

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the Offer or the contents of this document or the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your LiDCO Shares, please send this document together with the accompanying documents (but not the personalised Form of Acceptance) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you have sold or otherwise transferred only part of your holding of LiDCO Shares, you should retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise acquired LiDCO Shares in certificated form, notwithstanding receipt of this document and any accompanying documents, you should contact the Receiving Agent to obtain a personalised Form of Acceptance.

The release, publication or distribution of this document and/or the accompanying Form of Acceptance (in whole or in part) in, into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, each of Masimo, Masimo Corporation and LiDCO disclaims any responsibility or liability for the violation of such restrictions by such persons.

Recommended Cash Offer
for
LiDCO Group Plc
by
Masimo LHC Limited

(a newly incorporated company indirectly and wholly owned by Masimo Corporation)

You should read the whole of this document and any documents incorporated into it by reference. If you hold LiDCO Shares in certificated form, you should also read the accompanying Form of Acceptance carefully. If you are a CREST sponsored member, you should refer to your CREST sponsor. Your attention is drawn to the letter from the Chairman of LiDCO set out in Part I of this document and the letter from Masimo set out in Part II of this document.

If you hold LiDCO Shares in certificated form, to accept the Offer the Form of Acceptance should be completed, signed and returned as soon as possible and, in any event, so as to be received by Neville Registrars Limited, as Receiving Agent to the Offer, at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom, by no later than 1.00 pm on 23 November 2020. The procedure for acceptance is set out in paragraph 14 of Part II of this document and in Part C of Appendix I of this document and, for LiDCO Shareholders holding LiDCO Shares in certificated form, in the accompanying Form of Acceptance.

If you hold LiDCO Shares in uncertificated form (that is, in CREST), to accept the Offer acceptances should be made electronically through CREST so that the TTE instruction settles not later than 1.00 pm on 23 November 2020 by following the procedure in paragraph 14 of Part II of this document and in Part D of Appendix I of this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to CREST.

Cattaneo Corporate Finance Solutions Limited is acting exclusively as financial adviser to Masimo Corporation and Masimo and no one else in connection with the Offer and will not be responsible to any other person other than Masimo Corporation and Masimo for providing the protections afforded to clients of Cattaneo or for providing advice in relation to the Offer or any matter referred to in this document. Neither Cattaneo nor any of its affiliates owes or accepts any duty, liability, responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cattaneo in connection with the Offer and other matters set out in this document, any statement contained herein or otherwise.

Smith Square Partners LLP, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for LiDCO and no one else in connection with the Offer and will not be responsible to anyone other than LiDCO for providing the protections afforded to clients of Smith Square Partners or for providing advice in connection with the Offer or any matter referred to in this document. Neither Smith Square Partners nor any of its affiliates owes or accepts any duty, liability, responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Smith Square Partners in connection with the Offer and other matters set out in this document, any statement contained herein or otherwise.

Words and phrases used in this document shall have the meanings given to them in Appendix VI (Definitions) of this document.

IMPORTANT NOTICE

This document has been prepared in accordance with English law and regulation (including the Code and the Market Abuse Regulation) and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The statements contained in this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the contents of this document, you should consult your own legal adviser, financial adviser or tax adviser for legal, business, financial or tax advice.

No person has been authorised to make any representations on behalf of LiDCO, Masimo Corporation or Masimo concerning the Offer which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set out in this document since such date. Nothing contained in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of LiDCO, the LiDCO Group, Masimo Corporation, Masimo or the Masimo Group except where otherwise expressly stated. Neither Masimo nor LiDCO intends, or undertakes any obligation, to update information contained in this document, except as required by applicable law, the Code or other regulation.

OVERSEAS SHAREHOLDERS

The attention of all LiDCO Shareholders who are citizens, nationals or residents of jurisdictions outside the United Kingdom and any persons (including, without limitation, any custodians, nominees or trustees) who would, or otherwise intend to, forward this document or the Form of Acceptance outside the United Kingdom is drawn to paragraph (b) of Part D of Appendix I of this document and, in respect of LiDCO Shares held in certificated form, to the relevant provisions of the Form of Acceptance.

The availability of the Offer to persons who are not resident in the United Kingdom, and the release, publication and distribution of this document and accompanying documentation in jurisdictions other than the United Kingdom, may be restricted by the laws of those other jurisdictions.

Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements of their relevant jurisdiction. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to participate in the Offer may be affected by the laws of the relevant jurisdiction in which they are located.

Any person (including custodians, nominees and trustees) who would, or otherwise intend to, or may have a legal or contractual obligation to, forward this document, the Form of Acceptance and/or any related document to any jurisdiction outside the United Kingdom, should inform themselves of, and observe any applicable legal or regulatory requirements of any relevant jurisdiction. If you are in any doubt about your position, you should consult with your legal adviser in the relevant jurisdiction without delay.

This document and the Form of Acceptance have been prepared for the purposes of complying with English law, the Code and the AIM Rules and the information disclosed may not be the same as that which would have been disclosed if this document and the Form of Acceptance had been prepared in accordance with the laws and regulations of jurisdictions outside the United Kingdom. The Offer will be implemented in accordance with applicable English law and will be subject to the applicable requirements of the Code, the Disclosure Guidance and Transparency Rules of the FCA and the rules of the London Stock Exchange (including the AIM Rules).

Unless otherwise determined by Masimo or required by the Code, and permitted by applicable law and regulation, the Offer is not being and will not be made, directly or indirectly, in, into or from, and will not be capable of acceptance from or within, the United States or any other Restricted Jurisdiction. Accordingly, copies of this document, the Form of Acceptance and all other accompanying documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from the United States or any other Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Persons receiving this document, the Form of Acceptance and all other accompanying documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

This document does not constitute an offer of securities for sale in the United States. Neither the SEC nor any US state securities commission has approved or disapproved the Offer, or passed comment upon the adequacy or completeness of this document. Any representation to the contrary is a criminal offence in the United States.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document), oral statements made regarding the Offer, and other information published by LiDCO, Masimo Corporation and Masimo may contain certain 'forward-looking statements' with respect to the financial condition, results of operations and business of LiDCO, Masimo Corporation or Masimo and certain plans and objectives of the LiDCO Directors, the Masimo Corporation Directors and the Masimo Directors with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words of a similar meaning. Such statements are based on assumptions and assessments made by the LiDCO Directors, the Masimo Corporation Directors and/or the Masimo Directors in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe appropriate.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this document could cause actual results or developments to differ materially from those expressed or implied by such forward-looking statements. Although LiDCO, Masimo Corporation and Masimo believe that the expectations reflected in such forward-looking statements are reasonable, neither LiDCO, nor Masimo Corporation, nor Masimo, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Other than in accordance with their legal or regulatory obligations (including under the AIM Rules and the Disclosure Guidance and Transparency Rules of the FCA), neither LiDCO, nor Masimo Corporation nor Masimo is under any obligation, and LiDCO, Masimo Corporation and Masimo expressly disclaim any intention or obligation to, update or correct the information contained in this document and LiDCO, Masimo Corporation and Masimo therefore caution you not to place undue reliance on these forward-looking statements which speak only as at the date of this document.

DEALING DISCLOSURE REQUIREMENTS OF THE CODE

Under Rule 8.3(a) of the Code, any person who is interested in one percent or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 pm on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one percent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror.

A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of the offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3. Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

NO PROFIT FORECASTS, QUANTIFIED FINANCIAL BENEFIT STATEMENTS OR ESTIMATES

No statement in this document (or any information incorporated by reference into this document) is intended, or is to be construed, as a profit forecast, projection, profit estimate or quantified financial benefit statement for any period. No statement in this document should be interpreted to mean that earnings or earnings per share for LiDCO for the current or future financial years would necessarily match or exceed the historical published earnings per share for LiDCO.

RIGHT TO SWITCH TO A SCHEME OF ARRANGEMENT

Masimo reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a Scheme of Arrangement, as an alternative to the Offer. In such an event, the Offer will be implemented on the same terms or, if Masimo so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Offer, subject in each case to appropriate amendments to reflect the change in method of effecting the Offer.

NO REPRESENTATIONS

No person has been authorised to make any representations on behalf of Masimo, Masimo Corporation or LiDCO concerning the Offer which are inconsistent with the statements contained in this document and any such representations, if made, may not be relied upon as having been so authorised. No person should construe the contents of this document as legal, financial or tax advice and recipients of this document should consult their own advisers in connection with the matters contained herein.

PUBLICATION OF THIS DOCUMENT

This document and the documents required to be published pursuant to Rule 26 of the Code will be available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Masimo's website at www.masimo.com/offerdocuments and LiDCO's website at www.lidcodocuments.com by no later than 12.00 noon on the Business Day following the date of publication of this document. Save as expressly referred to in this document, the contents of the website referred to in this paragraph are not incorporated into and do not form part of this document or the Form of Acceptance.

AVAILABILITY OF HARD COPIES

A hard copy of this document will be sent to LiDCO Shareholders and, for information only, to persons with information rights and participants under the Share Option Schemes (other than LiDCO Shareholders who are resident in a Restricted Jurisdiction). LiDCO Shareholders may request a hard copy of this document and/or any information incorporated into this document by reference to another source, free of charge, by contacting Neville Registrars, between 9.00 am and 5.00 pm on Monday to Friday (except UK public holidays), on 0121 585 1131 (if calling from the UK) and +44 121 585 1131 (if calling from outside the UK) or by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom. Calls to the helpline from outside the UK will be charged at applicable international rates. Calls may be recorded and randomly monitored for security and training purposes. Please note that Neville Registrars cannot provide advice on the merits of the Offer or give any financial, tax, investment or legal advice. LiDCO Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form. Unless you have previously elected to receive hard copies of any such documents, announcements or information, hard copies shall not be sent to you but you may request them.

ELECTRONIC COMMUNICATION

Please be aware that addresses, electronic addresses and certain other information provided by Shareholders, persons with information rights and other relevant persons for the receipt of communications from LiDCO may be provided to Masimo and the Receiving Agent during the offer period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).

TAXATION

The receipt of cash pursuant to the Offer by LiDCO Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. For summary information on certain limited aspects of the taxation of certain UK LiDCO Shareholders, please refer to Appendix IV of this document. Each LiDCO Shareholder is urged to consult their independent professional adviser regarding the tax consequences of acceptance of the Offer.

ROUNDING

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

This document is published on 2 November 2020.

ACTIONS TO BE TAKEN IF YOU WISH TO ACCEPT THE OFFER

If you hold LiDCO Shares in certificated form:

If you hold your LiDCO Shares, or any of them, in certificated form (that is, NOT in CREST), to accept the Offer in respect of all or some of those LiDCO Shares, you should complete, sign and return the enclosed Form of Acceptance along with your original (no copies please) valid share certificate(s) and/or any other relevant documents of title as soon as possible and, in any event, so as to be received by post or by hand (during normal business hours and by appointment only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom **as soon as possible and, in any event, by not later than 1.00 pm on 23 November 2020.**

Further details on the procedure for acceptance of the Offer if you hold any of your LiDCO Shares in certificated form are set out in paragraph 14 of Part II of this document, Part C of Appendix I to this document and in the accompanying Form of Acceptance.

A reply-paid envelope, for use within the United Kingdom only, is enclosed for your convenience and may be used by holders of LiDCO Shares in certificated form in the United Kingdom for returning their Forms of Acceptance.

If you hold LiDCO Shares in uncertificated form:

If you hold your LiDCO Shares, or any of them, in uncertificated form (that is, in CREST), to accept the Offer in respect of all or some of those LiDCO Shares, you should follow the procedure for Electronic Acceptance through CREST, so that the TTE instruction settles **as soon as possible and, in any event, by not later than 1.00 pm on 23 November 2020.**

Further details on the procedure for acceptance of the Offer if you hold any of your LiDCO Shares in uncertificated form are set out in paragraph 14 of Part II of this document and in Part D of Appendix I to this document. If you hold your LiDCO Shares as a CREST sponsored member, you should refer to your CREST sponsor as only your CREST sponsor will be able to send the necessary TTE instruction to Euroclear.

Regardless of how you hold your LiDCO Shares, acceptances of the Offer must be received by not later than 1.00 pm on 23 November 2020, being the First Closing Date of the Offer. You are advised to read the whole of this document carefully.

Helpline:

If you require assistance with completing your Form of Acceptance, please telephone Neville Registrars on 0121 585 1131 from within the UK or, if calling from outside the UK, on +44 121 585 1131, between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note that, for legal reasons, the helpline cannot provide advice on the merits of the Offer or give any financial, legal or tax advice.

This page should be read in conjunction with the rest of this document and, in the case of LiDCO Shares held in certificated form, the Form of Acceptance. LiDCO Shareholders are recommended to seek financial advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser in the relevant jurisdiction.

TABLE OF CONTENTS

	Page
IMPORTANT NOTICE	2
ACTIONS TO BE TAKEN IF YOU WISH TO ACCEPT THE OFFER	5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	7
PART I LETTER FROM THE CHAIRMAN OF LIDCO	8
PART II LETTER FROM MASIMO	14
APPENDIX I CONDITIONS TO, AND CERTAIN FURTHER TERMS OF, THE OFFER	
Part A – Conditions to the Offer	24
Part B – Further terms of the Offer	32
Part C – Procedure for Acceptance (for LiDCO Shares in certificated form)	43
Part D – Electronic Acceptance (for LiDCO Shares in uncertificated form)	46
APPENDIX II FINANCIAL AND RATINGS INFORMATION	49
APPENDIX III SOURCES OF INFORMATION AND BASES OF CALCULATION	51
APPENDIX IV UNITED KINGDOM TAXATION	52
APPENDIX V ADDITIONAL INFORMATION	53
APPENDIX VI DEFINITIONS	64

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

EVENT	TIME AND/OR DATE
Publication of this document	2 November 2020
Latest time and date for receipt by Neville Registrars of the Form of Acceptance (prior to First Closing Date)	1.00 pm on 23 November 2020
Latest time and date for settlement of the TTE instruction (prior to First Closing Date)	1.00 pm on 23 November 2020
First Closing Date	1.00 pm on 23 November 2020

Subject to the Offer becoming or being declared unconditional in all respects, payment of consideration for those LiDCO Shareholders who have validly accepted the Offer shall be made within 14 calendar days of the Offer becoming or being declared unconditional in all respects or, in relation to valid acceptances received after this date, within 14 calendar days of receipt of that acceptance.

Notes:

Future dates are indicative only and are subject to change, in which event details of the new times and dates will be announced via a Regulatory Information Service.

All references in this document to times are to London time unless otherwise stated.

PART I

LETTER FROM THE CHAIRMAN OF LiDCO



LiDCO Group Plc

(Registered in England and Wales with No. 02659005)

Directors:

Peter Grant (Non-Executive Chairman)
Matthew Sassone (Chief Executive Officer)
Tim Hall (Chief Financial Officer)
Philip Cooper (Non-Executive Director)
James Wetrich (Non-Executive Director)

Registered Office:

Unit D4, Mowlem Trading Estate
Leeside Road
London
N17 0QJ

2 November 2020

To: LiDCO Shareholders and persons with information rights and LiDCO Option Holders

Dear LiDCO Shareholder

Recommended Cash Offer for LiDCO by Masimo

1. Introduction

On 2 November 2020, the LiDCO Directors and the Masimo Directors announced that they had reached agreement on the terms of a recommended cash offer from Masimo for the entire issued and to be issued share capital of LiDCO. Masimo has recently been incorporated at the direction of Masimo Corporation specifically for the purpose of making the Offer.

I am writing to you on behalf of the LiDCO Directors to set out the background to, and terms of, the Offer and explain the reasons why the LiDCO Directors, who have been so advised by Smith Square Partners as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable and unanimously recommend that you accept the Offer in respect of all of your LiDCO Shares.

The Offer price of 12 pence per LiDCO Share values the total issued share capital of LiDCO at approximately £31.1 million on a fully diluted basis. This equates to an enterprise value of approximately £27.6 million or 2.7 times LiDCO's revenue for the twelve months ended 31 July 2020 and approximately 3.7 times LiDCO's revenue for the last full financial year ended 31 January 2020. The bases of calculation of these metrics are detailed in Appendix III of this document.

The LiDCO Directors who currently hold or control LiDCO Shares, other than James Wetrich, have irrevocably undertaken to accept the Offer (or procure the acceptance of the Offer) in respect of their own beneficial shareholdings (or the shareholdings they control), amounting, in aggregate, to 3,960,830 LiDCO Shares (representing approximately 1.6 percent of the existing issued share capital of LiDCO). James Wetrich is both a resident in, and citizen of, the United States (a Restricted Jurisdiction) and as such he is not permitted to participate in the Offer in respect of his own beneficial shareholding of 19,900 LiDCO Shares representing approximately 0.01 percent of the existing issued share capital of LiDCO and has therefore not been able to provide an irrevocable undertaking to accept the Offer.

Masimo has also received irrevocable undertakings to accept the Offer from third parties amounting to 88,101,511 LiDCO Shares, representing approximately 36.1 percent of LiDCO's issued share capital, further details of which are set out in paragraph 5 of Appendix V of this document. Masimo has therefore received irrevocable undertakings to accept the Offer, and entered into contractual arrangements to acquire, in aggregate, 92,062,341 LiDCO Shares representing approximately 37.7 percent of LiDCO's issued share capital.

The Offer, together with details of the procedure for acceptance of the Offer, is contained in a letter from Masimo which is set out in Part II of this document.

2. Terms of the Offer

Under the terms of the Offer, which is subject to the Conditions and further terms as set out in Appendix I of this document and, in respect of LiDCO Shares in certificated form, in the Form of Acceptance, LiDCO Shareholders will receive:

for each LiDCO Share: 12 pence in cash

The Offer values the total issued share capital of LiDCO at approximately £31.1 million on a fully diluted basis and the Offer Price represents a premium of approximately:

- 77.8 percent to the Closing Price per LiDCO Share of 6.75 pence on 30 October 2020 (being the last Business Day prior to the commencement of the Offer Period); and
- 87.0 percent to the average Closing Price per LiDCO Share of 6.42 pence in the twelve months to 30 October 2020 (being the last Business Day prior to the commencement of the Offer Period).

The value of the total issued share capital represented by the Offer equates to an enterprise value of approximately £27.6 million or 2.7 times LiDCO's revenue for the twelve months ended 31 July 2020 and 3.7 times LiDCO's revenue for the last full financial year ended 31 January 2020. The bases of calculation of these metrics are detailed in Appendix III of this document.

The Offer is being effected by means of a contractual takeover offer pursuant to Part 28 of the Companies Act. Masimo reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a Scheme of Arrangement, as an alternative to the Offer. In such event, the Offer will be implemented on the same terms or, if Masimo so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Offer, subject in each case to appropriate amendments to reflect the change in method of effecting the Offer.

The LiDCO Shares which are the subject of the Offer will be acquired by Masimo fully paid, or credited as fully paid, and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emptions and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, on or after the Announcement Date, including the right to receive and to retain all dividends, interest and other distributions declared, paid or made on or after the Announcement Date.

The Offer is conditional upon, amongst other things, Masimo receiving valid acceptances (which have not been withdrawn) in respect of LiDCO Shares which, together with any LiDCO Shares acquired, or agreed to be acquired, by Masimo before or during the Offer Period (whether pursuant to the Offer or otherwise) will result in Masimo holding LiDCO Shares carrying, in aggregate, not less than 90 percent (or such lower percentage as Masimo may, subject to the Code, decide) in nominal value of the LiDCO Shares to which the Offer relates.

3. Information relating to LiDCO

Founded in 1991 and admitted to trading on AIM in July 2001, LiDCO develops, manufactures and sells advanced hemodynamic monitoring devices primarily for critical care and high risk surgical patients. LiDCO's primary markets are the United Kingdom, the US and certain markets in continental Europe, China and Japan.

LiDCO's equipment measures crucial physiological parameters such as cardiac output, stroke volume and systematic vascular resistance, monitoring the amount of blood flowing around the body, the requirement for intravenous fluids, and vasoactive support to help ensure that the body's tissues and organs are adequately oxygenated. In addition, LiDCO's technology can be used completely non-invasively and in both ventilated and non-ventilated patients.

