to make any payment required to be made by it pursuant to Section 2.05(d) or (e), 2.06(b), 2.17(d) or 9.03(c), the Administrative Agent shall have no obligation to accept such Assignment and Assumption and record the information therein in the Register unless and until such payment shall have been made in full, together with all accrued interest thereon. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) Any Lender may, without the consent of the Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a "**Participant**"), other than an Ineligible Institution, in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged; (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations; and (C) the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.02(b) that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.14, 2.15 and 2.16 (subject to the requirements and limitations therein, including the requirements under 2.16(f) (it being understood that the documentation required under Section 2.16(f) shall be delivered to the participating Lender and the information and documentation required under Section 2.16(g) will be delivered to the Borrower and the Administrative Agent)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section; provided that

such Participant (A) agrees to be subject to the provisions of Section 2.18 as if it were an assignee under paragraph (b) of this Section; and (B) shall not be entitled to receive any greater payment under Section 2.14 or 2.16, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.18(b) and 9.02(d) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.17(c) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 9.05. Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement or any other Loan Documents shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the other Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.14, 2.15, 2.16 and 9.03 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06. Integration; Effectiveness; Electronic Execution; Electronic Records; Counterparts.

(a) This Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) This Agreement, any Loan Document and any other Communication, including Communications required to be in writing, may be in the form of an Electronic Record and may be executed using Electronic Signatures. Each of the Loan Parties and each of the Administrative Agent and each Lender Party agrees that any Electronic Signature on or associated with any Communication shall be valid and binding on such Person to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of such Person enforceable against such Person in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Administrative Agent and each of the Lenders may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record (“Electronic Copy”), which shall be deemed created in the ordinary course of such Person’s business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, neither the Administrative Agent nor Issuing Bank is under any obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by such Person pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Administrative Agent and/or Issuing Bank has agreed to accept such Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on any such Electronic Signature purportedly given by or on behalf of any Loan Party and/or any Lender without further verification and (b) upon the request of the Administrative Agent or any Lender Party, any Electronic Signature shall be promptly followed by such manually executed counterpart.

(c) Neither the Administrative Agent nor Issuing Bank shall be responsible for or have any duty to ascertain or inquire into the sufficiency, validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document (including, for the avoidance of doubt, in connection with the Administrative Agent’s or Issuing Bank’s reliance on any Electronic Signature transmitted by telecopy, emailed .pdf or any other electronic means). The Administrative Agent and Issuing Bank shall be entitled to rely on, and shall incur no liability under or in respect of this Agreement or any other Loan Document by acting upon, any Communication (which writing may be a fax, any electronic message, Internet or intranet website posting or other distribution or signed using an Electronic Signature) or any statement made to it orally or by telephone and believed by it to be genuine and signed or sent or otherwise authenticated (whether or not such Person in fact meets the requirements set forth in the Loan Documents for being the maker thereof).

(d) Each of the Loan Parties and each Lender hereby waives (i) any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document based solely on the lack of paper original copies of this Agreement, such other Loan Document, and (ii) waives any claim against the Administrative Agent, each Lender and each Related Party for any liabilities arising solely from the Administrative Agent’s and/or any Lender’s reliance on or use of Electronic Signatures, including any liabilities arising as a result of the failure of the Loan Parties to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held, and other obligations at any time owing, by such Lender, such Issuing Bank or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the

obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or such Issuing Bank or their respective Affiliates, irrespective of whether or not such Lender, Issuing Bank or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender or such Issuing Bank different from the branch office or Affiliate holding such deposit or obligated on such indebtedness; provided that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.19 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the Issuing Bank, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank or their respective Affiliates may have. Each Lender and each Issuing Bank agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York.

(b) [Reserved].

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby

irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower, any Loan Party or its properties in the courts of any jurisdiction.

(d) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in paragraph (c) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO

REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12. Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority such as the National Association of Insurance Commissioners), it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any permitted assignee of or Participant in, or any prospective permitted assignee of or Participant in, any of its rights or obligations under this Agreement; provided that in no event shall such disclosure be made to any Disqualified Lender or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative or other related transaction relating to the Borrower and its obligations, (g) on a confidential basis to (1) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided for herein or (2) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of identification numbers with respect to the credit facilities provided for herein, (h) with the consent of the Borrower or (i) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis from a source other than the Borrower. For the purposes of this Section, "**Information**" means all information received from the Borrower relating to the Borrower or its business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a non-confidential basis prior to disclosure by the Borrower and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from the Borrower after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. For the avoidance of doubt, nothing herein prohibits any individual from communicating or disclosing information regarding suspected violations of laws, rules, or regulations to a governmental, regulatory, or self-regulatory authority without any notification to any Person.