Revenue is principally generated through the sale of single-use disposables, and/or recurring usage licences into a growing installed base of LiDCO-enabled monitors. In addition, LiDCO distributes a number of complementary third-party products.

4. Current trading and prospects of LiDCO

On 13 October 2020, LiDCO's unaudited interim results for the six months ended 31 July 2020 recorded revenues of £6.2 million and an adjusted profit before tax of £1.2 million. As at 31 July 2020, LiDCO had cash resources of £3.1 million, total assets of £10.2 million and total liabilities of £3.2 million.

The following is an extract from the outlook statement made in the interim results announcement, as approved by the Board of LiDCO on 12 October 2020:

“The COVID-19 pandemic has reaffirmed the importance of hemodynamic monitoring when treating critically ill patients. By being able to respond to the surge in demand, LiDCO has benefited from a significant increase in sales, cash and installed base, with the potential for increased recurring revenues in the future. The pipeline of opportunities, especially some \$5 million of potential High Usage Programme (“HUP”) contracts in the US, remains significant and more attractive than ever as hospitals face a backlog of surgical procedures at the same time as unprecedented financial pressures.

However, healthcare systems have had to delay standard purchasing decisions and postpone many elective surgeries as they prioritised their efforts to deal with the pandemic. Given the current status of the pandemic, it is too early to predict whether delayed purchasing decisions and postponed elective surgeries will catch up in time to benefit LiDCO’s performance in the second half of its current financial year. Although some opportunities are under discussion, the LiDCO Board does not currently expect that the second half of the financial year will benefit from any significant boost to sales as a result of the pandemic.

In the last few months, LiDCO’s commercial teams have been able to recommence visits to customers and, based on current trading, the Board anticipates that total sales in the second half of the financial year will be broadly in line with the second half of the previous year. Operational costs for the year as a whole are expected to be slightly higher than last year as higher commissions and bonuses earned from the exceptional performance in the first half of the financial year are expected to exceed savings made due to travel restrictions.

The Board remains confident that LiDCO is well-placed to grow sales from pre-pandemic levels as markets return to normal.”

5. Background to and reasons for recommending the Offer to LiDCO Shareholders

LiDCO has successfully developed market leading technology in the hemodynamic monitoring sector and has combined this with a differentiated Software as a Service model, the High Usage Programme or ‘HUP’, which has the potential to substantially increase the adoption of hemodynamic monitoring and provide greater forward visibility of revenues and cash flows.

LiDCO is the market leader for the provision of advanced hemodynamic monitoring products in the UK and has a growing presence in the US and many other international markets. In the US, which represents the world’s largest market for hemodynamic monitoring, LiDCO competes with a much larger global company that has a significant share of the hemodynamic monitoring market. The LiDCO Board is confident of LiDCO’s ability to continue to build market share in the US from a currently low base, but believes that this will require considerable further financial investment by LiDCO and take some time to achieve.

Masimo Corporation is a global leader in developing and commercialising patient monitors that improve clinical outcomes and reduce the cost of patient care. It believes that LiDCO’s continuous cardiac output (“CCO”) technology will complement its existing technologies.

The LiDCO Board recognises that it competes with much larger global companies that hold significant shares of the advanced hemodynamic monitoring market, and that hospital decisions concerning advanced technologies such as CCO are increasingly based upon factors other than performance and cost, such as an interest in integrated solutions which offer a range of innovative measurements in one device to facilitate more informed decision making. Masimo Corporation is a leading developer of many of the innovative measurements required in these types of integrated solutions and it also has an established global distribution capability. The LiDCO Board shares Masimo’s belief that, by adding effective CCO solutions to its product mix, the customer value proposition will be enhanced and LiDCO’s products can achieve greater market penetration through the Masimo Group’s distribution channels. The LiDCO Board therefore believes that the prospects for and speed of adoption of LiDCO’s technology, particularly in the important US market, will be materially enhanced by LiDCO becoming part of the Masimo Group.

The LiDCO Board continues to believe that implementation of LiDCO’s existing strategy as an independent company has the potential to generate significant value for LiDCO Shareholders in the long term. However, the Board also recognises the challenges faced by LiDCO as a relatively small business competing against significantly larger players. The Offer of 12 pence per LiDCO Share provides certainty to LiDCO Shareholders enabling them to realise, in cash in the near term, the value of their holdings at a significant premium to the price at which LiDCO Shares have traded in the market over the past few years.

6. Management, employees, research and development and locations

Your attention is drawn to the statement of Masimo’s plans for LiDCO if the Offer becomes or is declared unconditional in all respects, as set out in paragraph 5 of the letter from Masimo in Part II of this document.

The LiDCO Directors are pleased to note that, following implementation of the Offer, Masimo intends to honour the existing contractual and statutory employment rights, including in relation to pensions, of all

LiDCO employees, including incentivisation arrangements that are currently in place for LiDCO executive directors, management and employees in respect of the current financial year ending 31 January 2021.

Masimo has also confirmed that it intends to maintain LiDCO's existing research and development focus, including its existing employees and location, to retain LiDCO's existing management and employees and to maintain the existing location of LiDCO's head office and manufacturing facilities, while providing additional manufacturing, regulatory and supply-chain support as required to support the growth of LiDCO's business.

7. Financing of the Offer

The consideration payable by Masimo under the terms of the Offer will be funded entirely out of Masimo Corporation's cash resources made available to Masimo by way of an intercompany line of credit, more fully described in paragraph 9 of the letter from Masimo in Part II of this document. There is no requirement for funding from any third party providers of finance to Masimo for the Offer.

Cattaneo has confirmed it is satisfied that sufficient financial resources are available to Masimo to enable it to satisfy full acceptance of the Offer.

8. Share Option Schemes

There were options over 21,041,356 LiDCO Shares outstanding as at 30 October 2020, the latest practicable date prior to the publication of this document. It is expected that, in aggregate, options over 14,840,321 LiDCO Shares are or will be exercisable and in the money based on the rules of the Share Option Schemes and the Offer Price of 12 pence per LiDCO Share.

The Offer will extend to any LiDCO Shares which are issued or unconditionally allotted whilst the Offer remains open for acceptance (or prior to such later time and/or date as Masimo may, subject to the Takeover Code, determine) as a result of the exercise of options granted under the Share Option Schemes prior to the date of this document.

The Offer triggers a right for the LiDCO Option Holders to exercise certain options granted under the Share Option Schemes which have not yet vested and to acquire LiDCO Shares in connection with the exercise of such options. The extent to which such unvested options are exercisable is subject to the rules of the Share Option Schemes, which allow for accelerated vesting in a change of control situation, and the degree to which the target share price conditions established by the remuneration committee of LiDCO have been met. Options granted under the Share Option Schemes which have already vested shall remain exercisable in accordance with their terms.

Appropriate proposals under Rule 15 of the Code will be made in due course to LiDCO Option Holders. The proposals will explain the effect of the Offer on their rights under their outstanding options and the actions they may take in respect of their options.

9. Taxation

Your attention is drawn to Appendix IV of this document in relation to UK taxation. If you are in any doubt as to your tax position, or are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent tax adviser.

10. Irrevocable undertakings

Masimo has received irrevocable undertakings from the LiDCO Directors, other than James Wetrich, to accept the Offer (or if Masimo exercises its right to structure the Offer as a Scheme of Arrangement, to vote in favour of such Offer) in respect of their own beneficial holdings totalling 3,960,830 LiDCO Shares, representing in aggregate approximately 1.6 percent of LiDCO's issued ordinary share capital as at 30 October 2020, being the latest practicable date prior to the publication of this document.

Masimo has also received irrevocable undertakings from the LiDCO Shareholders set out below to accept the Offer (or if Masimo exercises its right to structure the Offer as a Scheme of Arrangement, to vote in favour of such Offer) in respect of their beneficial holdings totalling 88,101,511 LiDCO Shares, representing in aggregate approximately 36.1 percent of LiDCO's issued ordinary share capital as at 30 October 2020, being the latest practicable date prior to publication of this document.

Mr P Brewer has given an irrevocable undertaking to accept the Offer in respect of his beneficial holding of 15,025,000 LiDCO Shares, representing approximately 6.2 percent of the existing issued share capital of LiDCO.

Mrs PA Brewer has given an irrevocable undertaking to accept the Offer in respect of her beneficial holding of 2,500,000 LiDCO Shares, representing approximately 1.0 percent of the existing issued share capital of LiDCO.

Mr J Ede-Golightly has given an irrevocable undertaking to accept the Offer in respect of his beneficial holding of 13,215,000 LiDCO Shares, representing approximately 5.4 percent of the existing issued share capital of LiDCO.

Eiffel Investment Group has given an irrevocable undertaking to accept the Offer in respect of 19,293,816 LiDCO Shares, representing approximately 7.9 percent of the existing issued share capital of LiDCO, in respect of which it has discretionary control on behalf of the underlying beneficial owner(s) of such LiDCO Shares.

Mr R Greenshields has given an irrevocable undertaking to accept the Offer in respect of his beneficial holding of 8,899,550 LiDCO Shares, representing approximately 3.6 percent of the existing issued share capital of LiDCO.

Herald Investment Management has given an irrevocable undertaking to accept the Offer in respect of 16,666,667 LiDCO Shares, representing approximately 6.8 percent of the existing issued share capital of LiDCO, in respect of which it has discretionary control on behalf of the underlying beneficial owner(s) of such LiDCO Shares.

Dr T O'Brien has given an irrevocable undertaking to accept the Offer in respect of his beneficial holding of 5,479,628 LiDCO Shares, representing approximately 2.2 percent of the existing issued share capital of LiDCO.

Vermeer Partners has given an irrevocable undertaking to accept the Offer in respect of 7,021,850 LiDCO Shares, representing approximately 2.9 percent of the existing issued share capital of LiDCO, in respect of which it has discretionary control on behalf of the underlying beneficial owner(s) of such LiDCO Shares.

Irrevocable undertakings entered into by certain of the above named LiDCO Shareholders, representing in aggregate irrevocable undertakings over approximately 17.6 percent of LiDCO's issued share capital, shall cease to be binding in the event of a competing offer that is 10 percent higher than the Offer Price, unless Masimo increases the Offer such that the consideration per LiDCO Share is equal to or exceeds the competing offer prior to 5.00 pm on the fifth Business Day after the day on which the competing offer is made.

Further details about the above irrevocable undertakings are set out in paragraph 5 of Appendix V of this document.

11. Overseas Shareholders

Overseas Shareholders should refer to paragraph 13 of Part II of this document.

12. Documents on LiDCO's website

Details of documents relating to the Offer, available on LiDCO's website at www.lidcodocuments.com are contained in paragraph 13 of Appendix V of this document.

13. Compulsory acquisition, cancellation of admission to trading on AIM and re-registration

Your attention is drawn to paragraph 11 of the letter from Masimo in Part II of this document in relation to Masimo's intentions regarding the compulsory acquisition of LiDCO Shares, cancellation of admission to trading on AIM of LiDCO Shares, and the re-registration of LiDCO as a private company under the relevant provisions of the Companies Act.

14. Action to be taken to accept the Offer

The procedure for acceptance of the Offer is set out in paragraph 14 of Part II of this document, in Parts C and D of Appendix I to this document and also, in respect of LiDCO Shares held in certificated form, in the accompanying Form of Acceptance.

LiDCO Shareholders are advised to take independent financial and legal advice on their individual position.

You are advised to read the whole of this document and not just rely on the summary information contained in this letter.

15. Recommendation

The LiDCO Directors, who have been so advised by Smith Square Partners as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its advice to the LiDCO Directors, Smith Square Partners has taken into account the commercial assessments of the LiDCO Directors. Smith Square Partners is providing independent financial advice to the LiDCO Directors for the purposes of Rule 3 of the Code.

Accordingly, the LiDCO Directors unanimously recommend you to accept the Offer, as they, other than James Wetrich, have irrevocably undertaken so to do (or procure to be done) in respect of their own beneficial shareholdings (or the shareholdings they control), such holdings amounting to 3,960,830 LiDCO Shares, representing approximately 1.6 percent of LiDCO's issued share capital. James Wetrich is both a resident in, and citizen of, the United States (a Restricted Jurisdiction) and as such he is not permitted to participate in the

Offer in respect of his own beneficial shareholding of 19,900 LiDCO Shares representing approximately 0.01 percent of the existing issued share capital of LiDCO and has therefore not been able to provide an irrevocable undertaking to accept the Offer.

Yours faithfully,

Peter Grant
Non-Executive Chairman
LiDCO Group Plc

PART II

LETTER FROM MASIMO



Masimo LHC Limited

(Registered in England and Wales with No. 12941519)

Directors:

Joe Kiani
Micah Young
Rick Fishel

Registered Office:

100 Bishopsgate
C/o Paul Hastings (Europe) LLP
London
EC2N 4AG

2 November 2020

To: LiDCO Shareholders and persons with information rights and LiDCO Option Holders

Dear LiDCO Shareholder

Recommended Cash Offer for LiDCO by Masimo

1. Introduction

On 2 November 2020, the LiDCO Directors and the Masimo Directors announced that they had reached agreement on the terms of a recommended cash offer by Masimo for the entire issued and to be issued share capital of LiDCO. The Offer price of 12 pence per LiDCO Share values the total issued share capital of LiDCO at approximately £31.1 million on a fully diluted basis.

Masimo is pleased to set out the full terms of, and background to, its Offer. The Offer is being effected by means of a contractual takeover offer within the meaning of Part 28 of the Companies Act. Masimo is a private limited liability company incorporated in England and Wales. It is indirectly and wholly owned by Masimo Corporation and was established specifically for the purpose of making the Offer.

Masimo has received irrevocable undertakings to accept the Offer in respect of 92,062,341 LiDCO Shares, representing approximately 37.7 percent of LiDCO's issued share capital, including from LiDCO Directors who have irrevocably undertaken so to do (or procure to be done) in respect of their own beneficial shareholdings (or the shareholdings they control), amounting, in aggregate, to 3,960,830 LiDCO Shares (representing approximately 1.6 percent of the existing issued share capital of LiDCO), further details of which are set out in paragraph 5 of Appendix V of this document.

This document and, if you hold LiDCO Shares in certificated form, the accompanying Form of Acceptance contain the formal terms of the Offer.

Your attention is drawn to the letter of recommendation from the Chairman of LiDCO in Part I of this document which sets out the reasons why the LiDCO Directors, who have been so advised by Smith Square Partners as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable and accordingly unanimously recommend that all LiDCO Shareholders accept the Offer.

Acceptances of the Offer should be received as soon as possible and, in any event, by no later than 1.00 pm on 23 November 2020.

Please read carefully paragraph 14 of this letter which sets out the procedures for acceptance of the Offer.

Your attention is drawn, in particular, to the Conditions and further terms of the Offer set out in Appendix I of this document and, if you hold LiDCO Shares in certificated form, in the Form of Acceptance.

2. Summary of the terms of the Offer

Masimo is offering to acquire, subject to the Conditions and further terms set out in Appendix I of this document and, in respect of LiDCO Shares in certificated form, in the Form of Acceptance, all of the LiDCO Shares on the following basis:

for each LiDCO Share: 12 pence in cash

The Offer values the total issued share capital of LiDCO at approximately £31.1 million on a fully diluted basis and the Offer Price represents a premium of approximately:

- 77.8 percent to the Closing Price per LiDCO Share of 6.75 pence on 30 October 2020 (being the last Business Day prior to the commencement of the Offer Period); and
- 87.0 percent to the average Closing Price per LiDCO Share of 6.42 pence in the twelve months to 30 October 2020 (being the last Business Day prior to the commencement of the Offer Period).

The Offer is being effected by means of a contractual takeover offer pursuant to Part 28 of the Companies Act. Masimo reserves the right to elect, with the consent of the Panel, to implement the Offer by way of a Scheme of Arrangement, as an alternative to the Offer. In such event, the Offer will be implemented on the same terms or, if Masimo so decides, on such other terms being no less favourable, so far as applicable, as those which would apply to the Offer, subject in each case to appropriate amendments to reflect the change in method of effecting the Offer.

The LiDCO Shares will be acquired by Masimo fully paid, or credited as fully paid, and free from all liens, equities, charges, equitable interests, encumbrances, rights of pre-emptions and other third party rights and/or interests of any nature whatsoever and together with all rights attaching to them, on or after the Announcement Date, including the right to receive and to retain all dividends, interest and other distributions declared, paid or made on or after the Announcement Date.

The Offer is conditional upon, amongst other things, Masimo receiving valid acceptances (which have not been withdrawn) in respect of LiDCO Shares which, together with any LiDCO Shares acquired, or agreed to be acquired, by Masimo before or during the Offer Period (whether pursuant to the Offer or otherwise) will result in Masimo holding LiDCO Shares carrying, in aggregate, not less than 90 percent (or such lower percentage as Masimo may, subject to the Code, decide) in nominal value of the LiDCO Shares to which the Offer relates.

3. Information on Masimo Corporation and Masimo

Masimo Corporation (NASDAQ: MASI), is a global medical technology company that develops, manufactures, distributes, and licenses innovative patient monitoring technologies, medical devices, and a wide array of sensors. It was founded in 1989 by Joe Kiani, who still serves as Chairman and Chief Executive, with the mission to improve patient outcomes and reduce the cost of care by taking non-invasive monitoring to new sites and applications.

Over the past three decades, Masimo Corporation has established a track record and reputation for developing innovative technologies that improve patient outcomes. Over this time, the breadth of Masimo Corporation's solutions has expanded from best-in-class measurements to comprehensive solutions. Over the past decade, a part of its growth strategy has included the acquisition of a limited number of quality companies that were complementary to Masimo Corporation's long-term strategic plan. Masimo Corporation has invested in their technologies and employees, and each of these acquisitions has been successful.

Masimo Corporation has a market capitalisation of approximately \$12 billion and reported revenue of \$278 million and net income of \$49 million for the quarter ended 26 September 2020. In the year ended 28 December 2019, Masimo Corporation reported revenue of \$938 million and net income of \$196 million.

Masimo is a private company established by Masimo Corporation as an indirect, wholly owned subsidiary specifically for the purpose of making the Offer. Masimo has been funded for the purposes of the Offer with an intercompany line of credit from Masimo Corporation, details of which are provided in paragraph 9 below.

Masimo does not have any operations or employees and since its date of incorporation it has not traded, paid any dividends or entered into any obligations other than in connection with the Offer and the financing of the Offer.

4. Background to and reasons for the Offer and future plans for LiDCO

Masimo Corporation is a global leader in developing and commercialising patient monitors that improve clinical outcomes and reduce the cost of patient care. It is familiar with the minimally invasive hemodynamic market and believes that LiDCO's continuous cardiac output ("CCO") technology will complement its existing technologies and offer compelling strategic rationale for the acquisition of LiDCO.

Masimo Corporation recognises that LiDCO competes with much larger global companies that hold significant shares of the advanced hemodynamic monitoring market, and that hospital decisions concerning advanced technologies such as CCO are increasingly based upon factors other than performance and cost, such as an interest in integrated solutions which offer a range of innovative measurements in one device to facilitate more informed decision making. Masimo Corporation is a leading developer of many of the innovative measurements required in these types of integrated solutions and it also has an established global distribution capability, and so believes that by adding effective CCO solutions, it will strengthen its current value proposition and be able to achieve greater market penetration of the CCO solution through Masimo Corporation's existing global distribution channels.

Masimo Corporation believes that as a result of the complementary strategic fit, the prospects for LiDCO's business and its employees will be enhanced as part of Masimo Corporation's global operations.

5. Intentions of Masimo Corporation and Masimo with regard to LiDCO's employees, research and development and locations

Masimo believes that the Offer, if successfully completed, will provide a stable and well capitalised future for LiDCO. Masimo's intentions in relation to LiDCO are summarised below.

a) Research and development

Masimo intends to maintain LiDCO's existing research and development focus, including its existing employees and location, and to enhance this focus by leveraging the combined expertise of LiDCO's CCO technology with Masimo Corporation's extensive experience and success in product development and commercialisation.

b) Management and employees

Masimo recognises the skills and experience of the existing management and employees of LiDCO and believes they will be an important factor in maximising the opportunities and benefits the acquisition will create for Masimo Corporation.

Masimo does not intend to make any material changes to existing contractual employment rights and terms and conditions of employment (including any employer contributions to the LiDCO auto enrolment pension scheme) of the current management and employees of LiDCO.

Masimo intends to honour the incentivisation arrangements that are currently in place for LiDCO executive directors, management and employees in respect of the current financial year ending 31 January 2021. Masimo has no other proposals regarding incentivisation arrangements for LiDCO directors, management or employees at this time but, following completion of the Offer, Masimo may put in place incentive arrangements in line with Masimo Corporation's existing policies and practices.

Other than in relation to the non-executive directors as described below, Masimo does not intend to change the balance of skills and functions of LiDCO's management and employees and intends to retain all of LiDCO's existing management and employees while investing in headcount in line with developing LiDCO's business, both in the UK and internationally.

The non-executive directors of LiDCO, being Peter Grant, Philip Cooper and James Wetrich, have agreed to resign with effect from cancellation of the admission to trading of LiDCO Shares on AIM. They will each receive remuneration in line with the termination provisions of their letters of appointment by way of compensation.

c) Locations and fixed assets

Masimo intends to maintain the existing location of LiDCO's head office, manufacturing facilities and any other places of business, while providing additional manufacturing, regulatory and supply-chain support as required to support the growth of LiDCO's business.

Masimo has no plans to redeploy any of LiDCO's fixed assets.

d) Securities trading facilities

Masimo intends to seek the cancellation of the admission of the LiDCO Shares to trading on AIM shortly after the offer becomes, or is declared, unconditional in all respects, subject to Masimo controlling 75 percent or more of the LiDCO Shares.

6. Effects of acceptance of the Offer

Other than described above in paragraph 4 above, the Offer is not expected to have any impact on the employees, management or future business of Masimo Corporation or Masimo.

7. Information on LiDCO

Founded in 1991 and admitted to trading on AIM in July 2001, LiDCO develops, manufactures and sells advanced hemodynamic monitoring devices primarily for critical care and high risk surgical patients. LiDCO's primary markets are the United Kingdom, the US and certain markets in continental Europe, China and Japan.

LiDCO's equipment measures crucial physiological parameters such as cardiac output, stroke volume and systematic vascular resistance, monitoring the amount of blood flowing around the body, the requirement for intravenous fluids, and vasoactive support to help ensure that the body's tissues and organs are adequately oxygenated. In addition, LiDCO's technology can be used completely non-invasively and in both ventilated and non-ventilated patients.

Revenue is principally generated through the sale of single-use disposables, and/or recurring usage licences into a growing install base of LiDCO-enabled monitors. In addition, LiDCO distributes a number of complementary third-party products.

On 13 October 2020, LiDCO published its unaudited Interim Results for the six months ended 31 July 2020 stating that LiDCO recorded revenues of £6.2 million and an adjusted profit before tax of £1.2 million and that, as at 31 July 2020, LiDCO had cash resources of £3.1 million, total assets of £10.2 million and total liabilities of £3.2 million.

8. Irrevocable undertakings to accept the Offer

Masimo has received irrevocable undertakings to accept the Offer in respect of 92,062,341 LiDCO Shares, representing approximately 37.7 percent of LiDCO's issued share capital, including certain LiDCO Directors who have irrevocably undertaken so to do (or procure to be done) in respect of their own beneficial shareholdings (or the shareholdings they control), amounting, in aggregate, to 3,960,830 LiDCO Shares (representing approximately 1.6 percent of the existing issued share capital of LiDCO), further details of which are set out in paragraph 5 of Appendix V of this document.

9. Financing of the Offer

In accordance with Rule 24.8 of the Code, Cattaneo, financial adviser to Masimo and Masimo Corporation, is satisfied that sufficient financial resources are available to Masimo to enable it to satisfy full acceptance of the Offer.

The maximum cash payment by Masimo, required to satisfy full acceptance of the Offer, including all options that are capable of exercise under the Share Option Schemes, of approximately £31.2 million will be funded entirely out of Masimo Corporation's cash resources made available to Masimo by way of an intercompany line of credit. There is no requirement for funding from any third party providers of finance to Masimo for the Offer. Further details of the intercompany line of credit are set out in paragraph 6(b) of Appendix V.

10. Share Option Schemes

There were options over 21,041,356 LiDCO Shares outstanding as at 30 October 2020, the latest practicable date prior to the publication of this document. It is expected that, in aggregate, options over 14,840,321 LiDCO Shares are or will be exercisable and in the money based on the rules of the Share Option Schemes and the Offer Price of 12 pence per LiDCO Share.

The Offer will extend to any LiDCO Shares which are issued or unconditionally allotted whilst the Offer remains open for acceptance (or prior to such earlier time and/or date as Masimo may, subject to the Takeover Code, determine) as a result of the exercise of options granted under the Share Option Schemes prior to the date of this document.

The Offer triggers a right for the LiDCO Option Holders to exercise options granted under the Share Option Schemes and which have not yet vested and to acquire LiDCO Shares in connection with the exercise of such

options. The extent to which such unvested options are exercisable is subject to the rules of the Share Option Schemes, which allow for accelerated vesting in a change of control situation, and the degree to which the target share price conditions established by the remuneration committee of LiDCO have been met. Options granted under the Share Option Schemes which have already vested shall remain exercisable in accordance with their terms.

Appropriate proposals under Rule 15 of the Code will be made in due course to LiDCO Option Holders. The proposals will explain the effect of the Offer on their rights under their outstanding options and the actions they may take in respect of their options.

11. Compulsory acquisition, cancellation of admission to trading on AIM and re-registration

If the Offer becomes or is declared unconditional in all respects, and subject to Masimo then owning 75 percent or more of the LiDCO Shares, Masimo intends to procure the making of an application by LiDCO for the cancellation of the admission to trading of LiDCO Shares on AIM. A notice period of not less than 20 Business Days prior to the cancellation will be given on or after the date on which the Offer becomes or is declared unconditional in all respects.

If Masimo receives acceptances under the Offer in respect of, or otherwise acquires, 90 percent or more of the LiDCO Shares by nominal value to which the Offer relates and 90 percent or more of the voting rights carried by LiDCO Shares to which the Offer relates, Masimo intends to exercise its rights pursuant to the provisions of Part 28 of the Companies Act to acquire compulsorily the remaining LiDCO Shares, in respect of which the Offer has not been accepted, on the same terms as the Offer.

It is also intended that, following the Offer becoming, or being declared, unconditional in all respects and the admission to trading on AIM of LiDCO Shares having been cancelled, LiDCO will be re-registered as a private limited company under the relevant provisions of the Companies Act.

Such cancellation and re-registration would significantly reduce the liquidity and marketability of any LiDCO Shares in respect of which the Offer has not been accepted at that time and their value may be affected as a consequence. Any remaining LiDCO Shareholders (unless their LiDCO Shares are acquired by Masimo pursuant to the provisions of Part 28 of the Companies Act) would become minority shareholders in a majority controlled private limited company and they may therefore be unable to sell their LiDCO Shares. There can be no certainty that LiDCO would pay any dividends or other distributions or that such minority LiDCO Shareholders would again be offered an opportunity to sell their LiDCO Shares on terms which are equivalent to or no less advantageous than those under the Offer.

12. United Kingdom taxation

Your attention is drawn to Appendix IV of this document. If you are in any doubt as to your tax position, or are subject to taxation in any jurisdiction other than the UK, you are strongly advised to consult an appropriate independent tax adviser.

13. Overseas Shareholders

The attention of LiDCO Shareholders who are citizens, nationals or residents of jurisdictions outside the United Kingdom and any person (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, forward this document or any document in connection with the Offer outside the United Kingdom is drawn to paragraph (c) of Part C of Appendix I to this document and, in respect of LiDCO Shares held in certificated form, to the relevant provisions of the Form of Acceptance, which they should read before taking any action.

The availability of the Offer to persons who are not resident in the United Kingdom, and the release, publication and distribution of this document and accompanying documentation in jurisdictions other than the United Kingdom, may be restricted by the laws of those jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable legal or regulatory requirements of their relevant jurisdiction. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom to participate in the Offer may be affected by the laws of the relevant jurisdictions in which they are located.

This document does not constitute an offer of securities for sale in the United States. Neither the SEC nor any US state securities commission has approved or disapproved the Offer, or passed comment upon the adequacy or completeness of this document. Any representation to the contrary is a criminal offence in the United States.

Unless otherwise determined by Masimo or required by the Code, and permitted by applicable law and regulation, the Offer is not being and will not be made, directly or indirectly, in, into or from, and will not be

capable of acceptance from or within, a Restricted Jurisdiction.

Accordingly, copies of this document, the Form of Acceptance and all other accompanying documents relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction. Persons receiving this document, the Form of Acceptance and all other accompanying documents (including, without limitation, custodians, nominees and trustees) should observe these restrictions and any applicable legal or regulatory requirements of their jurisdiction and must not mail or otherwise forward, distribute or send them in, into or from any such jurisdictions. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility or liability for the violation of such restrictions by any person.

14. Procedure for acceptance of the Offer

LiDCO Shareholders who hold their LiDCO Shares in certificated form should read this section in conjunction with the Form of Acceptance and Parts B and C of Appendix I to this document. LiDCO Shareholders who hold their shares in uncertificated form (that is, through CREST) should read this section in conjunction with Parts B and D of Appendix I to this document. The instructions on the Form of Acceptance are, for those who hold their shares in certificated form, deemed to form part of the terms of the Offer.

LiDCO Shares held in certificated form (that is, not in CREST)

(a) Completion of the Form of Acceptance

To accept the Offer in respect of LiDCO Shares held in certificated form, you must complete the Form of Acceptance in accordance with the instructions set out below and on the Form of Acceptance. You should complete separate Forms of Acceptance for LiDCO Shares held in certificated form but under different designations.

Additional Forms of Acceptance are available from the Receiving Agent, Neville Registrars by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom or by telephoning on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). The instructions for completing a Form of Acceptance in the following paragraph apply, where relevant, to each separate Form of Acceptance to be completed by you.

If you have any queries as to how to complete the Form of Acceptance, please telephone Neville Registrars on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Offer or give any financial, legal or tax advice.

(i) To accept the Offer in respect of all of your LiDCO Shares in certificated form

To accept the Offer in respect of all your LiDCO Shares held in certificated form, you must write the total number of certificated LiDCO Shares you hold in Box 1 and complete Box 2 on the Form of Acceptance. If appropriate, you should also complete Boxes 3 and/or 4. In all cases, you must sign Box 2 of the Form of Acceptance in accordance with the instructions printed therein. If you are an individual, you must sign in the presence of a witness, who should also sign in accordance with the instructions printed on the Form of Acceptance. Any LiDCO Shareholder which is a company should execute the Form of Acceptance in accordance with the instructions printed on it.

(ii) To accept the Offer in respect of less than all of your LiDCO Shares in certificated form

To accept the Offer in respect of less than all your LiDCO Shares, you must insert in Box 1 on the Form of Acceptance such lesser number of LiDCO Shares in respect of which you wish to accept the Offer in accordance with the instructions printed thereon. You should then follow the procedure set out in (i) above in respect of such lesser number of LiDCO Shares. If you do not insert a number in Box 1 of the Form of Acceptance, or if you insert in Box 1 a number which is greater than the number of LiDCO Shares that you hold and you have signed Box 2, your acceptance will be deemed to be made in respect of all the LiDCO Shares held by you.

(b) Return of the Form of Acceptance

To accept the Offer in respect of LiDCO Shares held in certificated form, the completed, signed and, in the case of individuals, witnessed, Form of Acceptance should be returned by post or by hand (during normal business hours only) to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom (subject to paragraph 13 of this Part II) with the relevant original (no copies please) share certificate(s) and/ or other document(s) of title as soon as possible and, in any event, so **as to arrive not later than 1.00 pm on 23 November 2020**. A reply-paid envelope for use in the UK only is enclosed for your convenience. No acknowledgement of receipt of documents will be given by or on behalf of Masimo. The instructions printed on the Form of Acceptance are deemed to form part of the terms of the Offer. Any Form of Acceptance received in an envelope postmarked in any Restricted Jurisdiction or otherwise appearing to Masimo or its agents to have been sent from any of these jurisdictions may be rejected as an invalid acceptance of the Offer. For further information on Overseas Shareholders, see paragraph 13 above. The Form of Acceptance is issued only to the addressee(s) and the unique designated account printed on it. The Form of Acceptance is a personalised form and is not transferable between different: (i) accounts; or (ii) uniquely designated accounts. Masimo accepts no liability for any instructions that do not comply with the conditions set out in this document and the Form of Acceptance. If you require further Forms of Acceptance, you should contact Neville Registrars at the address or on the telephone numbers referred to above.

(c) Documents of title

If your LiDCO Shares are in certificated form, a completed, signed and witnessed Form of Acceptance should be accompanied by the relevant original (no copies please) share certificate(s) and/or other document(s) of title. If, for any reason, the relevant share certificate(s) and/or other document(s) of title is/are lost or not readily available, you should nevertheless complete, sign and return the Form of Acceptance, as stated above, so **as to be received by Neville Registrars by not later than 1.00 pm on 23 November 2020**. You should send with the Form of Acceptance any share certificate(s) and/or other document(s) of title which you may have available and a letter stating that the remaining documents will follow as soon as possible. No acknowledgement of receipt of documents will be given.

If you have lost your share certificate(s) and/or other document(s) of title, you should write as soon as possible to the Registrar to LiDCO, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom, requesting a letter of indemnity for lost share certificate(s) and/or other document(s) of title which, when completed in accordance with the instructions given, should be returned to the Registrar, Link Asset Services, together with an instruction to send the replacement certificate(s) to Neville Registrars as set out in paragraph 14(b) of this letter. Otherwise, by completing and signing the Form of Acceptance, you agree to the declarations and undertakings set out in Part C of Appendix I to this document including, without limitation, the indemnity set out in paragraph (k) of Part C of Appendix I to this document in favour of LiDCO, Masimo and Neville Registrars including in respect of all share claims, demands, liabilities, charges and expenses relating to share certificate(s) and/or other document(s) of title that are lost or otherwise not enclosed with your Form of Acceptance or otherwise not forwarded separately.

(d) Validity of acceptances

Without prejudice to Part C and Part D of Appendix I to this document, subject to the provisions of the Code, Masimo reserves the right to treat as valid in whole or in part any acceptance of an Offer which is not entirely in order or which is not accompanied by the relevant share certificate(s) and/or other document(s) of title. In that event, no payment of cash under the Offer will be made until after the relevant share certificate(s) and/ or other documents of title or indemnities satisfactory to Masimo have been received.

LiDCO Shares held in uncertificated form (that is, in CREST)

(e) General

If your LiDCO Shares are in uncertificated form, to accept the Offer you should take (or procure the taking of) the action set out below to transfer the LiDCO Shares in respect of which you accept the Offer to the appropriate escrow balance(s) specifying Neville Registrars (in its capacity as a CREST participant under its participant ID referred to below) as the Escrow Agent, as soon as possible and, in any event, so that the TTE instruction settles **not later than 1.00 pm on 23 November 2020**. Note that the settlement cannot take place on weekends or public holidays (or other times at which the CREST system is non-operational) – you should therefore ensure you time the input of any TTE instructions accordingly.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Only your CREST sponsor will be able to send the TTE instruction(s) to Euroclear in relation to your LiDCO Shares.

After settlement of a TTE instruction, you will not be able to access the LiDCO Shares concerned in CREST for any transaction or charging purposes. If the Offer becomes or is declared unconditional in all respects, the Escrow Agent will transfer the LiDCO Shares concerned to Masimo (or such other person as Masimo may direct) in accordance with paragraph (d) of Part D of Appendix I to this document.

You are recommended to refer to the CREST Manual for further information on the CREST procedures outlined below.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE instruction relating to your LiDCO Shares to settle prior to 1.00 pm on 23 November 2020. In this regard, you are referred in particular to those sections of the CREST Manual concerning the practical limitations of the CREST system and timings.

(f) To accept the Offer

To accept the Offer in respect of LiDCO Shares held in uncertificated form, you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE instruction to Euroclear in respect of such shares. A TTE instruction to Euroclear must be properly authenticated in accordance with Euroclear specifications for transfers to escrow and must contain, in addition to the other information that is required for a TTE instruction to settle in CREST, the following details:

- the ISIN number for the LiDCO Shares. This is **GB0030546849**;
- the number of LiDCO Shares in respect of which you wish to accept the Offer to be transferred to an escrow balance;
- your member account ID;
- your participant ID;
- the participant ID of the Escrow Agent for the Offer. This is 7RA11; the member account ID of the Escrow Agent. This is LIDCO;
- the intended settlement date. This should be as soon as possible and, in any event, not later than 1.00 pm on 23 November 2020;
- the corporate action number of the Offer. This is allocated by Euroclear and will be available on screen from CREST;
- input with a standard delivery instruction priority of 80; and
- the contact name and telephone number in the shared note field.

(g) Validity of acceptances

Holders of LiDCO Shares in uncertificated form who wish to accept the Offer should note that a TTE instruction will only be a valid acceptance of the Offer as at the relevant closing date if it has settled on or before 1.00 pm on that date. A Form of Acceptance which is received in respect of LiDCO Shares held in uncertificated form will not constitute a valid acceptance and will be disregarded.

Holders of LiDCO Shares in certificated form who wish to accept the Offer should complete, sign and return the Form of Acceptance with their original share certificate(s) (no copies please) and/or other documents of title in accordance with the procedures set out in Part C of Appendix I of this document.

Additional Forms of Acceptance are available from Neville Registrars by submitting a request in writing to Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom, or by telephoning Neville Registrars on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays).

If you are in any doubt as to the procedure for acceptance, please contact Neville Registrars by telephone on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals or give any financial, legal or tax advice.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

(h) General

Masimo will make an appropriate announcement if any of the details contained in this paragraph 14 change for any reason that is material for LiDCO Shareholders.

Normal CREST procedures (including timings) apply in relation to any LiDCO Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Offer (whether any such conversion arises as a result of a transfer of LiDCO Shares or otherwise). Holders of LiDCO Shares who are proposing so to convert any such LiDCO Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring the relevant LiDCO Shares as a result of the conversion to take all necessary steps in connection with an acceptance of the Offer (in particular, as regards delivery of share certificate(s) or other document(s) of title or transfers to an escrow balance as described above) prior to 1.00 pm on 23 November 2020.

If you are in any doubt as to the procedure for acceptance, please contact Neville Registrars by telephone on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals or give any financial, legal or tax advice.

You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

15. Settlement

The settlement procedure with respect to the Offer will comply with the rules of the Code. Subject to the Offer becoming or being declared unconditional in all respects, and provided that the Form of Acceptance, share certificate(s) and/or other document(s) of title or the Electronic Acceptance (as relevant) are in order (except as provided in paragraph 7 of Part B of Appendix I to this document in the case of certain Overseas Shareholders), settlement of the consideration to which any LiDCO Shareholder is entitled under the Offer will be effected: (i) in the case of acceptances received, complete in all respects, by the date on which the Offer becomes or is declared unconditional in all respects, within 14 days of such date, or (ii) in the case of acceptances received, complete in all respects, after the date on which the Offer becomes or is declared unconditional in all respects but while the Offer remains open for acceptance, within 14 days of such receipt, and in either case in the following manner:

a) LiDCO Shares in certificated form (that is, not in CREST)

Where an acceptance relates to LiDCO Shares in certificated form, settlement of any cash consideration to which the accepting LiDCO Shareholder is entitled will be dispatched by first class post to accepting LiDCO Shareholders or their appointed agents (but not into any Restricted Jurisdiction). All such cash payments will be made in pounds sterling by cheque drawn on a branch of a United Kingdom clearing bank (or by such other method as the Panel may approve).

b) LiDCO Shares in uncertificated form (that is, in CREST)

Where an acceptance relates to LiDCO Shares in uncertificated form, settlement of any cash consideration to which the accepting LiDCO Shareholder is entitled will be paid in pounds sterling by means of a CREST payment in favour of the accepting LiDCO Shareholder's payment bank in respect of the cash consideration due, in accordance with the CREST payment arrangements. Masimo reserves the right to settle all or any part of the consideration referred to in this paragraph (b), for all or any accepting LiDCO Shareholder(s), in the manner referred to in paragraph (a) above, if, for any reason, it wishes to do so.

c) General

If the Offer does not become, or is not declared, unconditional in all respects:

- (i) in the case of LiDCO Shares held in certificated form, the relevant Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post (or by such other method as may be approved by the Panel) within 14 days of the Offer lapsing to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in Box A or completed in Box 4 (provided that no such documents will be sent to an address in any Restricted Jurisdiction); and

- (ii) in the case of LiDCO Shares held in uncertificated form, the Escrow Agent will, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 days of the lapsing of the Offer), arrange to give TFE instructions to Euroclear to transfer all LiDCO Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the LiDCO Shareholders concerned.