SECTION 9.13. Material Non-Public Information.

(a) EACH LENDER AND EACH ISSUING BANK ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING THE BORROWER AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(b) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS, FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON PUBLIC INFORMATION ABOUT THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER AND EACH ISSUING BANK REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 9.14. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan under applicable law (collectively the “*Charges*”), shall exceed the maximum lawful rate (the “*Maximum Rate*”) which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with applicable law, the rate of interest payable in respect of such Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate to the date of repayment, shall have been received by such Lender.

SECTION 9.15. USA Patriot Act. Each Lender that is subject to the requirements of the USA PATRIOT Act of 2001 (the “Patriot Act”) and the Beneficial Ownership Regulation hereby notifies the Borrower and the other Loan Parties that pursuant to the requirements of the Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies the Borrower and the other Loan Parties, which information includes the name and address of the Borrower and the other Loan Parties and other information that will allow such Lender to identify the Borrower and the other Loan Parties in accordance with the Patriot Act and the Beneficial Ownership Regulation.

SECTION 9.16. California Judicial Reference. If any action or proceeding is filed in a court of the State of California by or against any party hereto in connection with any of the transactions contemplated by this Agreement or any other Loan Document, (a) the parties agree, and hereby agree to advise the applicable court, that the adjudication of any such action or proceeding (and all related claims) shall be made pursuant to California Code of Civil Procedure Section 638 by a referee (who shall be a single active or retired judge) who shall hear and determine all of the issues in such action or proceeding (whether of fact or of law) and report a statement of decision, provided that at the option of any party to such proceeding, any such issues pertaining to a “provisional remedy” as defined in California Code of Civil Procedure Section 1281.8 shall be heard and determined by the court, and (b) without limiting the generality of Section 9.03, the Borrower shall be solely responsible to pay all fees and expenses of any referee appointed in such action or proceeding.

SECTION 9.17. Judgment Currency. If for the purposes of obtaining judgment in any court it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the “*Specified Currency*”) into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the Specified Currency with such other currency at the Administrative Agent’s New York office on the Business Day preceding that on which final judgment is given. The obligations of the Borrower in respect of any sum due to any Lender, any Issuing Bank or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the Specified Currency, be discharged only to the extent that on the Business Day following receipt by such Lender, such Issuing Bank or the Administrative Agent (as the case may be) of any sum adjudged to be so due in such other currency such Lender, such Issuing Bank or the Administrative Agent (as the case may be) may in accordance with normal banking procedures purchase the Specified Currency with such other currency; if the amount of the Specified Currency so purchased is less than the sum originally due to such Lender, such Issuing Bank or the Administrative Agent, as the case may be, in the

Specified Currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender, such Issuing Bank or the Administrative Agent, as the case may be, against such loss.

SECTION 9.18. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder that may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

SECTION 9.19. No Fiduciary Duty, etc. The Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that no Credit Party will have any obligations except those obligations expressly set forth herein and in the other Loan Documents and each Credit Party is acting solely in the capacity of an arm's length contractual counterparty to the Borrower with respect to the Loan Documents and the transaction contemplated therein and not as a financial advisor or a fiduciary to, or an agent of, the Borrower or any other person. The Borrower agrees that it will not assert any claim against any Credit Party based on an alleged breach of fiduciary duty by such Credit Party in connection with this Agreement and the transactions contemplated hereby. Additionally, the Borrower acknowledges and agrees that no Credit Party is advising the Borrower as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Borrower shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Credit Parties shall have no responsibility or liability to the Borrower with respect thereto.

The Borrower further acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party, together with its Affiliates, is a full service securities or banking firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, any Credit Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, the Borrower and other companies with which the Borrower may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any Credit Party or any of its customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

In addition, the Borrower acknowledges and agrees, and acknowledges its Subsidiaries' understanding, that each Credit Party and its affiliates may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which the Borrower may have conflicting interests regarding the transactions described herein and otherwise. No Credit Party will use confidential information obtained from the Borrower by virtue of the transactions contemplated by the Loan Documents or its other relationships with the Borrower in connection with the performance by such Credit Party of services for other companies, and no Credit

Party will furnish any such information to other companies. The Borrower also acknowledges that no Credit Party has any obligation to use in connection with the transactions contemplated by the Loan Documents, or to furnish to the Borrower, confidential information obtained from other companies.