All remittances, communications, notices, certificates and documents of title sent by, to or from LiDCO Shareholders or their appointed agents will be sent at their own risk. Except with the consent of the Panel, settlement of the consideration to which any LiDCO Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Masimo may otherwise be, or claim to be, entitled against such LiDCO Shareholder.

16. Further information

The Offer will remain open for acceptance until 1.00 pm on 23 November 2020 or such later time(s) and/or date(s) as Masimo may decide in accordance with the provisions contained in paragraph 1 of Part B of Appendix I of this document.

17. Action to be taken

To accept the Offer in respect of LiDCO Shares in certificated form, the Form of Acceptance must be completed and returned by post, together with the relevant original (no copies please) share certificate(s) and/or other document(s) of title, in the enclosed reply-paid envelope for use in the UK or by hand (during normal business hours only) to Neville Registrars, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom, as soon as possible and, in any event, so **as to be received not later than 1.00 pm on 23 November 2020**.

If your LiDCO Shares are held in uncertificated form, acceptances should be made electronically through CREST **so that the TTE instruction settles not later than 1.00 pm on 23 November 2020** by following the procedure set out in paragraph 14 of this letter and Part D of Appendix I to this document. If you are a CREST sponsored member, you should refer to your CREST sponsor as only your sponsor will be able to send the necessary TTE instruction to Euroclear.

If you are in any doubt as to the procedure for acceptance, please contact Neville Registrars by telephone on 0121 585 1131 or, if calling from outside the UK, on +44 121 585 1131 between 9.00 am and 5.00 pm Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals or give any financial, legal or tax advice.

Your decision as to whether to accept the Offer will depend on your individual circumstances. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK or, if you are outside the UK, from an appropriately authorised independent financial adviser, without delay.

Yours faithfully,

Joe Kiani

Director

Masimo LHC Limited

APPENDIX I

CONDITIONS TO, AND CERTAIN FURTHER TERMS OF, THE OFFER

PART A

CONDITIONS TO THE OFFER

The Offer complies with the Code, is governed by English law and is subject to the exclusive jurisdiction of the English courts. In addition, the Offer is subject to the following conditions (as amended if appropriate):

Acceptance Condition

- (a) Valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1.00 pm on the First Closing Date (or such later time(s) and/or date(s) as Masimo may, in accordance with the Code or with the consent of the Panel, decide) in respect of not less than 90 percent (or such lesser percentage as Masimo may decide) (1) in nominal value of the LiDCO Shares to which the Offer relates and; (2) of the voting rights attached to those shares, provided that this Condition will not be satisfied unless Masimo and/or any of its wholly-owned subsidiaries shall have acquired, or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, LiDCO Shares carrying in aggregate more than 50 percent of the voting rights then normally exercisable at a general meeting of LiDCO, including for this purpose (except to the extent otherwise agreed by the Panel) any such voting rights attaching to LiDCO Shares that are unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances whether pursuant to the exercise of any outstanding subscription or conversion rights or otherwise.

For the purposes of this Condition:

- (i) LiDCO Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights they will carry upon being entered into the register of members of LiDCO;
- (ii) the expression “LiDCO Shares to which the Offer relates” shall be construed in accordance with Chapter 3 of Part 28 of the Companies Act; and
- (iii) LiDCO Shares that cease to be held in treasury are LiDCO Shares to which the Offer relates;

Third Party clearances

- (b) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or any other body or person whatsoever in any jurisdiction (each a “Third Party”) having decided to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having expressly withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice, or having taken any other steps which would or might reasonably be expected to:
- (i) make the Offer, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider LiDCO Group by any member of the Wider Masimo Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose additional material conditions or obligations with respect to, the Offer or the acquisition of any shares or other securities in, or control or management of, any member of the Wider LiDCO Group by any member of the Wider Masimo Group or require amendment of the Offer;
- (ii) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Masimo Group or by any member of the Wider LiDCO Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider LiDCO Group taken as a whole;
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Masimo Group directly or indirectly to acquire or hold or to exercise effectively all or any rights

of ownership in respect of shares or other securities in LiDCO (or any member of the Wider LiDCO Group) or on the ability of any member of the Wider LiDCO Group or any member of the Wider Masimo Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider LiDCO Group;

- (iv) other than pursuant to the implementation of the Offer, require any member of the Wider Masimo Group or the Wider LiDCO Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider LiDCO Group or any asset owned by any third party;
- (v) require, prevent or materially delay a divestiture by any member of the Wider Masimo Group of any shares or other securities (or the equivalent) in any member of the Wider LiDCO Group;
- (vi) result in any member of the Wider LiDCO Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider LiDCO Group taken as a whole;
- (vii) impose any limitation on the ability of any member of the Wider Masimo Group or any member of the Wider LiDCO Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Masimo Group and/or the Wider LiDCO Group in a manner which is materially adverse to the Wider Masimo Group and/or the Wider LiDCO Group, in either case, taken as a whole; or
- (viii) otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider LiDCO Group or any member of the Wider Masimo Group in each case in a manner which is adverse to and material in the context of the Wider LiDCO Group taken as a whole or in the Wider Masimo Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Offer or proposed acquisition of any LiDCO Shares or otherwise intervene having expired, lapsed, or been terminated;

- (c) no undertakings or assurances being required from Masimo, any member of the Wider Masimo Group or any member of the Wider LiDCO Group by the secretary of state or any other Third Party, except on terms reasonably satisfactory to Masimo and Masimo Corporation;
- (d) all material notifications, filings or applications which are deemed by Masimo (acting reasonably) to be necessary or appropriate having been made in connection with the Offer and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all material statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are deemed by Masimo to be necessary or appropriate in any jurisdiction for or in respect of the Offer or the proposed acquisition of any shares or other securities in, or control of, LiDCO by any member of the Wider Masimo Group having been obtained in terms and in a form reasonably satisfactory to Masimo and Masimo Corporation from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider LiDCO Group or the Wider Masimo Group has entered into contractual arrangements and all such Authorisations which are deemed by Masimo to be necessary or appropriate to carry on the business of any member of the Wider LiDCO Group remaining in full force and effect at the time at which the Offer becomes otherwise unconditional in all respects and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;
- (e) no temporary restraining order, preliminary or permanent injunction, preliminary or permanent injunction, or other order threatened or issued and being in effect by a court or other Third Party which has the effect of making the Offer or any acquisition or proposed acquisition of any shares or other securities or control or management of, any member of the Wider LiDCO Group by any member of the Wider Masimo Group, or the implementation of either of them, void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the consummation or the approval of the Offer or any matter arising from the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider LiDCO Group by any member of the Wider Masimo Group; and
- (f) all material statutory or regulatory obligations in any relevant jurisdiction having been complied with;

Confirmation of absence of adverse circumstances

- (g) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider LiDCO Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Offer or the proposed acquisition by any member of the Wider Masimo Group of any shares or other securities in LiDCO or because of a change in the control or management of any member of the Wider LiDCO Group or otherwise, could or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider LiDCO Group taken as a whole or the Wider Masimo Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider LiDCO Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider LiDCO Group or any member of the Wider Masimo Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider LiDCO Group or any member of the Wider Masimo Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or modified or affected or any obligation or liability arising or any adverse action being taken thereunder;
 - (iii) any member of the Wider LiDCO Group ceasing to be able to carry on business under any name under which it presently carries on business;
 - (iv) any assets or interests of, or any asset being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider LiDCO Group otherwise than in each case, in the ordinary course of business;
 - (v) the creation (save in the ordinary and usual course of business) or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider LiDCO Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
 - (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider LiDCO Group being prejudiced or adversely affected;
 - (vii) any liability of any member of the Wider LiDCO Group to make any severance, termination, bonus or other payment to any of its directors or other officers; or
 - (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider LiDCO Group other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider LiDCO Group is a party or by which any such member or any of its assets may be bound or entitled or subject could result in any of the events or circumstances referred to in sub-paragraphs (i) to (viii) of this Condition;

No material transactions, claims or changes in the conduct of the business of the LiDCO Group

- (h) except as Disclosed, no member of the Wider LiDCO Group having since 31 January 2020:
- (i) save as between LiDCO and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of LiDCO Shares on the exercise of options granted in the ordinary course under the Share Option Schemes, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of LiDCO Shares out of treasury;
 - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to LiDCO or one of its wholly-owned subsidiaries;

- (iii) save as between LiDCO and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any material assets or any right, title or interest in any material asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;
- (iv) save as between LiDCO and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital in each case: (a) other than in connection with an ordinary course financing arrangement; and (b) to the extent which is material in the context of the Wider LiDCO Group taken as a whole;
- (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between LiDCO and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider LiDCO Group taken as a whole;
- (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the LiDCO Group or in the context of the Offer, or which is or is reasonably likely to be restrictive on the business of any member of the Wider LiDCO Group to an extent which is or is likely to be material to the Wider LiDCO Group taken as a whole or in the context of the Offer;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider LiDCO Group which are material in the context of the Wider LiDCO Group taken as a whole and outside the normal course of business;
- (viii) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider LiDCO Group save for salary increases, bonuses or variations of the terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any Share Option Scheme or any other share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider LiDCO Group which, taken as a whole, are material in the context of the Wider LiDCO Group;
- (x) except in relation to changes required as a result of legislation or changes to legislation, procured the trustees of the relevant pension scheme, or any such trustees having taken any action since 31 January 2020, to (I) propose, make or agree to any significant change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider LiDCO Group or their dependants (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the manner in which the assets of any Relevant Pension Plan are invested; (e) the basis or rate of employer contribution to a Relevant Pension Plan; or (II) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carry out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding-up of any Relevant Pension Plan; (b) which would or might create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would or might give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to the scheme;
- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the

Offer) otherwise than in the ordinary course of business, which is material in the context of the Wider LiDCO Group taken as a whole or in the context of the Offer;

- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of LiDCO) is material in the context of the Wider LiDCO Group taken as a whole;
- (xiv) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider LiDCO Group taken as a whole or in the context of the Offer;
- (xv) made any material alteration to its articles of association or other constitutional documents;
- (xvi) (other than in respect of a member which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider LiDCO Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider LiDCO Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of LiDCO Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;

No material adverse change

- (i) since 31 January 2020, and except as Disclosed:
 - (i) there having been no adverse change or deterioration, and no circumstance having arisen which would be expected to result in any adverse change or deterioration, in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider LiDCO Group to an extent which is material to the Wider LiDCO Group taken as a whole or in the context of the Offer;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider LiDCO Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider LiDCO Group or to which any member of the Wider LiDCO Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider LiDCO Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider LiDCO Group which, in any such case, might reasonably be expected to have a material adverse effect on the Wider LiDCO Group taken as a whole or in the context of the Offer;
 - (iii) no contingent or other liability having arisen, increased or become apparent which might be likely adversely to affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider LiDCO Group to an extent which is material to the Wider LiDCO Group taken as a whole or in the context of the Offer; and

- (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider LiDCO Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is likely to have a material adverse effect on the Wider LiDCO Group taken as a whole or in the context of the Offer;
- (j) since 31 January 2020, and except as Disclosed, Masimo not having discovered:
 - (i) that any financial, business or other information concerning the Wider LiDCO Group publicly announced prior to the date of the Announcement or disclosed to any member of the Wider Masimo Group prior to the date of the Announcement by or on behalf of any member of the Wider LiDCO Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading to an extent which in any case is material in the context of the Wider LiDCO Group taken as a whole;
 - (ii) that any member of the Wider LiDCO Group is subject to any liability, contingent or otherwise which is material in the context of the Wider LiDCO Group taken as a whole; or
 - (iii) any information which affects the import of any information disclosed to Masimo at any time by or on behalf of any member of the Wider LiDCO Group to an extent which is material in the context of the Wider LiDCO Group taken as a whole;

Environmental liabilities

- (k) since 31 January 2020, and except as Disclosed, Masimo not having discovered:
 - (i) any past or present member of the Wider LiDCO Group has not complied in any material respect with all applicable legislation or regulations, notices or other requirements of any jurisdiction or any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or greenhouse gas, or any substance likely to impair the environment (including property) or harm the health of humans, animals or other living organisms or eco-systems or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider LiDCO Group, in each case to an extent which is material in the context of the Wider LiDCO Group taken as a whole;
 - (ii) there has been a disposal, discharge, spillage, accumulation, leak, emission, release or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or greenhouse gas or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation) would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider LiDCO Group;
 - (iii) there is or is likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, re-instate or clean up any property, asset currently or previously owned, occupied or made use of by any past or present member of the Wider LiDCO Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, or other elements of the environment (including any controlled waters) under any environmental legislation, common law, regulation, notice, circular, Authorisation, other legally binding requirement or order of any Third Party or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto in any such case to an extent which is material in the context of the Wider LiDCO Group taken as a whole; or
 - (iv) circumstances exist (whether as a result of the Offer or otherwise):
 - (A) which would be likely to lead to any Third Party instituting; or
 - (B) whereby any member of the Wider Masimo Group or any present or past member of the Wider LiDCO Group would be likely to be required to institute,

an environmental audit or take any other steps which would in any such case be likely to result in any liability (whether actual or contingent) which is material in the context of the Wider LiDCO Group taken as a whole to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present

member of the Wider LiDCO Group (or on its behalf) or by any person for which a member of the Wider LiDCO Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest; or

- (v) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider LiDCO Group which claim or claims would be likely, materially and adversely, to affect the Wider LiDCO Group taken as a whole;

Intellectual Property

- (l) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider LiDCO Group which would have a material adverse effect on the Wider LiDCO Group taken as a whole or is otherwise material in the context of the Offer, including:
 - (i) any member of the Wider LiDCO Group losing its title to any intellectual property which is material to its business, or any intellectual property owned by the Wider LiDCO Group which is material to its business being revoked, cancelled or declared invalid;
 - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider LiDCO Group to, or the validity or effectiveness of, any of its intellectual property; or
 - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider LiDCO Group being terminated or varied;

Anti-corruption and sanctions

- (m) since 31 January 2020, and except as Disclosed, Masimo not having discovered that:
 - (i) any past or present member of the Wider LiDCO Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation; or
 - (ii) any past or present member of the Wider LiDCO Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction;

No criminal property

- (n) since 31 January 2020, and except as Disclosed, Masimo not having discovered that any asset of any member of the Wider LiDCO Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Waiver and invocation of Conditions

Subject to the requirements of the Panel, Masimo reserves the right in its sole discretion to waive (if capable of waiver) in whole or in part all or any of the Conditions in paragraphs (b) to (n) (inclusive) above.

Conditions (b) to (n) inclusive must be satisfied as of, or (if capable of waiver) waived on or before, midnight on the 21st calendar day after the later of the First Closing Date and the date on which Condition (a) is fulfilled (or, in each case, such later date as the Panel may agree), failing which the Offer will lapse.

Masimo shall be under no obligation to waive (if capable of waiver) or determine to be, or treat as, satisfied, any of Conditions (b) to (n) inclusive by a date earlier than the latest date specified above for the satisfaction thereof notwithstanding that the other Conditions may at such earlier date have been waived or satisfied and that there are, at such earlier date, no circumstances indicating that any of such conditions may not be capable of satisfaction. In any event, all of the Conditions must be satisfied as at, or (if capable of waiver) waived on or before, midnight on the 81st day following the date on which this document is published or such other date as may be agreed with the Panel.

If Masimo is required by the Panel to make an offer for LiDCO Shares under the provisions of Rule 9 of the Code, Masimo may make such alterations to the terms and conditions of the Offer as are necessary to comply with the provisions of that Rule.

Other than in relation to Condition (a), except with the Panel's consent, Masimo will not invoke a condition so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the Panel determines that the circumstances giving rise to the right to invoke the relevant condition are of material significance to Masimo in the context of the Offer.

Certain Further Terms of the Offer

Masimo reserves the right to elect with the agreement of LiDCO and the consent of the Panel (where necessary), to implement the acquisition of LiDCO by way of a court-approved scheme of arrangement in accordance with Part 26 of the Companies Act. In such event, the acquisition will be implemented on substantially the same terms, subject to appropriate amendments, as those which would apply to the Offer.

Masimo reserves the right to direct that a portion of the LiDCO Shares to be transferred pursuant to acceptances of the Offer be transferred directly to a wholly-owned subsidiary of Masimo Corporation.

The Offer is governed by English law and subject to the jurisdiction of the English courts and to the Conditions and terms set out in this Appendix. The Offer complies with the applicable rules and regulations of the FCA, the London Stock Exchange and the Code.

If any dividend or other distribution is authorised, declared, made or paid in respect of the LiDCO Shares on or after the date of this document and prior to completion of the Offer, Masimo reserves the right to reduce the Offer consideration for each LiDCO Share by the amount of all or part of any such dividend or other distribution, in which case any reference in this document to the consideration payable under the terms of the Offer will be deemed to be a reference to the consideration as so reduced and LiDCO Shareholders will be entitled to receive and retain such dividend or other distribution. If such reduction occurs, notwithstanding the terms on which the LiDCO Shares are expressed to be acquired pursuant to the Offer in this Appendix I, the LiDCO Shares shall be acquired pursuant to the Offer together with all rights now or hereafter attaching hereto including without limitation voting rights and announced the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital premium account or otherwise) made, on or after the date of this document, but excluding such dividend or distribution.

To the extent that any dividend or other distribution is authorised, declared, made or paid in respect of the LiDCO Shares on or after the date of this document and prior to completion of the Offer and such dividend or other distribution is or shall be: (i) transferred pursuant to the Offer on a basis which entitles Masimo to receive the dividend or distribution and to retain it; or (ii) cancelled, the consideration payable shall not be subject to change in accordance with the preceding paragraph.

The Offer will lapse if there is a Phase 2 CMA reference in respect of the Offer before the later of 1.00 pm on the First Closing Date and the date on which the Offer becomes or is declared unconditional as to acceptances.

PART B

FURTHER TERMS OF THE OFFER

Unless the context requires otherwise, any reference in this document and in the Form of Acceptance to:

- (i) “**acceptances of the Offer**” includes deemed acceptances of the Offer;
- (ii) the Offer being, becoming or being declared “**unconditional as to acceptances**” means the Offer being, becoming or being declared unconditional as to acceptances by virtue of the acceptance condition having become or been declared fulfilled, whether or not any other condition of the Offer remains to be fulfilled;
- (iii) the “**acceptance condition**” means the condition as to acceptances in paragraph (a) of Part A of this Appendix and references to the Offer being unconditional as to acceptances shall be construed accordingly;
- (iv) an “**extension of the Offer**” includes a reference to an extension of the date by which the acceptance condition has to be fulfilled;
- (v) “**Day 39**” means 11 December 2020 (or such other later date as the Panel may agree);
- (vi) “**Day 46**” means 18 December 2020 (or such other later date as the Panel may agree); and
- (vii) “**Day 60**” means 1 January 2021 (or such other later date as may be determined by Masimo with the agreement of the Panel to be the last date for fulfilment of the acceptance condition in accordance with the Code).

The following further terms apply, unless the context requires otherwise, to the Offer.

1. Acceptance Period

- (a) The Offer is initially open for acceptance until 1.00 pm on the First Closing Date. Masimo reserves the right (but will not be obliged, other than as may be required by the Code) at any time or from time to time to extend the Offer after such time and, in such event, will make a public announcement of such extension in the manner described in paragraph 3(a) below and give oral or written notice of such extension to the Receiving Agent. If the Offer has not become unconditional as to acceptances by the First Closing Date, Masimo currently intends to extend the Offer until such time as the Offer becomes unconditional as to acceptances. There can be no assurance, however, that Masimo will, in such circumstances, extend the Offer and, if no such extension is made, the Offer will lapse on the First Closing Date and no LiDCO Shares will be purchased pursuant to the Offer.
- (b) Although no revision is contemplated, if Masimo revises the Offer, it will remain open for acceptance for a period of at least 14 calendar days (or such other period as may be permitted by the Panel) after the date on which Masimo publishes the revised offer document. Except with the consent of the Panel, Masimo may not revise the Offer or publish any revised offer documentation after Day 46 or, if later, the date which is 14 calendar days before the last date on which the Offer can become unconditional as to acceptances.
- (c) The Offer, whether revised or not, shall not (except with the consent of the Panel or as otherwise permitted by the Code) be capable of becoming unconditional as to acceptances after midnight on Day 60 (or any other time and/or date beyond which Masimo has stated that the Offer will not be extended and has not, where permitted, withdrawn that statement) nor of being kept open for acceptance after that time and/or date unless the Offer has previously become unconditional as to acceptances. If the Offer has not become unconditional as to acceptances at such time (taking account of any prescribed extension of the Offer), the Offer will lapse in the absence of a competing bid and/or unless the Panel agrees otherwise. If the Offer lapses for any reason, the Offer shall cease to be capable of further acceptance and Masimo and LiDCO Shareholders shall cease to be bound by prior acceptances. Masimo reserves the right, subject to the consent of the Panel, to extend the time for the Offer to become unconditional as to acceptances to any later time(s) and/or date(s).
- (d) If the Offer becomes unconditional as to acceptances, it will remain open for acceptance for not less than 14 calendar days from the date on which it would otherwise have expired. If the Offer becomes unconditional as to acceptances and it is stated by or on behalf of Masimo that the Offer will remain open until further notice or if the Offer will remain open for acceptances beyond the 70th calendar day following publication of this document, then not less than 14 calendar days’ notice will be given by or on behalf of Masimo to LiDCO Shareholders who have not accepted the Offer (and persons with information rights) prior to closing the Offer.
- (e) If a competitive situation arises (as determined by the Panel) after a “no increase” and/or “no extension” statement (as referred to in the Code) has been made by or on behalf of Masimo in relation to the Offer, Masimo may, if it specifically reserves the right to do so at the time the statement is made (or otherwise with

the consent of the Panel), choose not to be bound by or withdraw the statement and extend and/or revise the Offer provided it complies with the requirements of the Code and, in particular, that:

- (i) it announces the withdrawal and states that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of the firm announcement of the competing offer or other competitive situation;
 - (ii) it sends a notice to LiDCO Shareholders (and persons with information rights) at the earliest practicable opportunity in writing to that effect or, in the case of LiDCO Shareholders (and persons with information rights) with registered addresses in Restricted Jurisdictions or whom Masimo reasonably believes to be nominees, custodians or trustees holding LiDCO Shares for such persons, by announcement in the United Kingdom; and
 - (iii) any LiDCO Shareholders who accept the Offer after the “no increase” and/or “no extension” statement are given a right of withdrawal as described in paragraph 4(d) of Part B of this Appendix.
- (f) If LiDCO publishes material new information of the kind referred to in Rule 31.9 of the Code after Day 39, Masimo may choose not to be bound by a “no increase” and/or “no extension” statement if it specifically reserved the right to do so at the time such statement was made (or otherwise with the consent of the Panel) and be free to extend or revise the Offer if permitted to do so by the Panel, provided that:
- (i) it announces the withdrawal and states that it is free to extend or revise the Offer (as appropriate) as soon as possible and in any event within four Business Days after the date of publication of new material information by LiDCO; and
 - (ii) it sends a notice to LiDCO Shareholders (and persons with information rights) at the earliest practicable opportunity in writing to that effect or, in the case of LiDCO Shareholders (and persons with information rights) with registered addresses in Restricted Jurisdictions or whom Masimo reasonably believes to be nominees, custodians or trustees holding LiDCO Shares for such persons, by announcement in the United Kingdom.
- (g) Masimo may, if it specifically reserves the right to do so at the time the statement was made (or otherwise with the consent of the Panel), choose not to be bound by the terms of a “no increase” and/or “no extension” statement and may publish an increased or improved offer if it is recommended for acceptance by the board of directors of LiDCO, or in any other circumstances permitted by the Panel.
- (h) If a competitive situation arises as determined by the Panel and is continuing on the Business Day preceding Day 60, Masimo will enable holders of LiDCO Shares in uncertificated form, who have not already validly accepted the Offer but who have previously accepted a competing offer, to accept the Offer by special form of acceptance to take effect on Day 60 (or such other date as agreed with the Panel). The special form of acceptance shall constitute a valid acceptance of the Offer provided that (i) it is received by the Receiving Agent on or before Day 60 (or such other date as agreed with the Panel); (ii) the relevant LiDCO Shareholder shall have applied to withdraw his acceptance of the competing offer but that the LiDCO Shares to which such withdrawal relates shall not have been released from escrow by the Escrow Agent to the competing offer before Day 60 (or such other date as agreed with the Panel); and (iii) the LiDCO Shares to which the special form of acceptance relates are not transferred to escrow in accordance with the procedure for acceptance set out in the letter from Masimo contained in Part II of this document on or before Day 60, but an undertaking is given that they will be so transferred as soon as possible thereafter. LiDCO Shareholders wishing to use such special forms of acceptance should apply to the Receiving Agent on 0121 585 1131, or +44 121 585 1131 if calling outside of the UK, between 9.00 am and 5.00 pm on a Business Day preceding Day 60 in order that such forms can be despatched. Notwithstanding the right to use such a special form for acceptance, holders of LiDCO Shares in uncertificated form may not use a Form of Acceptance (or any other purported acceptance form) for the purpose of accepting the Offer in respect of such shares.

2. Acceptance condition

- (a) Except with the consent of the Panel, for the purpose of determining at any particular time whether the acceptance condition is satisfied, Masimo may only take into account acceptances received or purchases of LiDCO Shares made in respect of which all relevant documents and/or TTE instructions are received by the Receiving Agent:
 - (i) by 1.00 pm on Day 60 (or any other date beyond which Masimo has stated that it will not extend the Offer and Masimo has not withdrawn that statement); or

- (ii) if the Offer is extended with the consent of the Panel, such later time(s) or date(s) as Masimo may (with the consent of the Panel) determine.

If the latest time at which the Offer may become unconditional as to acceptances is extended beyond midnight on Day 60, acceptances received and purchases made in respect of which the relevant documents are received by the Receiving Agent after 1.00 pm on that date may only be taken into account with the agreement of the Panel (except where the Code permits otherwise).

- (b) Except as otherwise agreed by the Panel:
 - (i) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;
 - (ii) a purchase of LiDCO Shares by Masimo or its nominee(s) or (if Masimo is required by the Panel to make an offer for LiDCO Shares under Rule 9 of the Code) by a person acting in concert with Masimo or its nominee(s), will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it; and
 - (iii) before the Offer may become or be declared unconditional as to acceptances, the Receiving Agent shall issue a certificate to Masimo or Cattaneo (or their respective agents) which states the number of LiDCO Shares in respect of which acceptances have been received and not validly withdrawn, and the number of LiDCO Shares otherwise acquired, whether before or during the Offer Period, which comply with the provisions of this paragraph 2. A copy of the certificate will be sent to the Panel and LiDCO's financial advisers as soon as possible after it is issued.
- (c) For the purpose of determining at any particular time whether the acceptance condition is satisfied Masimo is not bound (unless required by the Panel) to take into account any LiDCO Shares which have been unconditionally allotted or issued or which arise as a result of the exercise of conversion rights before the determination takes place unless LiDCO or its agent has given written notice to Masimo or the Receiving Agent, Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD on behalf of Masimo containing relevant details of the allotment, issue or conversion. Notification by email, fax or other electronic transmission does not constitute written notice for this purpose.

3. Announcements

- (a) Without prejudice to paragraph 4(b) below, by 8.00 am on the next Business Day (the “**relevant day**”) following the day on which the Offer is due to expire or becomes or is declared unconditional as to acceptances, or is revised or extended (or such later time(s) or date(s) as the Panel may agree), Masimo will make an appropriate announcement through a Regulatory Information Service. The announcement will state (unless otherwise permitted by the Panel):
 - (i) the total number of LiDCO Shares for which acceptances of the Offer have been received showing: (A) the extent, if any, to which such acceptances have been received from any person(s) acting or deemed to be acting in concert with Masimo for the purposes of the Offer; and (B) which were the subject of an irrevocable commitment or letter of intent procured by Masimo or any person acting in concert with it;
 - (ii) details of any LiDCO relevant securities in which Masimo or any person acting in concert with it has an interest or in respect of which it has a right to subscribe, in each case specifying the nature of the interests or rights concerned and details of any short positions over LiDCO relevant securities held by Masimo or any person acting in concert with it (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
 - (iii) details of any LiDCO relevant securities in respect of which Masimo or any person acting in concert with it has an outstanding irrevocable commitment or letter of intent; and
 - (iv) details of any LiDCO relevant securities which Masimo or any person acting in concert with it has borrowed or lent, save for any borrowed shares which have been either on-lent or sold,

and will specify the percentages of each class of relevant securities represented by these figures and the total number of shares which Masimo may count towards the satisfaction of the acceptance condition.

- (b) Except as otherwise agreed by the Panel, in computing the number of LiDCO Shares represented by acceptances and/or purchases for the announcement, an acceptance or purchase will only be counted towards fulfilling the acceptance condition if the requirements of Notes 4, 5 and 6 (as applicable) on Rule 10 of the

Code are satisfied. Subject to this, Masimo may include or exclude, for announcement purposes, acceptances and purchases not in all respects in order or not accompanied by the relevant share certificate(s) and/or other document(s) of title and/or not accompanied by the relevant TTE instruction or which are subject to verification.

- (c) Any decision to extend the time and/or date by which the acceptance condition has to be fulfilled may be made at any time up to, and will be announced by 8.00 am on the relevant day or such later time(s) and/or date(s) as the Panel may agree. The announcement will state the next expiry time and date unless the Offer is then unconditional as to acceptances, in which case a statement may instead be made that the Offer will remain open until further notice.
- (d) In this Appendix I, references to the making of an announcement or the giving of notice by or on behalf of Masimo include (without limitation), in each case by Masimo Corporation's or Masimo's public relations consultants or Cattaneo or other nominee of Masimo respectively, on behalf of Masimo, the release of an announcement to the press and/or the transmission by whatever means of an announcement to a Regulatory Information Service. An announcement made otherwise than through a Regulatory Information Service will be notified simultaneously through a Regulatory Information Service (unless otherwise agreed by the Panel).
- (e) A copy of any announcement made by Masimo in accordance with this paragraph 3 will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Masimo's website at www.masimo.com/offerdocuments promptly and in any event by no later than 12 noon on the Business Day following the announcement. Unless explicitly stated otherwise, the content of the websites referred to in this document is not incorporated into and does not form part of this document.
- (f) Without limiting the manner in which Masimo may choose to make any public announcement and, subject to the obligations of Masimo under applicable law and paragraph 3(e), Masimo will have no obligation to publish, advertise or otherwise communicate any such public announcement other than by making a release to a Regulatory Information Service.

4. Rights of withdrawal

- (a) Except as provided by this paragraph 4 or as may otherwise be agreed in writing between Masimo and any particular LiDCO Shareholder in accordance with the Code, acceptances of the Offer are irrevocable.
- (b) If Masimo announces the Offer to be unconditional as to acceptances and then fails to comply by 3.30 pm on the relevant day (as defined in paragraph 3(a) of Part B of this Appendix) (or such later time(s) and/or date(s) as the Panel may agree) with any of the other requirements specified in paragraph 3(a) of Part B of this Appendix, an accepting LiDCO Shareholder may (unless the Panel agrees otherwise) withdraw his acceptance of the Offer by written notice (in the case of LiDCO Shares in certificated form) in accordance with paragraph 4(i) of Part B of this Appendix. Subject to paragraph 1(c) of Part B of this Appendix (in the case of LiDCO Shares in uncertificated form) this right of withdrawal may be terminated not less than eight calendar days after the relevant day by Masimo confirming, if such is the case, that the Offer is still unconditional as to acceptances, and complying with the other requirements specified in paragraph 3(a) of Part B of this Appendix. If that confirmation is given, the first period of 14 calendar days referred to in paragraph 1(d) of Part B of this Appendix will start on the date of that confirmation.
- (c) If by 1.00 pm on Day 60 (or such later time(s) and/or date(s) as the Panel may agree) the Offer has not become unconditional as to acceptances, an accepting LiDCO Shareholder may withdraw his acceptance of the Offer by written notice (in the case of LiDCO Shares in certificated form) or otherwise in accordance with paragraph 4(i) of Part B of this Appendix (in the case of LiDCO Shares in uncertificated form) at any time before the earlier of (i) the time that the Offer becomes unconditional as to acceptances; and (ii) the final time for the lodging of acceptances of the Offer which can be taken into account in accordance with paragraph 2(a) of Part B of this Appendix.
- (d) If a "no increase" and/or "no extension" statement is withdrawn in accordance with paragraph 1(e) of Part B of this Appendix, a LiDCO Shareholder who accepts the Offer after the date of the statement may withdraw such acceptance by written notice (in the case of LiDCO Shares in certificated form) or otherwise in accordance with paragraph 4(i) of Part B of this Appendix (in the case of LiDCO Shares in uncertificated form) during the period of eight calendar days after the date on which Masimo sends the notice of the withdrawal of that statement to LiDCO Shareholders.
- (e) All questions as to the validity (including time of receipt) of any notice of withdrawal will be determined by Masimo whose determination (except as required by the Panel) will be final and binding. None of Masimo Corporation, Masimo, LiDCO, Cattaneo, the Receiving Agent or any other person will be under any duty to

give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification or for any determination under this paragraph 4.

- (f) If an accepting LiDCO Shareholder withdraws his acceptance, all documents of title and other documents lodged with the Form of Acceptance will be returned by post (or by such other method as shall be approved by the Panel) as soon as practicable following the receipt of the withdrawal (and in any event within 14 calendar days) and the Escrow Agent will immediately (or within such period as the Panel may permit, not exceeding 14 calendar days) give TFE instructions to Euroclear for the transfer of securities held in escrow to the original balances of the LiDCO Shareholders concerned.
- (g) LiDCO Shares in respect of which acceptances have been properly withdrawn in accordance with this paragraph 4 may subsequently be re-assented to the Offer by following one of the procedures described in paragraph 14 of Part II of this document at any time while the Offer remains open for acceptance.
- (h) In this paragraph 4, “**written notice**” (including any letter of appointment, direction or authority) means notice in writing signed by the relevant accepting LiDCO Shareholder (or his/their agent(s) duly appointed in writing and evidence of whose appointment satisfactory to Masimo is produced with the notice) given by post, or by hand (during normal business hours) to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD. Email, fax or other electronic transmission or copies will not be sufficient. A notice which is postmarked in, or otherwise appears to Masimo or its agents to have been sent from any Restricted Jurisdiction may not be treated as valid. The notice must include all relevant information to enable the Receiving Agent to identify the LiDCO Shares to be withdrawn and a contact telephone number for the LiDCO Shareholders.
- (i) In the case of LiDCO Shares held in uncertificated form, if withdrawals are permitted pursuant to paragraph 4(b), 4(c) or 4(d) of Part B of this Appendix, an accepting LiDCO Shareholder may withdraw his acceptance through CREST by sending (or, if a CREST sponsored member, procuring that his CREST sponsor sends) an ESA instruction to settle in CREST in relation to each Electronic Acceptance to be withdrawn. Each ESA instruction must, in order for it to be valid and to settle, include the following details:
- the number of LiDCO Shares to be withdrawn, together with their ISIN number which is GB0030546849;
 - the member account ID of the accepting shareholder, together with his participant ID;
 - the member account ID of the Escrow Agent (this is **LIDCO**) included in the relevant Electronic Acceptance, together with the Escrow Agent’s participant ID (this is **7RA11**);
 - the transaction reference number of the Electronic Acceptance to be withdrawn;
 - the intended settlement date for the withdrawal;
 - the corporate action number for the Offer (this is allocated by Euroclear and will be available on screen from Euroclear); and
 - input with standard delivery instruction priority of 80.

Any such withdrawal will be conditional upon the Receiving Agent verifying that the withdrawal request is validly made. Accordingly, the Receiving Agent will on behalf of Masimo reject or accept the withdrawal by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

5. Revised Offer

- (a) Although no revision is contemplated, if Masimo revises the Offer (from its original or previously revised form(s) and either in its terms and conditions or in the value or nature of the consideration offered or otherwise), the benefit of the revised offer will, subject to paragraphs 5(d), 5(e) and 7 below, be made available to any LiDCO Shareholder who has accepted the Offer (in its original or any revised form(s)) and who has not validly withdrawn such acceptance (a “**previous acceptor**”). The acceptance of the Offer by or on behalf of a previous acceptor will, subject to paragraphs 5(d), 5(e) and 7 below be deemed an acceptance of the revised offer and will constitute the separate appointment of each of Masimo and any director of Masimo, Masimo Corporation, or persons authorised by Masimo or Cattaneo as his or her attorney and/or agent with authority:
- (i) to accept the revised Offer on behalf of such previous acceptor;
- (ii) if the revised Offer includes alternative form(s) of consideration, to make elections for and/or accept the alternative form(s) of consideration on his behalf in the proportions the attorney and/ or agent in his absolute discretion thinks fit; and

- (iii) to execute on his behalf and in his name all further documents (if any) and to do all things (if any) as may be required to give effect to such acceptances and/or elections.

In making any election and/or acceptance, the attorney and/or agent will take into account the nature of any previous acceptance(s) or election(s) made by or on behalf of the previous acceptor and other facts or matters he or she may reasonably consider relevant. The attorney and/or agent shall not be liable to any LiDCO Shareholder or any other person in making such election and/or acceptance or in making any determination in respect thereof.