SECTION 9.20. Acknowledgment Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support “**QFC Credit Support**” and each such QFC a “**Supported QFC**”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “**U.S. Special Resolution Regimes**”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States): In the event a Covered Entity that is party to a Supported QFC (each, a “**Covered Party**”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective authorized officers as of the day and year first above written.

MASIMO CORPORATION, as Borrower

By: /s/ MICAH YOUNG

Name: Micah Wesley Young

Title: EVP, Chief Financial Officer

BANK OF AMERICA, as Administrative Agent

By: /s/ CHRISTINE TROTTER

Name: Christine Trotter

Title: Vice President

BANK OF AMERICA, as Lender

By: /s/ KENNETH WONG

Name: Kenneth Wong

Title: Senior Vice President

JPMorgan Chase Bank, as Lender

By: /s/ GREGORY MARTIN

Name: Gregory Martin

Title: Executive Director

U.S BANK NATIONAL ASSOCIATION, as Lender

By: /s/ HEIDI BARTA

Name: Heidi Barta

Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ THOMAS LOWREY

Name: Thomas Lowrey

Title: SVP

CITIBANK, N.A., as Lender

By: /s/ JAMIE MANTLE

Name: Jamie Mantle

Title: Authorized Signatory

BMO Bank N.A., as Lender

By: /s/ DAVID HOBERT

Name: David Hobert

Title: Managing Director

DNB CAPITAL LLC, as Lender

By: /s/ DAVID MEISNER

Name: David Meisner

Title: First Vice President

KEYBANK N.A, as Lender

By: /s/ JAMES GIBSON

Name: James Gibson

Title: Senior Relationship Manager

**SCHEDULE 2.01
COMMITMENTS**

Lender	Revolving Commitment	Pro Rata Share of Revolving Commitment	Term Commitment	Pro Rata Share of Term Commitment	Letter of Credit Commitment	Pro Rata Share of Letter of Credit Commitment
** **	** **	** **	** **	** **	** **	** **
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Total	** **	** **	** **	** **	** **	** **

SCHEDULE 3.17
CAPITALIZATION AND SUBSIDIARIES

Owner	Subsidiary	Organization of	Ownership Percentage	Loan Party/Material Subsidiary?
Masimo Corporation	Masimo Americas, Inc.	Corporation	100%	Yes
Masimo Corporation	Sp02.com, Inc.	Corporation	100%	No
Masimo Corporation	SEDLine, Inc.	Corporation	100%	No
Masimo Corporation	Masimo Semiconductors, Inc.	Corporation	100%	No
Masimo Corporation	52 Discovery, LLC	Limited Liability Company	100%	No
Masimo Corporation	Masimo 17, LLC	Limited Liability Company	100%	No
Masimo Corporation	Patient Doctor Technologies, Inc.	Corporation	100%	No
Masimo Corporation	Masimo Technology Cafe, LLC	Limited Liability Company	100%	No
Masimo Corporation	Alton Office Holdings, LLC	Limited Liability Company	100%	No
Masimo Corporation	OC Property Ventures, LLC	Limited Liability Company	100%	No
Masimo Corporation	VCCB Holdings, LP	Corporation	100%	No
Masimo Corporation	Masimo Holdings, LLC	Limited Liability Company	100%	No
Masimo Corporation	Masimo Holdings, LP	Limited Partnership	100%	No
Masimo Holdings LLC	Masimo Holdings, LP	Limited Partnership	100%	No
Masimo Holdings LP	Masimo International Technologies SARM	Private Limited Liability Company	100%	No [Loan Party] Yes [Material Subsidiary]
Masimo Holdings LP	Masimo Hong Kong Limited	Limited Liability Company	100%	No
Masimo Hong Kong Limited	Masimo (China) Medical Technology Co., Ltd.	Limited Liability Company	100%	No
Masimo Hong Kong Limited	Masimo (Shanghai) Industrial Co., Ltd.	Limited Liability Company	100%	No
Masimo International Technologies SARM	Masimo International SARM	Private Limited Liability Company	100%	No [Loan Party] No [Loan Party] Yes [Material Subsidiary]
Masimo International SARM	Masimo Japan Kabushiki Kaisha	Corporation	100%	No
Masimo International SARM	Masimo Europe Limited	Private Limited Company	100%	No
Masimo International SARM	Masimo Canada ULC	Unlimited Liability Corporation	100%	No