- (b) Although no revision is contemplated, if the Offer is revised, a revised offer document will be published. On the day of publication, Masimo will publish the revised offer document on its website and will announce that the revised offer document has been so published.
- (c) Although no revision is contemplated, if the revised offer document is published, both Masimo and LiDCO will make the revised offer document readily and promptly available to the trustees of LiDCO's pension schemes and to the representatives of the employees of Masimo and LiDCO respectively or, where there are no such representatives, to the employees themselves. LiDCO will make any circular published by the LiDCO Directors readily and promptly available to the trustees of its pension schemes and to its employee representatives or, where there are no such representatives, to the employees themselves.
- (d) The deemed acceptance and/or election referred to in paragraph 5(a) of Part B of this Appendix shall not apply, and the power of attorney and authorities conferred by that paragraph shall not be exercised if, as a result, a LiDCO Shareholder would (on such basis as Cattaneo may reasonably consider appropriate) receive and/or retain (as appropriate) less in aggregate in consideration under the revised Offer or otherwise than he or she would have received and/or retained (as appropriate) in aggregate in consideration as a result of his acceptance of the Offer in the form originally accepted by such LiDCO Shareholder or on his behalf.
- (e) The deemed acceptance and/or election referred to in paragraph 5(a) above shall not apply, and the power of attorney and the authorities conferred by that paragraph shall not be exercised to the extent that a previous acceptor (i) in respect of LiDCO Shares in certificated form, lodges with the Receiving Agent within 14 calendar days of publication of the revised offer documentation, a form of acceptance (or any other form issued by or on behalf of Masimo) in which he or she validly elects to receive consideration under the revised offer in some other manner or (ii) sends (or, if a CREST sponsored member, procures that his CREST sponsor sends), in respect of LiDCO Shares in uncertificated form, an ESA instruction to settle in CREST in relation to each Electronic Acceptance in respect of which an election is to be changed. Each ESA instruction must, in order for it to be valid and to settle, include the following details:
- the number of LiDCO Shares in respect of which the changed election is made, together with their ISIN number which is **GB0030546849**;
 - the member account ID of the previous acceptor, together with his participant ID;
 - the member account ID of the Escrow Agent (this is **LIDCO**) included in the relevant Electronic Acceptance, together with the Escrow Agent's participant ID (this is **7RA11**);
 - the transaction reference number of the Electronic Acceptance in respect of which the election is to be changed;
 - the intended settlement date for the changed election;
 - the corporate action number for the Offer (this is allocated by Euroclear and will be available on screen from Euroclear);

and, in order that the desired change of election can be effected, must include:

- the member account ID of the Escrow Agent relevant to the new election; and
- input with standard delivery instruction priority of 80;

Any such change of election will be conditional upon the Receiving Agent verifying that the request is validly made. Accordingly, the Receiving Agent will on behalf of Masimo reject or accept the requested change of election by transmitting in CREST a receiving agent reject (AEAD) or receiving agent accept (AEAN) message.

- (f) The powers of attorney and authorities conferred by this paragraph 5 and any acceptance of a revised offer and/or any election in relation to it shall be irrevocable unless and until the previous acceptor withdraws his acceptance having become entitled to do so under paragraph 4 of Part B of this Appendix.

- (g) Masimo and Cattaneo reserve the right to treat an executed Form of Acceptance or TTE instruction relating to the Offer (in its original or any previously revised form(s)) which is received (or dated) after the announcement or issue of any revised offer as a valid acceptance of the revised offer (and where applicable a valid election for the alternative forms of consideration). That acceptance will constitute a power of attorney and an authority in the terms of paragraph 5(a) of Part B of this Appendix, mutatis mutandis, on behalf of the relevant LiDCO Shareholder.

6. General

- (a) Except with the consent of the Panel, the Offer will lapse unless all the conditions relating to the Offer have been satisfied or (if capable of waiver) waived or, where appropriate, have been determined by Masimo in its reasonable opinion to be and remain satisfied by midnight on the later of Day 60 and the date which is 21 calendar days after the date on which the Offer becomes unconditional as to acceptances, or such later time(s) and/or date(s) as Masimo, with the consent of the Panel, may decide. If the Offer lapses for any reason:
 - (i) it will not be capable of further acceptance;
 - (ii) accepting LiDCO Shareholders and Masimo will cease to be bound by (a) in the case of LiDCO Shares held in certificated form, Forms of Acceptance submitted; and (b) in the case of LiDCO Shares held in uncertificated form, Electronic Acceptances inputted and settled, in each case before the time the Offer lapses;
 - (iii) in respect of LiDCO Shares held in certificated form, Forms of Acceptance, share certificates and other documents of title will be returned by post within 14 calendar days of the Offer lapsing, at the risk of the LiDCO Shareholder in question, to the person or agent whose name and address is set out in the relevant box on the Form of Acceptance or, if none is set out, to the first-named holder at his registered address. No such documents will be sent to an address in any Restricted Jurisdiction; and
 - (iv) in respect of LiDCO Shares held in uncertificated form, the Escrow Agent will immediately after the Offer lapses (or within such longer period as the Panel may permit, not exceeding 14 calendar days of the Offer lapsing) give TFE instructions to Euroclear to transfer all LiDCO Shares held in escrow balances and in relation to which it is the Escrow Agent for the purposes of the Offer to the original available balances of the relevant LiDCO Shareholders.
- (b) Except with the consent of the Panel:
 - (i) settlement of the consideration to which any LiDCO Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which Masimo or Cattaneo may otherwise be, or claim to be, entitled against that LiDCO Shareholder; and
 - (ii) settlement of the consideration to which any LiDCO Shareholder is entitled will be effected in the manner prescribed in paragraph 15 of the letter from Masimo contained in Part II of this document not later than 14 calendar days after the date on which the Offer becomes or is declared unconditional in all respects or within 14 calendar days of the date of receipt of a valid and complete acceptance, whichever is the later.

Subject to paragraph 7 below, Masimo reserves the right not to send any consideration to an address in any Restricted Jurisdiction.

- (c) The terms, provisions, instructions and authorities contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Words and expressions defined in this document have the same meaning when used in the Form of Acceptance unless the context requires otherwise. The provisions of Parts A, B and C of this Appendix shall be deemed to be incorporated and form part of the Form of Acceptance.
- (d) If the expiry date of the Offer is extended, a reference in this document and in the Form of Acceptance to the expiry date of the Offer or the First Closing Date will (except in the definition of Offer Period, in paragraph 1(a) of Part B of this Appendix I and where the context requires otherwise) be deemed to refer to the expiry date of the Offer as so extended.
- (e) The Offer is made in respect of all LiDCO Shares (other than the LiDCO Shares already held by or on behalf of the Masimo Group or any LiDCO Shares held by Shareholders in Restricted Jurisdictions) issued and unconditionally allotted or issued prior to the date on which the Offer closes (or such earlier date as Masimo may, subject to the rules of the Code or with the consent of the Panel, determine). Any omission or failure to send this document, the Form of Acceptance or any other document relating to the Offer and/or notice required

to be sent under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is, or should be, made shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. Subject to the provisions of paragraph 7 of Part B of this Appendix, the Offer is made to any LiDCO Shareholder to whom this document and the Form of Acceptance or any related document may not be sent or by whom such documents may not be received, and these persons may collect these documents from the Receiving Agent at the address set out in paragraph 4(h) of Part B of this Appendix or inspect this document, subject to certain restrictions relating to persons resident in Restricted Jurisdictions at www.lidcodocuments.com.

- (f) Subject to the Code, and notwithstanding any other provision of Part B of this Appendix, Masimo, Masimo Corporation and Cattaneo reserve the right to treat as valid in whole or in part any acceptance of the Offer if received by the Receiving Agent or otherwise on behalf of Masimo which is not entirely in order or in correct form or which is not accompanied by (as applicable) the relevant share certificate(s) and/or other relevant document(s) or the relevant TTE instruction or is received by it at any place or places or in any form or manner determined by either the Receiving Agent or Masimo otherwise than as set out in this document or (in respect of LiDCO Shares held in certificated form) in the Form of Acceptance. In that event, no payment of cash under the Offer will be made until after the acceptance is entirely in order and (as applicable) the relevant transfer to escrow has settled or the relevant share certificate(s) and/or other document(s) of title or satisfactory indemnities have been received by the Receiving Agent.
- (g) If all conditions are satisfied, fulfilled or, to the extent permitted, waived and sufficient acceptances are received and/or sufficient LiDCO Shares are otherwise acquired, Masimo intends to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily any outstanding LiDCO Shares. Masimo intends, after the Offer is declared unconditional in all respects and if Masimo has by virtue of its shareholdings and acceptances of the Offer acquired, or agreed to acquire, issued share capital carrying 75 percent or more of the voting rights of LiDCO, to procure the making of applications by LiDCO to the appropriate authorities for the cancellation of the listing and the admission to trading on AIM of LiDCO Shares, both not less than 20 Business Days after the Offer becomes unconditional in all respects.
- (h) All powers of attorney, appointments of agents and authorities on the terms conferred by or referred to in this Appendix or, where relevant, in the Form of Acceptance are given by way of security for the performance of the obligations of the LiDCO Shareholder concerned and are irrevocable (in respect of powers of attorney granted in accordance with section 4 of the Powers of Attorney Act 1971) except in the circumstances where the donor of the power of attorney, appointment or authority validly withdraws his acceptance in accordance with paragraph 4 of this Part B of this Appendix.
- (i) No acknowledgement of receipt of any Form of Acceptance, transfer by means of CREST, communication, notice, share certificate(s) or document(s) of title will be given by or on behalf of Masimo. All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from LiDCO Shareholders (or their designated agents) will be delivered by or sent to or from them (or their designated agent(s)) at their own risk.
- (j) Subject to paragraph 7 below, the Offer is made at 1.00 pm on 2 November 2020 and is capable of acceptance from that time. Forms of Acceptance, copies of this document, and any related documents may be collected from the Receiving Agent at the address specified in paragraph 4(h) of Part B of this Appendix.
- (k) The Offer, all acceptances of the Offer, all elections in respect of it, all contracts made pursuant to it, all action taken or made or deemed to be taken or made pursuant to any of these terms and the relationship between LiDCO Shareholders and Masimo, Cattaneo and the Receiving Agent are governed by and will be construed in accordance with English law.
- (l) Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a LiDCO Shareholder will constitute their agreement that the courts of England are (subject to paragraph (m) of this Part B) to have exclusive jurisdiction to settle any dispute which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by the Offer and the Form of Acceptance or the Electronic Acceptance or otherwise arising in connection with the Offer and the Form of Acceptance or the Electronic Acceptance, and for such purposes that they irrevocably submit to the jurisdiction of the English courts.
- (m) Execution of a Form of Acceptance or the making of an Electronic Acceptance by or on behalf of a LiDCO Shareholder will constitute their agreement that the agreement in paragraph 6(l) of this Part B is included or the benefit of Masimo, Cattaneo and the Receiving Agent and accordingly, notwithstanding the exclusive agreement in paragraph 6(l) of this Part B, Masimo, Cattaneo and the Receiving Agent shall each retain the

right to, and may in its absolute discretion, bring proceedings in the courts of any other country which may have jurisdiction and that the accepting LiDCO Shareholder irrevocably submits to the courts of any such country.

- (n) The LiDCO Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Announcement, including the right to receive and retain, in full, all dividends and other distributions (if any) declared, paid or made on or after the date on which the Offer becomes or is declared unconditional in all respects.
- (o) All references in this Appendix to any statute or statutory provision shall include a statute or statutory provision which amends, consolidates or replaces the same (whether before or after the date hereof).
- (p) In relation to any Electronic Acceptance, Masimo reserves the right to make such alterations, additions or modifications to the terms of the Offer as may be necessary or desirable to give effect to any purported acceptance of the Offer, whether in order to comply with the facilities or requirements of CREST, or otherwise, provided such alterations, additions or modifications are consistent with the requirements of the Code or are otherwise made with the consent of the Panel.
- (q) For the purposes of this document, the time of receipt of a TTE instruction, an ESA instruction or an Electronic Acceptance shall be the time at which the relevant instruction settles in CREST.
- (r) Any references in this Appendix to the return or despatch of documents by post shall extend to the return or despatch by such other method as the Panel may approve.
- (s) If the Panel requires Masimo to make an Offer for LiDCO Shares under the provisions of Rule 9 of the Code, Masimo may make such alterations to the conditions of the Offer, including condition (a) of Part A of this Appendix, as are necessary to comply with the provisions of that Rule.

7. Overseas shareholders

- (a) The making of the Offer in, or to LiDCO Shareholders (or nominees of, or custodians or trustees for LiDCO Shareholders) not resident in, or nationals or citizens of the United Kingdom (“overseas shareholders”) may be prohibited or affected by the laws of the relevant jurisdiction. Such overseas shareholders should inform themselves about and observe any applicable legal requirements of such jurisdictions. It is the responsibility of any overseas shareholder wishing to accept the Offer to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, including obtaining any governmental, exchange control or other consents which may be required or the compliance with other necessary formalities needing to be observed and the payment of any issue, transfer or other taxes or duties or other requisite payments due in that jurisdiction.
- (b) Any such overseas shareholder shall be responsible for any such issue, transfer or other taxes or duties or other payments by whomsoever payable and Masimo Corporation, Masimo and Cattaneo (and any person acting on behalf of any of them) shall be fully indemnified and held harmless by such overseas shareholders for any such issue, transfer or other taxes or duties or other payments which Masimo Corporation, Masimo or Cattaneo (and any person acting on behalf of them) may be required to pay.
- (c) Unless otherwise determined by Masimo or required by the Code, and permitted by applicable law and regulation, the Offer is not being communicated, directly or indirectly, in or into or by use of the mails of, or by any means or instrumentality (including, but not limited to, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or by any facilities of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer is not capable of acceptance by any such use, means, instrumentality or otherwise from within any Restricted Jurisdiction.
- (d) Copies of this document, the Form of Acceptance and any related documents are not being (unless determined otherwise by Masimo in its sole discretion or required by the Code, and permitted by applicable law and regulation), and must not be, mailed or otherwise distributed or sent in, into or from any Restricted Jurisdiction including to LiDCO Shareholders or persons with information rights or participants in the Share Option Schemes with registered addresses in any Restricted Jurisdiction or to persons whom Masimo or Cattaneo knows to be custodians, trustees or nominees holding LiDCO Shares for persons with registered addresses in any Restricted Jurisdiction. Persons receiving those documents (including, without limitation, custodians, nominees and trustees) must not, directly or indirectly, distribute, mail or send them in, into or from any Restricted Jurisdiction or use such mails or any such means, instrumentality or facility for any purpose directly or indirectly in connection with the Offer, and so doing may render any purported acceptance of the Offer invalid.

- (e) Persons wishing to accept the Offer must not use the mails of any Restricted Jurisdiction or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. All LiDCO Shareholders (including nominees, trustees or custodians) who may have a contractual or legal obligation, or may otherwise intend, to forward this document and/or Form of Acceptance, should read the further details in this regard which are contained in this paragraph 7 of Part B and in Part C and Part D of this Appendix I before taking any action. Envelopes containing Forms of Acceptance, evidence of title or other documents relating to the Offer should not be postmarked in any Restricted Jurisdiction or otherwise despatched from such jurisdictions and all acceptors must provide addresses outside any Restricted Jurisdiction for the receipt of the consideration to which they are entitled under the Offer or for the return of the Form of Acceptance or documents of title.
- (f) Subject to the provisions of this paragraph 7 and applicable laws, a LiDCO Shareholder may be deemed NOT to have accepted the Offer if:
- (i) he or she puts “No” in Box 3 of the Form of Acceptance and thereby does not make the representations and warranties set out in paragraph (b) of Part C of this Appendix;
 - (ii) he or she completes Box 4 of the Form of Acceptance with an address in a Restricted Jurisdiction or has a registered address in a Restricted Jurisdiction and in any such case does not insert in Box 4 of the Form of Acceptance the name and address of a person or agent outside a Restricted Jurisdiction to whom he or she wishes the consideration to which he or she is entitled under the Offer to be sent;
 - (iii) he or she inserts in Box 4 of the Form of Acceptance the name and address of a person or agent in a Restricted Jurisdiction to whom he or she wishes the consideration to which he or she is entitled under the Offer to be sent;
 - (iv) in any case, the Form of Acceptance received from him is in an envelope postmarked in, or which otherwise appears to Masimo or its agents to have been sent from a Restricted Jurisdiction; or
 - (v) he or she makes a Restricted Escrow Transfer pursuant to paragraph (g) below unless he or she also makes a related Restricted ESA instruction which is accepted by the Receiving Agent.

Masimo Corporation and Masimo reserve the right, in their sole discretion, to investigate, in relation to any acceptance, whether the representations and warranties set out in paragraph (b) of Part C or (as the case may be) Part D of this Appendix could have been truthfully given by the relevant LiDCO Shareholder and, if such investigation is made and as a result Masimo Corporation and Masimo determine (for any reason) that such representations and warranties could not have been so given, such acceptance may be rejected as invalid.

- (g) If a holder of LiDCO Shares in uncertificated form is unable to give the warranty set out in paragraph (b) of Part D of this Appendix, but nevertheless can provide evidence satisfactory to Masimo that he or she is able to accept the Offer in compliance with all relevant legal and regulatory requirements, he or she may purport to accept the Offer by sending (or if a CREST sponsored member, procuring that his CREST sponsor sends) both (1) a TTE instruction to a designated escrow balance detailed below (a “Restricted Escrow Transfer”) and (2) one or more valid ESA instructions (a “Restricted ESA instruction”). Such purported acceptance will not be treated as a valid acceptance unless both the Restricted Escrow Transfer and the Restricted ESA instruction(s) settle in CREST and Masimo decides, in its absolute discretion, to exercise its right described in paragraph 7(k) of Part B of this Appendix to waive, vary or modify the terms of the Offer relating to overseas shareholders, to the extent required to permit such acceptance to be made, in each case during the acceptance period set out in paragraph 1 of Part B of this Appendix. If Masimo accordingly decides to permit such acceptance to be made, the Receiving Agent will on behalf of Masimo accept the purported acceptance as an Electronic Acceptance on the terms of this document (as so waived, varied or modified) by transmitting in CREST a receiving agent accept (AEAN) message. Otherwise, the Receiving Agent will on behalf of Masimo reject the purported acceptance by transmitting in CREST a receiving agent reject (AEAD) message. Each Restricted Escrow Transfer must, in order for it to be valid and to settle, include the following details:
- the ISIN number for the LiDCO Shares which is **GB0030546849**;
 - the number of LiDCO Shares in respect of which the Offer is to be accepted;
 - the member account ID and participant ID of the LiDCO Shareholder;
 - the participant ID of the Escrow Agent (this is **7RA11**) and its member account ID specific to a Restricted Escrow Transfer (this is **LIDCO**); and
 - the intended settlement date.

Each Restricted ESA instruction must, in order for it to be valid and to settle, include the following details:

- the ISIN number for the LiDCO Shares;
 - the number of LiDCO Shares relevant to that Restricted ESA instruction;
 - the member account ID and participant ID of the accepting LiDCO Shareholder;
 - the member account ID and participant ID of the Escrow Agent set out in the Restricted Escrow Transfer;
 - the participant ID and the member account ID of the Escrow Agent relevant to the form of consideration required (details of which are set out in the letter from Masimo contained in Part II of this document);
 - the transaction reference number of the Restricted Escrow Transfer to which the Restricted ESA instruction relates;
 - the intended settlement date; and
 - the corporate action number for the Offer.
- (h) If any person, despite the restrictions described above and whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Form of Acceptance or any related document in, into or from any Restricted Jurisdiction or uses the mails or any means or instrumentality (including, but not limited to, mail, internet, telephone or otherwise) of interstate or foreign commerce of, or any facilities of a national, state or other securities exchange of, any Restricted Jurisdiction in connection with that forwarding, that person should:
- (i) inform the recipient of such fact;
 - (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and
 - (iii) draw the attention of the recipient to this paragraph 7.
- (i) Masimo Corporation, Masimo and Cattaneo each reserve the right to notify any matter, including the making of the Offer, to all or any LiDCO Shareholders:
- (i) with a registered address outside the United Kingdom; or
 - (ii) whom Masimo or Cattaneo knows to be a custodian, trustee or nominee holding LiDCO Shares for persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom, by announcement in the United Kingdom through a Regulatory Information Service or in any other appropriate manner or by notice in the London Gazette or paid advertisement in one or more newspapers published and circulated in the United Kingdom. Such notice shall be deemed to have been sufficiently given, despite any failure by any such LiDCO Shareholder to receive or see that notice. A reference in this document to a notice or the provision of information in writing by or on behalf of Masimo is to be construed accordingly. No such document will be sent to an address in any Restricted Jurisdiction.
- (j) If any written notice from an LiDCO Shareholder withdrawing his acceptance in accordance with paragraph 4 of Part B of this Appendix is received in an envelope postmarked in, or which otherwise appears to Masimo or its agents to have been sent from, any Restricted Jurisdiction, Masimo Corporation and Masimo reserves the right, in its absolute discretion, to treat that notice as invalid.
- (k) The provisions of this paragraph 7 and/or any other terms of the Offer relating to overseas shareholders may be waived, varied or modified as regards specific LiDCO Shareholders or on a general basis by Masimo in its sole discretion. Subject to this discretion, the provisions of this paragraph 7 supersede any terms of the Offer inconsistent with them. References in this paragraph 7 to a LiDCO Shareholder shall include the person or persons making an Electronic Acceptance and the person or persons executing a Form of Acceptance and, in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph 7 apply to them jointly and severally.
- (l) Notwithstanding any other provision of this paragraph 7, Masimo may, in its sole and absolute discretion, make the Offer to a resident in a Restricted Jurisdiction if Masimo is satisfied, in that particular case, that to do so would not constitute a breach of any securities or other relevant legislation of a Restricted Jurisdiction.