Owner	Subsidiary	Organization of	Ownership Percentage	Loan Party/Material Subsidiary?
Masimo International SARL	Masimo Australia Pty Ltd	Proprietary Limited Company	100%	No
Masimo International SARL	Masimo Deutschland GmbH	Limited Liability Company	100%	No
Masimo International SARL	Masimo Oesterreich GmbH	Limited Liability Company	100%	No
Masimo International SARL	Masimo de Mexico Holdings I LLC	Limited Liability Company	100%	No
Masimo International SARL	Masimo Asia Pacific Pte. Ltd.	Private Limited Company	100%	No
Masimo International SARL	TNI Medical AG Public	Private Limited Company	100%	No
Masimo International SARL	Masimo Sweden AB	Limited Liability Company	100%	No
Masimo International SARL	Masimo Korea, LLC.	Limited Liability Company	100%	No
Masimo International SARL	Masimo Saudi Arabia for Trading, LLC	Limited Liability Company	100%	No
Masimo International SARL	Masimo International SARL Regional Headquarter	Limited Liability Company	100%	No
Masimo International SARL	Masimo Gulf LLC	Limited Liability Company	100%	No
Masimo International SARL	Masimo (Gulf) Medical Technologies WLL	Limited Liability Company	100%	No
Masimo International SARL	Masimo Medical Technologies (Malaysia) Sdn. Bhd.	Limited Liability Company	100%	No
Masimo Europe Limited	Masimo Medical Technologies (Spain) S.L.	Limited Liability Company	100%	No
Masimo de Mexico Holdings I LLC	Masimo Mexico S. de R.L. de C.V.	Limited Liability Company	99%	No
Masimo de Mexico Holdings II LLC	Masimo Mexico S. de R.L. de C.V.	Limited Liability Company	1%	No
Owner	Subsidiary	Organization of	Ownership Percentage	Loan Party/Material Subsidiary?

Masimo International SARL	Masimo Importação e Distribuição de Produtos Médicos Ltda.	Limited Liability Company	99%	No
Masimo International Technologies SARL	Masimo Importação e Distribuição de Produtos Médicos Ltda.	Limited Liability Company	1%	No
Masimo International SARL	Masimo Medikal Ürünler Ticaret Limited Sti.	Limited Liability Company	99%	No
Masimo de Mexico Holdings I LLC	Masimo Medikal Ürünler Ticaret Limited Sti.	Limited Liability Company	1%	No
Masimo International SARL	Masimo Medical Technologies India Pvt. Ltd.	Private Limited Company	99%	No
Masimo de Mexico Holdings I LLC	Masimo Medical Technologies India Pvt. Ltd.	Private Limited Company	1%	No
Masimo International SARL	Masimo Polska Sp. z.o.o.	Limited Liability Company	99%	No
Masimo de Mexico Holdings I LLC	Masimo Polska Sp. z.o.o.	Limited Liability Company	1%	No
Masimo Semiconductor, Inc	Masimo 25 Sagamore LLC	Limited Liability Company	100%	No
Alton Office Holdings, LLC	Alton Office Property, LLC	Limited Liability Company	100%	No
OC Property Ventures, LLC	OC Property Shelter, LLC	Limited Liability Company	100%	No
Masimo Europe Limited	Masimo LHC Limited	Limited Liability Company	100%	No
Masimo LHC Limited	LiDCO Group Limited	Public Limited Company	100%	No
LiDCO Group Limited	LiDCO Limited	Limited Liability Company	100%	No
LiDCO Group Limited	LiDCO Netherlands B.V.	Private Liability Company	100%	No
Masimo Corporation	Nura Holdings Pty Ltd.	Proprietary Liability Company	100%	No
Nura Holdings Pty Ltd.	Nura Operations Pty Ltd.	Proprietary Liability Company	100%	No
Nura Holdings Pty Ltd.	Shenzhen Nura Electroacoustic Technology Co., Ltd.	Limited Liability Company	100%	No

Schedule 6.01
INDEBTEDNESS

None.

Schedule 6.02
LIENS

None.

**Schedule 6.04
INVESTMENTS**

The Borrower and its Subsidiaries have the following long-term investments in other companies:

<u>Name of Holder</u>	<u>Name of Company</u>	<u>Amount of Investment</u>
Masimo Corporation	** **	** **
Masimo Corporation	** **	** **

The Borrower and its Subsidiaries have the following outstanding minority equity investments in Persons other than Subsidiaries:

<u>Name of Holder</u>	<u>Name of Company</u>	<u>Amount of Investment</u>
None.		

The Borrower and its Subsidiaries have the following outstanding intercompany loans as of October 25, 2025:

<u>Name of Holder</u>	<u>Name of Debtor</u>	<u>Outstanding Principal Amount</u>
** **	** **	** **
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The Borrower and its Subsidiaries have the following outstanding intercompany investments as of October 25, 2025:

<u>Subsidiary Name</u>	<u>Equity Holder</u>	<u>Investment Amount</u>
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Schedule 6.08
RESTRICTIVE AGREEMENTS

None.