Overseas shareholders should inform themselves about and observe any applicable legal or regulatory requirements. If you are in any doubt about your position, you should consult your appropriate adviser in the relevant jurisdiction.

PART C

PROCEDURE FOR ACCEPTANCE (FOR LIDCO SHARES IN CERTIFICATED FORM)

This Part C applies only to LiDCO Shares held in certificated form. If you hold all your LiDCO Shares in uncertificated form, you should ignore this Part C and instead read Part D below.

Each LiDCO Shareholder by whom, or on whose behalf, any Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with Masimo and the Receiving Agent (so as to bind him or her and his or her personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the execution of the Form of Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of LiDCO Shares in certificated form inserted or deemed to be inserted in Box 2 of the Form of Acceptance; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing, in each case on and subject to the terms and conditions set out in this document and the Form of Acceptance and that, subject only to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable.

If Box 2 is left blank or a number greater than such LiDCO Shareholder's registered holding appears in Box 2 or the Form of Acceptance is otherwise completed incorrectly, but the Form of Acceptance is signed, it will be deemed to be an acceptance by such LiDCO Shareholder of the basic terms of the Offer in respect of the total number of LiDCO Shares in certificated form registered in his or her name;

- (b) that he or she is irrevocably and unconditionally entitled to transfer the LiDCO Shares in respect of which the Form of Acceptance is completed and that the LiDCO Shares in certificated form in respect of which the Offer is accepted, or is deemed to be accepted, are sold fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature whatsoever and together with all rights attaching to them as at the Announcement Date or subsequently attaching to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions, if any, declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, on or after the Announcement Date;
- (c) that unless "NO" is inserted or deemed to be inserted in Box 3 of the Form of Acceptance, such LiDCO Shareholder:
 - (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents in, into or from any Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, e-mail, telex and telephone) of interstate or foreign commerce, or any facilities of a national securities exchange, of any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside such jurisdictions when the Form of Acceptance was delivered and at the time of accepting the Offer, and in respect of the LiDCO Shares to which the Form of Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within any Restricted Jurisdiction;
 - (iv) warrants that the Form of Acceptance and any related offer documents have not been mailed or otherwise sent in, into or from any Restricted Jurisdiction; and
 - (v) if such LiDCO Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he or she has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he or she has not taken or omitted to take any action that will or may result in Masimo or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his or her acceptance of the Offer;

- (d) that, in relation to LiDCO Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting LiDCO Shareholder not having validly withdrawn his or her acceptance, the irrevocable separate appointment of each of Masimo, its directors and agents, or any person authorised by any of them, as such LiDCO Shareholder's attorney and/or agent, with an irrevocable instruction to the attorney to:
- (i) complete and execute all or any form(s) of transfer and/or renunciation and/or other document(s) in the attorney's discretion in relation to the LiDCO Shares referred to in paragraph (a)(i) of this Part C in favour of Masimo or as Masimo or its agents may direct;
 - (ii) deliver such form(s) of transfer and/or renunciation and/or other document(s) at the attorney's discretion together with any certificate(s) and/or other document(s) of title relating to such LiDCO Shares for registration within six months of the Offer becoming unconditional in all respects; and
 - (iii) do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance or deemed acceptance of the Offer pursuant to the Form of Acceptance and to vest in Masimo or its nominee the LiDCO Shares as aforesaid;
- (e) that, in relation to LiDCO Shares in certificated form, the execution of the Form of Acceptance and its delivery to the Receiving Agent constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting LiDCO Shareholder not having validly withdrawn his or her acceptance, a separate and irrevocable authority and request:
- (i) to LiDCO or its agents to procure the registration of the transfer of those LiDCO Shares pursuant to the Offer and the delivery of the share certificate(s) and/or other document(s) of title in respect thereof to Masimo or as it may direct; and
 - (ii) to Masimo or its agents to procure the dispatch by post (or such other method as may be approved by the Panel) of a cheque drawn on a branch of a United Kingdom clearing bank in respect of any cash consideration to which he or she is entitled under the Offer, at the risk of such LiDCO Shareholder, to the person or agent whose name and address (outside any Restricted Jurisdiction) is set out in Box 4 of the Form of Acceptance or, if none is set out, to the first-named holder at his or her registered address (outside any Restricted Jurisdiction);
- (f) that the execution of the Form of Acceptance and its delivery constitutes a separate authority to each of Masimo and/or its agents within the terms of Parts B and C of this Appendix I;
- (g) subject to the Offer becoming unconditional in all respects or if the Panel otherwise gives its consent, and pending registration, that:
- (i) Masimo or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of LiDCO or of any class of its shareholders) attaching to any LiDCO Shares in certificated form in respect of which the Offer has been accepted, or is deemed to have been accepted, and such acceptance is not validly withdrawn;
 - (ii) the execution of a Form of Acceptance by a LiDCO Shareholder constitutes, in respect of the LiDCO Shares comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an authority to LiDCO and/or its agents from such LiDCO Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him or her as a member of LiDCO to Masimo at its registered office or care of the Receiving Agent;
 - (B) an authority to Masimo and/or its agents to sign any consent to short notice on his or her behalf and/or attend and/or execute a form of proxy in respect of such LiDCO Shares appointing any person nominated by Masimo to attend general meetings and separate class meetings of LiDCO or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his or her behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer; and
 - (C) the agreement of such LiDCO Shareholder not to exercise any of such rights without the consent of Masimo and the irrevocable undertaking of such LiDCO Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;

- (h) that he or she will deliver (or procure the delivery) to the Receiving Agent at Neville Registrars, Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom his or her share certificate(s) or other document(s) of title in respect of all LiDCO Shares held by him or her in certificated form in respect of which the Offer has been accepted or is deemed to have been accepted and not validly withdrawn, or an indemnity acceptable to Masimo in lieu thereof, as soon as possible and in any event within six months of the Offer becoming unconditional in all respects;
- (i) that, if he or she accepts the Offer, he or she will do all such acts and things as shall, in the opinion of Masimo or the Receiving Agent, be necessary or expedient to vest in Masimo or its nominee(s) or such other person as Masimo may decide the number of LiDCO Shares inserted or deemed to be inserted in Box 1 of the Form of Acceptance and all such acts and things as may be necessary or expedient to enable the Receiving Agent to perform its functions for the purposes of the Offer;
- (j) that the terms and conditions of the Offer contained in this document will be incorporated and deemed to be incorporated in, and form part of, the Form of Acceptance which will be read and construed accordingly;
- (k) that he or she will ratify each and every act or thing which may be done or effected by Masimo, the Receiving Agent or any director of Masimo or the Receiving Agent or their respective agents or LiDCO or its agents, as the case may be, in the exercise of any of his or her or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom);
- (l) that, if any provision of Part B or this Part C of this Appendix I will be unenforceable or invalid or will not operate so as to afford Masimo, the Receiving Agent or any director or duly authorised representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he or she agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part B and this Part C of this Appendix I;
- (m) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words;
- (n) that the execution of the Form of Acceptance constitutes his or her submission, in relation to any dispute arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of Masimo to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof (including in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Form of Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction; and
- (o) the Form of Acceptance will be deemed to be delivered on the date of its execution and will take effect as a deed.

References in this Part C to a LiDCO Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing a Form of Acceptance, the provisions of this Part C shall apply to them jointly and to each of them.

PART D

ELECTRONIC ACCEPTANCE (FOR LIDCO SHARES IN UNCERTIFICATED FORM)

This Part D applies only to LiDCO Shares held in uncertificated form. If you hold all your LiDCO Shares in certificated form, you should ignore this Part D and instead read Part C above.

For the purposes of this Part D of this Appendix I, the phrase “**LiDCO Shares in uncertificated form comprised in the acceptance**” shall mean the number of LiDCO Shares which are transferred by the relevant LiDCO Shareholder by Electronic Acceptance to an escrow account by means of a TTE instruction.

Each LiDCO Shareholder by whom, or on whose behalf, an Electronic Acceptance is made irrevocably undertakes, represents, warrants and agrees to and with Masimo and the Receiving Agent (so as to bind him or her and his or her personal representatives, heirs, successors and assigns) to the following effect:

- (a) that the Electronic Acceptance shall constitute:
 - (i) an acceptance of the Offer in respect of the number of LiDCO Shares in uncertificated form to which the TTE instruction relates; and
 - (ii) an undertaking to execute any further documents, take any further action and give any further assurances which may be required in connection with the foregoing, in each case on and subject to the terms and conditions set out or referred to in this document and that, subject to the rights of withdrawal set out in paragraph 4 of Part B of this Appendix I, each such acceptance, election and undertaking shall be irrevocable;
- (b) that such LiDCO Shareholder:
 - (i) has not received or sent copies of this document, the Form of Acceptance or any related offer documents, in, into or from any Restricted Jurisdiction or any other jurisdiction where such actions may constitute a breach of any legal or regulatory requirements of such jurisdiction;
 - (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facilities of a national securities exchange of, any Restricted Jurisdiction;
 - (iii) is accepting the Offer from outside any Restricted Jurisdiction and was outside those jurisdictions at the time of the input and settlement of the relevant TTE instruction(s) and in respect of the LiDCO Shares to which an Electronic Acceptance relates, is not an agent or fiduciary acting on a non-discretionary basis for a principal who has given any instructions with respect to the Offer from within any Restricted Jurisdiction;
 - (iv) no TTE instruction has been sent from any Restricted Jurisdiction; and
 - (v) if such LiDCO Shareholder is a citizen, resident or national of a jurisdiction outside the United Kingdom, he or she has observed the laws and regulatory requirements of the relevant jurisdiction in connection with the Offer, obtained all requisite governmental, exchange control or other consents, complied with all other necessary formalities and paid any issue, transfer or other taxes or duties or other requisite payments due in any such jurisdiction in connection with such acceptance and that he or she has not taken or omitted to take any action that will or may result in Masimo or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with the Offer or his or her acceptance of the Offer;
- (c) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to the accepting LiDCO Shareholder not having validly withdrawn his or her acceptance, the irrevocable separate appointment of Masimo, or any of the directors of Masimo, or any person authorised by Masimo, as such LiDCO Shareholder’s attorney and/or agent (“**attorney**”), with an irrevocable instruction and authorisation to the attorney to (in accordance with section 4 of the Powers of Attorney Act 1971) do all such acts and things as may in the opinion of the attorney be necessary or expedient for the purposes of, or in connection with, the acceptance or deemed acceptance of the Offer and to vest the LiDCO Shares referred to in respect of paragraph (a) of this Part D in Masimo or its nominee(s);
- (d) that the Electronic Acceptance constitutes the irrevocable appointment of the Receiving Agent as such LiDCO Shareholder’s attorney and/or agent and an irrevocable instruction and authority to the attorney:
 - (i) subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting LiDCO Shareholder not having validly withdrawn his or her acceptance, to transfer (if

Masimo so requests) to Masimo (or to such other person or persons as Masimo or its agents may direct) by means of CREST all or any of the LiDCO Shares in uncertificated form which are the subject of a TTE instruction in respect of that Electronic Acceptance; and

- (ii) if the Offer does not become unconditional in all respects, to give instructions to Euroclear, immediately after the lapsing of the Offer (or within such longer period as the Panel may permit, not exceeding 14 calendar days from the lapsing of the Offer), to transfer all such LiDCO Shares to the original available balance of the accepting LiDCO Shareholder;
- (e) that the Electronic Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms and to an accepting LiDCO Shareholder not having validly withdrawn his or her acceptance, a separate and irrevocable authority and request to Masimo or its agents to procure the making of a CREST payment obligation in favour of the LiDCO Shareholder's payment bank in accordance with the CREST payment arrangements in respect of any cash consideration to which such shareholder is entitled under the Offer, provided that: (i) Masimo may (if, for any reason, it wishes to do so) determine that all or any part of any such cash consideration shall be paid by cheque drawn on a branch of a United Kingdom clearing bank dispatched by post; and (ii) if the LiDCO Shareholder concerned is a CREST member whose registered address is in a Restricted Jurisdiction, any cash consideration to which such shareholder is entitled shall be paid by cheque drawn on a branch of a United Kingdom clearing bank dispatched by post, at the risk of such shareholder, to the first-named holder at an address outside a Restricted Jurisdiction stipulated by such holder or as otherwise determined by Masimo;
- (f) that the Electronic Acceptance constitutes a separate authority to Masimo or the Receiving Agent and/or their respective agents within the terms of Part B of this Appendix I and this Part D;
- (g) subject to the Offer becoming unconditional in all respects or if the Panel otherwise gives its consent, and pending registration, that:
- (i) Masimo or its agents be entitled to direct the exercise of any votes and any other rights and privileges (including the right to requisition the convening of a general meeting of LiDCO or of any class of its shareholders) attaching to any LiDCO Shares represented by the LiDCO Shares comprised or deemed to be comprised in the Electronic Acceptance, and in respect of which such acceptance has not been validly withdrawn; and
 - (ii) an Electronic Acceptance by a LiDCO Shareholder constitutes, in respect of the LiDCO Shares in uncertificated form comprised in such acceptance and in respect of which such acceptance has not been validly withdrawn:
 - (A) an authority to LiDCO and/or its agents from such LiDCO Shareholder to send any notice, warrant, document or other communication which may be required to be sent to him or her as a member of LiDCO (including any share certificate(s) or other document(s) of title issued) to Masimo at its registered office or care of the Receiving Agent;
 - (B) an irrevocable authority to any directors or managers of, or persons authorised by Masimo and/or their respective agents to sign any document and do such things as may, in the opinion of that agent and/or attorney, seem necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the LiDCO Shares represented by the LiDCO Shares held by him or her (including, without limitation, signing any consent to short notice on his or her behalf and/or attending and/or executing a form of proxy in respect of such LiDCO Shares represented by the LiDCO Shares held in uncertificated form appointing any person nominated by Masimo to attend general meetings and separate class meetings of LiDCO or its members (or any of them) (and any adjournments thereof) and to exercise the votes attaching to such shares on his or her behalf, where relevant, such votes to be cast so far as possible to satisfy any outstanding Condition of the Offer); and
 - (C) the agreement of such LiDCO Shareholder not to exercise any of such rights without the consent of Masimo and the irrevocable undertaking of such LiDCO Shareholder not to appoint a proxy to attend any such general meeting or separate class meeting;
- (h) that if, for any reason, any LiDCO Shares in respect of which a TTE instruction has been effected, in accordance with paragraph 15 of the letter from Masimo contained in Part II of this document, is converted to certificated form, he or she will (without prejudice to paragraph (g)(ii)(A) of this Part D) immediately deliver or procure the immediate delivery of the share certificate(s) or other document(s) of title in respect of the LiDCO Shares that are so converted to the Receiving Agent at the address referred to in paragraph 3(a) of Part

B of this Appendix I or to Masimo at its registered office or as Masimo or its agents may direct, and he or she shall be deemed upon conversion to undertake, represent, warrant and agree in the terms set out in Part C of this Appendix I in relation to such LiDCO Shares without prejudice to the application of this Part D so far as Masimo deems appropriate;

- (i) that the creation of a CREST payment obligation in favour of his or her payment bank in accordance with the CREST payment arrangements referred to in paragraph (e) of this Part D shall, to the extent of the obligation so created, discharge in full any obligation of Masimo to pay to him or her the cash consideration to which he or she is entitled pursuant to the Offer;
- (j) he or she will do all such acts and things as shall, in the reasonable opinion of Masimo be necessary or desirable to enable the Receiving Agent to perform its function as Escrow Agent for the purposes of the Offer or to vest in Masimo or its nominee(s), upon the Offer becoming unconditional in all respects and subject to the Electronic Acceptance not having been validly withdrawn, the LiDCO Shares in uncertificated form comprised or deemed to be comprised in the acceptance;
- (k) he or she will ratify each and every act or thing which may be done or effected by Masimo, the Escrow Agent or the Receiving Agent or any of their respective directors or agents or LiDCO or its agents, as the case may be, in the exercise of any of his or her or its powers and/or authorities hereunder (and to indemnify each such person against any losses arising therefrom);
- (l) that, if any provision of Part B of this Appendix I or this Part D will be unenforceable or invalid or will not operate so as to afford Masimo, the Escrow Agent or the Receiving Agent or any director or duly authorised representative of any of them or their respective agents the benefit of the authority expressed to be given therein, he or she agrees with all practicable speed to do all such acts and things and execute all such documents that may be required to enable those persons to secure the full benefits of Part B of this Appendix I and this Part D;
- (m) the ejusdem generis principle of construction shall not apply to the terms and conditions of the Offer and/or the Form of Acceptance. Accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples falling within the general words; and
- (n) the making of an Electronic Acceptance constitutes his or her submission, in relation to any dispute arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including a dispute relating to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof), to the exclusive jurisdiction of the courts of England and that nothing shall limit the right of Masimo to bring any action, suit or proceedings arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof (including in relation to any non-contractual obligations arising out of or in connection with the Offer and/or the Electronic Acceptance and all acceptances and elections in respect thereof) in any other court of competent jurisdiction or concurrently in more than one court of competent jurisdiction.

References in this Part D to a LiDCO Shareholder shall include references to the person or persons making an Electronic Acceptance.

APPENDIX II

FINANCIAL AND RATINGS INFORMATION

1 Financial information relating to Masimo Corporation

The following table sets out financial information in respect of Masimo Corporation, as required by Rule 24.3(b) of the Code. The documents referred to below are incorporated by reference into this document pursuant to Rule 24.15 of the Code.

Information	Source of information
Masimo Corporation quarterly report for the period ended 26 September 2020	https://investor.masimo.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=14461642
Masimo Corporation audited financial statements 28 December 2019	https://investor.masimo.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=13935677
Masimo Corporation audited financial statements 29 December 2018	https://investor.masimo.com/financials/sec-filings/sec-filings-details/default.aspx?FilingId=13255271

2 Financial information relating to Masimo

Masimo was incorporated on 9 October 2020 and no financial information is available or has been published in respect of it. Masimo does not have any operations or employees and, since its date of incorporation, has not traded, paid any dividends or entered into any obligations other than in connection with the Offer and the financing of the Offer.

3 Financial information relating to LiDCO

The following table sets out financial information in respect of LiDCO, as required by Rule 24.3(e) of the Code. The documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code. For the avoidance of doubt, only those sections of the sources specifically referred to below are incorporated by reference into, and form part of, this document.

Information	Source of information
LiDCO unaudited interim results for the six months ended 31 July 2020	www.lidco.com/wp-content/uploads/2020/10/LID-Interims-FY21-V9.pdf
LiDCO audited financial statements 31 January 2020, as set out in the Annual Report & Accounts 2020, pages 33 to 64 (inclusive)	www.lidco.com/wp-content/uploads/2020/04/LiDCO_AR_2019-20_final.pdf
LiDCO audited financial statements 31 January 2019, as set out in the Annual Report & Accounts 2019, pages 29 to 58 (inclusive)	www.lidco.com/wp-content/uploads/2019/03/LiDCO_AR_2018-19.pdf

Save as disclosed above, the directors of LiDCO are not aware of any significant change in the financial or trading position of LiDCO since 31 January 2020, being the date to which the last audited accounts of LiDCO were prepared.

4 Ratings information

Prior to the commencement of the Offer Period, and at the date of this document, there are no current ratings or outlooks publicly accorded to Masimo Corporation, Masimo or LiDCO by any ratings agencies.