Schedule 9.01
ADMINISTRATIVE AGENT'S OFFICE:
CERTAIN ADDRESSES FOR NOTICES

ADMINISTRATIVE AGENT:

Administrative Agent's Office

(for payments and Requests for Credit Extensions):

Bank of America, N.A.
4500 Amon Carter Blvd
Mail Code: TX2-979-02-22
Fort Worth, TX 76155
Attention: Betty Coleman
Telephone: 469-201-8235
Facsimile: 214-290-9419
Electronic Mail: betty.coleman@bofa.com
Account No.: 1366072250600
Account Name: Wire Clearing Acct for Syn Loans - LIQ
Ref: Masimo Corporation
ABA# 026009593

Other Notices as Administrative Agent:

Bank of America, N.A.
Agency Management
540 W Madison St
Mail Code: IL540-22-29
Chicago, IL 60661
Attention: Teresa Weirath
Telephone: 312-992-3532
Electronic Mail: teresa.weirath@bofa.com

ISSUING BANKS:

Bank of America, N.A.
Trade Operations
1 Fleet Way
Mail Code: PA6-580-02-30
Scranton, PA 18507
Attention: Michael Grizzanti
Telephone: 570-496-9621
Facsimile: 800-755-8743
Electronic Mail: michael.a.grizzanti@bofa.com

JPMorgan Chase Bank, N.A.
10 South Dearborn L2
Chicago, Illinois 60603
Telephone: 855-609-9959
Facsimile: 214-307-6874
Email: chicago.lc.agency.closing.team@jpmchase.com

Citibank, N.A.
Commercial Syndications Loans Ops
6460 Las Colinas Blvd
Irving TX 75039
Email: Clo.cbgdlo@citi.com

U.S. Bank National Association
CLS Syndication Services Team
1850 Osborn Ave
Oshkosh, WI 54902
Telephone: 920.237.7601
Facsimile: 866.721.7062
Email: clssyndicationserviceteam@usbank.com

PNC Bank, National Association
Attention: Roz Cunningham
Telephone: 440-201-1304
Email: PartsLC@PNC.com

Exhibit A

**[Form of]
Assignment and Assumption**

This Assignment and Assumption (the “*Assignment and Assumption*”) is dated as of the Effective Date set forth below and is entered into by and between [Insert name of Assignor] (the “*Assignor*”) and [Insert name of Assignee] (the “*Assignee*”).

Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, restated, amended and restated, supplemented or otherwise modified, the “*Credit Agreement*”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto

in the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any Letters of Credit included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the “Assigned Interest”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____
Assignor is not Defaulting Lender
2. Assignee: _____
[and is an Affiliate/Approved Fund of [identify Lender]¹]
3. Borrower: Masimo Corporation
4. Administrative Agent: Bank of America, N.A., as the administrative agent under the Credit Agreement
5. Credit Agreement: The Credit Agreement dated as of December 1, 2025 among Masimo Corporation, the Lenders and Issuing Banks parties thereto, Bank of America, N.A., as Administrative Agent, and the other parties thereto

¹ Select as applicable.

6. Assigned Interest:

Facility Assigned ²	Aggregate Amount of Commitment/Loans of the applicable Class for all Lenders	Amount of Commitment/Loans of Class Assigned	Percentage Assigned of Commitment/Loans of such Class ³
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

Effective Date: _____, 202____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

[The Assignee agrees to deliver to the Administrative Agent a completed Administrative Questionnaire in which the Assignee designates one or more Credit Contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower[, the Loan Parties] and [its] [their] Related Parties or their respective securities) will be made available and who may receive such information in accordance with the Assignee's compliance procedures and applicable laws, including Federal and state securities laws.]⁴

The terms set forth in this Assignment and Assumption are hereby agreed to:

Assignor

By: _____
[Name of Assignor]
Title:

² Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g. "Revolving Commitment" or "Term Loans").
³ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of the applicable Class of all Lenders thereunder.
⁴ To be included if the Assignee is not a Lender.

Assignee

By: _____
[Name of Assignor]
Title:

[Consented to and¹⁵ Accepted

**BANK OF AMERICA, N.A.,
as Administrative Agent**

By: _____
Title:
[Consented to]¹⁶

[Name of Relevant Party]
By: _____
Title:

⁵ To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

⁶ To be added only if the consent of the Borrower and/or other parties (e.g. Issuing Bank) is required by the terms of the Credit Agreement.

**Standard Terms and Conditions for
Assignment and Assumption**

1. Representations and Warranties.

- 1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is not a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
- 1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.
2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to but excluding the Effective Date and to the Assignee for amounts which have accrued from and after the Effective Date.
3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Acceptance and adoption of the terms of this Assignment and Assumption by the Assignee and the Assignor by Electronic Signature or delivery of an executed counterpart of a signature page of this Assignment and Assumption by any Approved Electronic Platform shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be construed in accordance with and governed by the law of the State of New York.

Exhibit B

Reserved

Exhibit C-1

**[Form of]
U.S. Tax Compliance Certificate**

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 1, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among Masimo Corporation, Bank of America, N.A., as administrative agent, and the Lenders and Issuing Banks from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that 0 it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10-percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[Name of Lender]

By:

Name:

Title:

Date: _____, 202[•]

Exhibit C-2

**[Form Of]
U.S. Tax Compliance Certificate**

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 1, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Masimo Corporation, Bank of America, N.A., as administrative agent, and the Lenders and Issuing Banks from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a “10-percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (iv) it is not a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[Name of Participant]

By:

Name:

Title:

Date: _____, 202[•]

Exhibit C-3

**[Form of]
U.S. Tax Compliance Certificate**

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 1, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “*Credit Agreement*”), among Masimo Corporation, Bank of America, N.A., as administrative agent, and each the Lenders and Issuing Banks from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a “bank” extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a “10-percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner’s/member’s beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[Name of Participant]

By:

Name:

Title:

Date: _____, 202[•]

Exhibit C-4

**[Form of]
U.S. Tax Compliance Certificate**

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 1, 2025 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "*Credit Agreement*"), among Masimo Corporation, Bank of America, N.A., as administrative agent, the Lenders and Issuing Banks from time to time party thereto.

Pursuant to the provisions of Section 2.16 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10-percent shareholder" of the Borrower within the meaning of Section 881(c)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[Name of Lender]

By:

Name:

Title:

Date: _____, 202[•]

Exhibit D

**[Form of]
Solvency Certificate**

_____, _____
Pursuant to Section 4.01(e) of that certain Credit Agreement (as amended, restated, amended and restated, supplemented or otherwise modified, the “*Credit Agreement*”), dated as of December 1, 2025, among Masimo Corporation, a Delaware corporation (the “*Borrower*”), the Lenders and Issuing Banks party thereto and Bank of America, N.A., as administrative agent (the “*Administrative Agent*”), the undersigned hereby certifies, solely in such undersigned’s capacity as [Chief Financial Officer/equivalent officer] of the Borrower, and not individually, as follows:

As of the date hereof, after giving effect to the consummation of the Transactions, including the making of the Loans under the Credit Agreement on the date hereof, and after giving effect to the application of the proceeds of such Loans:

- (a) The fair value of the assets of the Borrower and its Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise;
- (b) The present fair saleable value of the property of the Borrower and its Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured;
- (c) The Borrower and its Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured; and
- (d) The Borrower and its Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital.

For purposes of this Solvency Certificate, the amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

The undersigned is familiar with the business and financial position of the Borrower and its Subsidiaries. In reaching the conclusions set forth in this Solvency Certificate, the undersigned has made such other investigations and inquiries as the undersigned has deemed appropriate, having taken into account the nature of the particular business anticipated to be conducted by the Borrower and its Subsidiaries after consummation of the Closing Date transactions contemplated by the Credit Agreement.

[Signature Page Follows]

In Witness Whereof, the undersigned has executed this Solvency Certificate in such undersigned's capacity as [Chief Financial Officer/equivalent officer] of the Borrower, on behalf of the Borrower, and not individually, as of the date first stated above.

Masimo Corporation, as the Borrower

By: _____
Name:
Title:

Exhibit E

**[Form of]
Borrowing Request**

To: BANK OF AMERICA, N.A.,
as Administrative Agent
for the Lenders referred to below

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement (the “*Credit Agreement*”), dated as of December 1, 2025, among Masimo Corporation, a Delaware corporation (the “*Borrower*”), the Lenders and Issuing Banks party thereto and Bank of America, N.A., as administrative agent (the “*Administrative Agent*”). Capitalized terms used herein and not otherwise defined herein have the meanings specified in the Credit Agreement.

The undersigned hereby gives you notice pursuant to Section 2.03 of the Credit Agreement that it requests a Borrowing under the Credit Agreement, and in that connection sets forth below the terms on which such Borrowing is requested to be made:

Date of Borrowing	_____
(which shall be a Business Day)	
Principal Amount of Borrowing	_____
Type of Borrowing	_____
Class of Borrowing	_____
Interest Period and then last day thereof	_____
(in the case of a Term SOFR Borrowing)	

[The remainder of this page is intentionally left blank.]

⁷ Specify an ABR Borrowing or a Term SOFR Borrowing.

⁸ Specify Borrowing of Revolving Loans or Term Loans.

⁹ The initial Interest Period applicable to a Term SOFR Borrowing shall be subject to the definition of “Interest Period”.

Masimo Corporation, as the Borrower

By: _____
Name:
Title:

Exhibit F

**[FORM OF]
Interest Election Request**

To: BANK OF AMERICA, N.A.,
as Administrative Agent
for the Lenders referred to below

_____, _____¹⁰

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement (the “*Credit Agreement*”), dated as of December 1, 2025, among Masimo Corporation, a Delaware corporation (the “*Borrower*”), the Lenders and Issuing Banks party thereto and Bank of America, N.A., as administrative agent (the “*Administrative Agent*”). Capitalized terms used herein and not otherwise defined herein have the meanings specified in the Credit Agreement.

This notice constitutes a notice of conversion or notice of continuation, as applicable, under Section 2.07 of the Credit Agreement, and the Borrower hereby notifies the Administrative Agent of the following information with respect to the conversion or continuation requested hereby:

- a. The Borrowing to which this Interest Election Request applies is [●]¹¹;
- b. The effective date of the election (which shall be a Business Day) made pursuant to this Interest Election Request is [●], 20[●];
- c. The resulting Borrowing is to be [an ABR Borrowing][a Term SOFR Borrowing]; and]
- d. The Interest Period applicable to the resulting Borrowing after giving effect to such election is [●]¹².

[The remainder of this page is intentionally left blank.]

¹⁰ Administrative Agent must be notified as indicated in Section 2.07 of the Credit Agreement in the case of an election to convert to or continue a Term SOFR Borrowing election, not later than 1:00 p.m. New York City time, three U.S. Government Securities Days before the effective date of such election or, in the case of an election to convert to or continue an ABR Borrowing, not later than 10:00 a.m., New York City time, on the Business Day of such election.

¹¹ If different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information specified pursuant to (d) below shall be specified for each resulting Borrowing).

¹² Include this clause (d) if the resulting Borrowing is a Term SOFR Borrowing. Such Interest Period shall be a period contemplated by the definition of the term “Interest Period” as set forth in the Credit Agreement. In the case of a Term SOFR Borrowing that does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month’s duration.

Masimo Corporation, as the Borrower

By: _____
Name:
Title:

Exhibit G

**[FORM OF]
Notice of Loan Prepayment**

Date: _____, _____¹³

To: Bank of America, N.A., as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement (the “*Credit Agreement*”), dated as of December 1, 2025, among Masimo Corporation, a Delaware corporation (the “*Borrower*”), the Lenders and Issuing Banks party thereto and Bank of America, N.A., as administrative agent (the “*Administrative Agent*”). Capitalized terms used herein and not otherwise defined herein have the meanings specified in the Credit Agreement.

The Borrower hereby requests to prepay, pursuant to Section 2.10(d) of the Credit Agreement, on _____, 202_¹⁴:

[Revolving Loan]

Requested Amount	ABR Borrowing or Term SOFR Borrowing	Interest Period for Term SOFR Borrowings (e.g. 1, 3 or 6 month interest period)

[Term Loan]

Requested Amount	ABR Borrowing or Term SOFR Borrowing	Interest Period for Term SOFR Borrowings (e.g. 1, 3 or 6 month interest period)

[This notice is conditioned upon the [occurrence][non-occurrence] of [describe specified event] (the “*Specified Transaction*”), and this notice may be revoked by the Borrower if the Specified Transaction [does not occur][occurs].]¹⁵

¹³ Note to Borrower. The submission of a Notice of Loan Prepayment for any Term SOFR Borrowings shall be not later than 1:00 p.m., New York City time, three U.S. Government Securities Days before the date of prepayment, and for any ABR Borrowing, not later than 1:00 p.m., New York City time, one Business Day before the date of prepayment (or, in each case, such other time as may be agreed to by the Administrative Agent in its reasonable discretion).

¹⁴ Note to Borrower. Complete a new row for each Borrowing being prepaid.

¹⁵ Borrower to insert only if applicable.

Masimo Corporation, as the Borrower

By: _____
Name:
Title:

Subsidiaries of the Registrant - 2025

The following are wholly-owned subsidiaries of the registrant, Masimo Corporation, a Delaware corporation:

<u>Name of Subsidiary</u>	<u>State or Jurisdiction of Incorporation or Organization</u>
Masimo Americas, Inc.	Delaware
Masimo de Mexico Holdings I LLC	Delaware
Masimo de Mexico Holdings II LLC	Delaware
Masimo Holdings LLC	Delaware
SpO2.com, Inc.	Delaware
SEDLine, Inc.	Delaware
Masimo Australia Pty Ltd	Australia
Masimo Österreich GmbH	Austria
Masimo Importacao e Distribuicao de Produtos Medicos Ltda	Brazil
Masimo Holdings LP	Cayman
Masimo (China) Medical Technology Co., Ltd.	China
Masimo Europe Ltd.	United Kingdom
Masimo Hong Kong Limited	Hong Kong
Masimo Medical Technologies India Private Limited	India
Masimo Japan Kabushiki Kaisha	Japan
Masimo Mexico, S. de R.L. de C.V.	Mexico
Masimo Canada ULC	Nova Scotia
Masimo Asia Pacific PTE. Ltd.	Singapore
Masimo International SARL	Switzerland
Masimo International Technologies SARL	Switzerland
Masimo Medical Technologies (Spain) SL	Spain
Masimo Medikal Ürünler Ticaret Limited Şirketi	Turkey
Masimo Semiconductor, Inc.	Delaware
Masimo Sweden AB	Sweden
52 Discovery, LLC	California
Masimo 25 Sagamore, LLC	New Hampshire
Masimo Korea, LLC	South Korea
Masimo 17, LLC	California
Masimo (Shanghai) Industrial Co., Ltd.	China
Patient Doctor Technologies, Inc.	Delaware
Alton Office Property, LLC	Delaware

<u>Name of Subsidiary</u>	<u>State or Jurisdiction of Incorporation or Organization</u>
Alton Office Holdings, LLC	Delaware
OC Property Ventures LLC	Delaware
OC Property Shelter LLC	Delaware
Masimo Saudi Arabia for Trading, LLC	Saudi Arabia
Masimo International SARL Regional Headquarter, LLC	Saudi Arabia
VCCB Holdings, Inc.	Delaware
TNI medical AG	Germany
Masimo Technology Café LLC	California
Masimo LHC, Limited	United Kingdom
LiDCO Group Limited	United Kingdom
LiDCO Limited	United Kingdom
LiDCO Netherlands B.V.	Netherlands
Masimo Deutschland GmbH	Germany
Masimo Gulf, LLC	Qatar
Masimo (Gulf) Medical Technologies WLL	Qatar
Masimo Medical Technologies (Malaysia) Sdn Bhd.	Malaysia
Nura Holdings Pty Ltd	Australia
Nura Operations Pty Ltd	Australia
Shenzhen Nura Electroacoustic Technology Ltd	China
Masimo Polska Spółka z ograniczoną odpowiedzialnością	Poland

**CONSENT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

We have issued our reports dated February 26, 2026, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Masimo Corporation on Form 10-K for the year ended January 3, 2026. We consent to the incorporation by reference of said reports in the Registration Statements of Masimo Corporation on Form S-3 (File No. 333-285240) and on Forms S-8 (File No. 333-219207 and File No. 333-240152).

/s/ GRANT THORNTON LLP

San Francisco, California
February 26, 2026

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Catherine Szyman, certify that:

1. I have reviewed this Annual Report on Form 10-K of Masimo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2026

/s/ CATHERINE SZYMAN

Catherine Szyman
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
Pursuant to Rule 13a-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Micah Young, certify that:

1. I have reviewed this Annual Report on Form 10-K of Masimo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 26, 2026

/s/ MICAH YOUNG

Micah Young

Executive Vice President, Chief Financial Officer

(Principal Financial Officer)

**CERTIFICATIONS OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Catherine Szyman, Chief Executive Officer of Masimo Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to my knowledge:

1. The Annual Report on Form 10-K of the Company for the period ended January 3, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2026

/s/ CATHERINE SZYMAN

Catherine Szyman
Chief Executive Officer
(Principal Executive Officer)

I, Micah Young, Executive Vice President and Chief Financial Officer of Masimo Corporation (the “Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that to my knowledge:

1. The Annual Report on Form 10-K of the Company for the period ended January 3, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 26, 2026

/s/ MICAH YOUNG

Micah Young
Executive Vice President, Chief Financial Officer
(Principal Financial Officer)

A signed original of these certifications has been provided to Masimo Corporation and will be retained by Masimo Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

These certifications are being furnished solely to accompany this Annual Report on Form 10-K pursuant to 18 U.S.C. Section 1350, and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any filing of Masimo Corporation, whether made before or after the date hereof, regardless of any general incorporation language in such filing.