5 Request for hard copies

The documents referred to in sections 1 and 3 above are available free of charge on Masimo's website at www.masimo.com/offerdocuments or LiDCO's website at www.lidcodocuments.com respectively. Subject to certain restrictions relating to persons in any Restricted Jurisdiction, any LiDCO Shareholder, persons with information rights and any person entitled to receive this document may request:

- i) hard copies of the above financial information relating to Masimo Corporation by writing to Micah Young at Masimo Corporation, c/o Paul Hastings (Europe) LLP, 100 Bishopsgate, London EC2N 4AG, United Kingdom; and
- ii) hard copies of the above financial information relating to LiDCO by contacting Tim Hall, Chief Financial Officer at LiDCO, Unit D4, Mowlem Trading Estate, Leaside Road, London N17 0QJ, United Kingdom.

Hard copies of such information will not be sent unless requested in accordance with the instructions above. If requested, copies will be provided, free of charge, within two Business Days of request.

6 No incorporation of website information

Save as expressly referred to herein, neither the Masimo, Masimo Corporation, nor the LiDCO website, nor the content of any website accessible from hyperlinks on Masimo's, Masimo's Corporation or LiDCO's website, is incorporated by reference into, or forms part of, this document.

APPENDIX III

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this document, unless otherwise stated or the context otherwise requires, the following sources and bases have been used:

- (a) As at close of business on 30 October 2020 (being the last Business Day prior to the publication of this document), there were 244,174,908 LiDCO Shares in issue.
- (b) The fully diluted share capital of LiDCO is based upon: (i) the 244,174,908 LiDCO Shares in issue; and (ii) the 14,840,321 in-the-money options outstanding under the Share Option Schemes; in each case as at 30 October 2020 (being the last Business Day prior to the date of this document).
- (c) The value of the fully diluted share capital is based on the Offer Price and the fully diluted share capital as set out in section (b) above.
- (d) The value attributed to the maximum cash payment by Masimo required to satisfy full acceptance of the Offer is based upon the Offer Price and 260,335,844 LiDCO Shares being made up of:
 - i) 244,174,908 LiDCO Shares in issue;
 - ii) 14,840,321 in-the-money options outstanding which are or would become exercisable under the Share Option Schemes; and
 - iii) 1,320,615 out-of-the-money already vested and exercisable options outstanding under the Share Option Schemes,in each case as at 30 October 2020 (being the last Business Day prior to the date of this document).
- (e) The implied enterprise value is based upon the Offer Price and the fully diluted share capital as set out in section (b) above, less the implied cash effect of exercising in-the-money options at the Offer Price and less LiDCO's net cash as at 31 July 2020 (on a pre-IFRS 16 basis) as set out in LiDCO's unaudited interim results dated 13 October 2020.
- (f) The implied multiples of sales are based upon the implied enterprise value as set out in section (e) above and, respectively, the revenue for the twelve months ended 31 July 2020 as calculable from LiDCO's unaudited interim results as published on 13 October 2020 and the revenue for the 12 months ended 31 January 2020 as set out in LiDCO's annual report and accounts dated 20 April 2020.
- (g) Closing Prices of LiDCO Shares have been obtained from the Daily Official List where they relate to an individual date, or from Fidessa in the case of the average Closing Price for the twelve months ended 30 October 2020 (being the last Business Day prior to the date of this document).
- (h) All information relating to Masimo has been provided by persons duly authorised by the Masimo Board.
- (i) All information relating to Masimo Corporation and the Masimo Group has been extracted from published sources and/or provided by persons duly authorised by Masimo Corporation and the Masimo Group.
- (j) All financial information relating to the LiDCO Group has been extracted or derived (without material adjustment) from LiDCO's audited financial statements for the financial year ended 31 January 2020 prepared in accordance with IFRS and the unaudited interim results for the six months ended 31 July 2020.
- (k) All information relating to the LiDCO Group has been extracted from published sources (including the above mentioned financial information) and has been extracted without material adjustment from such sources and/or provided by persons duly authorised by LiDCO.
- (l) Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

APPENDIX IV

UNITED KINGDOM TAXATION

- 1 The summary set out below is based on current United Kingdom tax law as applied in England and Wales and what is understood to be HMRC's practice (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect. The summary is intended as a general guide to certain limited aspects of the UK tax treatment of the Offer and this Appendix IV applies only to LiDCO Shareholders resident and, in the case of an individual, domiciled for tax purposes in (and only in) the United Kingdom, who hold their LiDCO Shares as an investment (other than under a pension arrangement or in an individual savings account) and who are the absolute beneficial owners thereof (UK Shareholders). The summary does not address all possible tax consequences relating to the Offer. Certain categories of shareholders, including those carrying on certain financial activities, those subject to specific tax regimes or benefitting from certain reliefs and exemptions, those connected with LiDCO, and those for whom the shares are employment-related securities, may be subject to special rules and this summary does not apply to such shareholders.
- 2 **LiDCO Shareholders or prospective shareholders who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the United Kingdom, should consult their own professional advisers immediately.**

Taxation of Chargeable Gains

- 3 A UK Shareholder's liability to UK tax on chargeable gains will depend on the individual circumstances of that UK Shareholder.
- 4 A UK Shareholder receiving cash consideration in respect of his or her LiDCO Shares will be treated as disposing of his or her LiDCO Shares for the purposes of UK tax on chargeable gains which may, depending on the UK Shareholder's individual circumstances (including their base cost and the availability of exemptions, reliefs and/or allowable losses) give rise to a liability to UK tax on chargeable gains or, alternatively, an allowable capital loss. A capital gains tax annual exemption (which is £12,300 for individuals in the 2020/2021 tax year) should be available to UK Shareholders who are individuals to the extent it has not already been utilised by the UK Shareholder.
- 5 A LiDCO Shareholder who is not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of their LiDCO Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate shareholder, a permanent establishment), in connection with which the LiDCO Shares are used, held or acquired. Non-UK tax resident shareholders may be subject to non-UK taxation on any gain under local law.

An individual LiDCO Shareholder who has been resident for tax purposes in the UK but who ceases to be so resident or becomes treated as resident outside the UK for the purposes of a double taxation treaty for a period of five years or less and who disposes of all or part of his or her LiDCO Shares during that period may be liable to capital gains tax on his or her return to the UK, subject to any available exemptions or reliefs.

UK Stamp Duty and Stamp Duty Reserve Tax (SDRT)

- 6 No UK stamp duty or SDRT will be payable by LiDCO Shareholders on the transfer of their LiDCO Shares pursuant to the Offer.

APPENDIX V

ADDITIONAL INFORMATION

1 Responsibility

- (a) The LiDCO Directors, whose names are set out in paragraph 2(a) below, each accept responsibility for the information contained in this document relating to the LiDCO Group, the LiDCO Directors and their close relatives and related trusts and companies. To the best of the knowledge and belief of the LiDCO Directors (who have taken all reasonable care to ensure that such is the case), the information and expressions of opinion contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (b) The Masimo Directors, whose names are set out in paragraph 2(c) below and the Masimo Corporation Directors, whose names are set out in paragraph 2(e) below, each accept responsibility for the information contained in this document other than information for which responsibility is taken by the LiDCO Directors pursuant to paragraph 1(a), above. To the best of the knowledge and belief of the Masimo Directors and the Masimo Corporation Directors (who have taken all reasonable care to ensure that such is the case), the information and expressions of opinion contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors, registered offices and business addresses

- (a) The LiDCO Directors and their respective positions are:

Name	Position
Peter Grant	Non-Executive Chairman
Matthew Sassone	Chief Executive Officer
Tim Hall	Chief Financial Officer
Philip Cooper	Non-Executive Director
James Wetrich	Non-Executive Director

- (b) LiDCO's registered office and the business address of each of the LiDCO Directors is Unit D4, Mowlem Trading Estate, Leaside Road, London N17 0QJ, United Kingdom.
- (c) The Masimo Directors and their respective positions are:

Name	Position
Joe Kiani	Director
Micah Young	Director
Rick Fishel	Director

- (d) Masimo's registered office is 100 Bishopsgate, c/o Paul Hastings (Europe) LLP, London EC2N 4AG, United Kingdom and the business address of each of the Masimo Directors is 52 Discovery, Irvine, California, United States, 92618.

- (e) The Masimo Corporation Directors and their respective positions are:

Name	Position
Joe Kiani	Chief Executive Officer & Chairman of the Board
H Michael Cohen	Director
Thomas Harkin	Director
Adam Mikkelson	Director
Craig Reynolds	Director
Julie Shimer	Director

Masimo Corporation is a corporation incorporated under the laws of the state of Delaware and its principal place of business is 52 Discovery, Irvine, California, United States, 92618. Its shares are listed on NASDAQ.

3 Market quotations

- (a) Set out below are the Closing Prices of LiDCO Shares derived from the Daily Official List on:
- i) the first Business Day in each of the six months immediately before the date of this document;

- ii) 30 October 2020 being the last Business Day before the commencement of the Offer Period and the last Business Day prior to the publication of this document.

Date	Price per LiDCO Share (pence)
1 May 2020	7.50
1 June 2020	7.25
1 July 2020	7.25
3 August 2020	6.63
1 September 2020	7.88
1 October 2020	7.00
30 October 2020	6.75

4 Interests and dealings

- (a) For the purposes of this paragraph 4:

acting in concert has the meaning given in the Code;

arrangement includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments to accept the Offer, details of which are set out in paragraph 5 of this Appendix V);

close relatives has the meaning given in the Code;

connected person means, in relation to a director of Masimo, Masimo Corporation or LiDCO any person whose interests in shares are taken to be interests of such director pursuant to Part 22 of the Companies Act;

control means an interest, or interests, in shares carrying in aggregate 30 percent or more of the voting rights (as defined in the Code) of a company irrespective of whether such interest or interests give de facto control;

dealing or dealt has the meaning given in the Code;

derivative includes any financial product the value of which, in whole or in part is determined directly or indirectly by reference to the price of an underlying security;

disclosure period means the period commencing on 2 November 2019 (the date twelve months prior to the commencement of the Offer Period) and ending on 30 October 2020 (being the last Business Day prior to the date of this document);

interest in relevant securities has the meaning given in the Code;

relevant securities means (i) LiDCO Shares and any other securities of LiDCO conferring voting rights; (ii) the equity share capital of LiDCO or, as the context requires Masimo and/or Masimo Corporation; and (iii) securities of LiDCO or, as the context requires, Masimo and/or Masimo Corporation carrying conversion or subscription rights into any of the foregoing;

shares or securities has the meaning given in the Code;

short position means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; and

voting rights has the meaning given in the Code.

- (b) *Persons acting in concert with Masimo Corporation and Masimo*

Name	Registered office	Relationship with Masimo
Cattaneo Corporate Finance Solutions Limited	Livery Place, 35 Livery Street, Birmingham B3 2PB	Financial adviser in connection with the Offer
Cenkos Securities plc	6, 7, 8 Tokenhouse Yard, London EC2R 7AS	Corporate broker

(c) *Persons acting in concert with LiDCO*

Name	Registered office	Relationship with LiDCO
Smith Square Partners LLP	Westminster Tower, 3 Albert Embankment, London SE1 7SP	Financial adviser in connection with the Offer
Nplus1 Singer Advisory LLP	One Bartholomew Lane, London EC2N 2AX	Nominated adviser and corporate broker

(d) Interest and dealings in relevant securities of LiDCO

i) As at the last day of the disclosure period, none of Masimo, the Masimo Directors (nor their close relatives, related trusts and connected persons), Masimo Corporation, the Masimo Corporation Directors (nor their close relatives, related trusts and connected persons) nor the persons acting in concert with Masimo, the Masimo Directors, Masimo Corporation or the Masimo Corporation Directors had any interests in LiDCO Shares.

ii) As at the last day of the disclosure period, the LiDCO Directors (and their close relatives, related trusts and connected persons) had the following interests in LiDCO Shares (excluding any LiDCO shares which are subject to the Share Option Schemes which are set out in paragraphs 4(d) (iii) and (iv) below):

Name	Number of LiDCO Shares	Percentage of current issued share capital of LiDCO
Peter Grant	944,163	0.39%
Matthew Sassone	250,000	0.10%
Tim Hall	100,000	0.04%
Philip Cooper	2,666,667	1.09%
James Wetrich	19,900	0.01%

iii) As at the last day of the disclosure period, the following options in respect of LiDCO Shares had been granted to the following LiDCO Directors under the Share Option Schemes:

Name of LiDCO Director	Scheme	Number of LiDCO Shares over which options were granted	Exercise price (pence)	Date of Grant	Normal expiry/lapse date
Matthew Sassone	LiDCO Share Option Plan 2013 – EMI	2,200,000	0.50	11 April 2017	11 April 2022
Matthew Sassone	LiDCO Share Option Plan 2013 – EMI	1,248,262	0.50	11 April 2017	16 June 2025
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	949,540	0.50	11 April 2017	16 June 2025
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	2,197,802	0.50	11 April 2017	16 June 2025
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	1,000,000	0.50	20 April 2018	20 April 2023
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	2,000,000	0.50	09 April 2019	09 April 2024
Tim Hall	LiDCO Share Option Plan 2013 – EMI	2,000,000	0.50	09 April 2019	09 April 2024
Tim Hall	LiDCO Share Option Plan 2013 – EMI	1,000,000	0.50	29 April 2020	29 April 2025
Tim Hall	LiDCO Share Option Plan 2013 – EMI	1,000,000	0.50	29 April 2020	29 April 2026

- iv) The number of LiDCO Shares detailed in the table in paragraph 4(d) iii) above refers to the total number of LiDCO Shares held under options granted to LiDCO Directors under the Share Option Schemes. The number able to be acquired in connection with the exercise of such options is subject to a sliding scale share price condition between a set trigger and target price. The number of LiDCO Shares that may actually be acquired by the LiDCO Directors in connection with the exercise of options granted under the Share Options Schemes and based on the Offer Price is detailed in the table below:

Name of LiDCO Director	Scheme	Number of LiDCO shares exercisable at the Offer Price	Exercise price (pence)	Date of Grant
Matthew Sassone	LiDCO Share Option Plan 2013 – EMI	2,200,000	0.50	11 April 2017
Matthew Sassone	LiDCO Share Option Plan 2013 – EMI	0	0.50	11 April 2017
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	0	0.50	11 April 2017
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	0	0.50	11 April 2017
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	919,250	0.50	20 April 2018
Matthew Sassone	LiDCO Share Option Plan 2013 – Unapproved	2,000,000	0.50	09 April 2019
Tim Hall	LiDCO Share Option Plan 2013 – EMI	2,000,000	0.50	09 April 2019
Tim Hall	LiDCO Share Option Plan 2013 – EMI	1,000,000	0.50	29 April 2020
Tim Hall	LiDCO Share Option Plan 2013 – EMI	787,500	0.50	29 April 2020

(e) *Interests and dealings in relevant securities of Masimo*

As at the last day of the disclosure period, Masimo, the Masimo Directors (and their close relatives, related trusts and connected persons), Masimo Corporation, the Masimo Corporation Directors (and their close relatives, related trusts and connected persons) and the persons acting in concert with Masimo, the Masimo Directors, Masimo Corporation and the Masimo Corporation Directors had the following interests in Masimo Shares:

Name	Number of Masimo Shares	Percentage of current issued share capital of Masimo
Masimo Europe Limited	1,000	100%

Masimo Europe Limited is a wholly owned indirect subsidiary of Masimo Corporation.

(f) *Substantial shareholders of Masimo Corporation*

As at the last day of the disclosure period, the following shareholders of Masimo Corporation have pre-existing interests in Masimo Corporation which would create potential indirect interests of 5 percent or more in the capital of LiDCO following completion of the Offer:

Name	Number of ordinary shares owned	Percentage of Masimo Corporation's existing ordinary share capital
BlackRock Inc.	7,440,010	13.5%
FMR LLC	5,112,069	9.3%
Vanguard Group Inc.	4,587,596	8.3%
Joe Kiani	3,920,109	7.1%

- (g) During the disclosure period, none of Masimo, the Masimo Directors, Masimo Corporation, the Masimo Corporation Directors nor persons acting in concert with Masimo, the Masimo Directors, Masimo Corporation, the Masimo Corporation Directors have had any dealings in relevant securities of LiDCO.
- (h) During the disclosure period, the following dealings in LiDCO relevant securities by LiDCO Directors (and their close relatives, related trusts and connected persons) have taken place:

Name	Date of dealing	Number of LiDCO Shares	Nature of Transaction	Price per LiDCO Share (pence)
Tim Hall	26 March 2019	100,000	Acquisition	4.40
Peter Grant	26 March 2019	200,000	Acquisition	4.50
Philip Cooper	26 March 2019	100,000	Acquisition	4.40
Philip Cooper	29 March 2019	650,000	Acquisition	4.50
Philip Cooper	1 April 2019	650,000	Acquisition	4.50
Matthew Sassone	09 April 2019	2,000,000	Grant of options	N/A
Tim Hall	09 April 2019	2,000,000	Grant of options	N/A
Peter Grant	15 October 2019	122,455	Acquisition	4.075
Peter Grant	15 October 2019	121,708	Acquisition	4.10
James Wetrich	15 November 2019	19,900	Acquisition	6.2073
Tim Hall	29 April 2020	2,000,000	Grant of options	N/A

- (i) Save as Disclosed in this Offer Document, there are no arrangements of the kind referred to in Note 11 on the definition of acting in concert set out in the Code relating to relevant securities which exist between Masimo or any person acting in concert with Masimo and any other person nor between LiDCO or any person acting in concert with LiDCO and any other person.
- (j) Save as set out above, and other than granted pursuant to the Share Option Schemes, LiDCO does not have outstanding any other options or warrants or rights over LiDCO Shares.
- (k) **General**

Save as disclosed in this document, as at the last day of the disclosure period:

- i) neither Masimo, Masimo Corporation, the Masimo Directors, the Masimo Corporation Directors nor (in the case of the Masimo Directors or the Masimo Corporation Directors) any of their close relatives, related trusts or connected persons, nor any other person acting in concert with Masimo, Masimo Corporation, nor any person with whom Masimo, Masimo Corporation or any person acting in concert with Masimo or Masimo Corporation had an arrangement, was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of LiDCO nor had any such person dealt in any relevant securities of LiDCO during the disclosure period;
- ii) neither LiDCO, nor any of the LiDCO Directors, nor (in the case of the LiDCO Directors) any of their close relatives, related trusts or connected persons, nor any person acting in concert with LiDCO, nor any person with whom LiDCO or any person acting in concert with LiDCO had an arrangement, was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of LiDCO nor had any such person dealt in any relevant securities of LiDCO during the disclosure period;
- iii) neither LiDCO, nor any of the LiDCO Directors, nor (in the case of the LiDCO Directors) any of their close relatives, related trusts or connected persons, was interested in, had any right to subscribe for, or had any short position in relation to, any relevant securities of Masimo, Masimo Corporation and nor had any such person dealt in any relevant securities of Masimo or Masimo Corporation during the disclosure period;
- iv) neither LiDCO, Masimo, Masimo Corporation nor any person acting in concert with LiDCO, Masimo or Masimo Corporation, had borrowed or lent (including for these purposes any financial collateral arrangements of a kind referred to in Note 4 on Rule 4.6 of the Code) any relevant securities in LiDCO (save for any borrowed shares which have been either on-lent or sold); and
- v) save for the irrevocable undertakings described in paragraph 5 of this Appendix V, there is no arrangement relating to relevant securities in LiDCO which exists between Masimo, Masimo

Corporation or any person acting in concert with Masimo or Masimo Corporation and any other person, nor between LiDCO or any person acting in concert with LiDCO and any other person.

5 Irrevocable undertakings

(a) *LiDCO Directors*

Masimo has received irrevocable undertakings from the LiDCO Directors, other than James Wetrich, to accept the Offer (or if Masimo exercises its right to structure the Offer as a Scheme of Arrangement, to vote in favour of such Offer) in respect of their own beneficial holdings totalling 3,960,830 LiDCO Shares, representing in aggregate approximately 1.6 percent of LiDCO's issued ordinary share capital as at 30 October 2020, being the latest practicable date prior to the publication of this document, as follows:

Name	Number of LiDCO Shares	Percentage of current issued share capital of LiDCO
Peter Grant	944,163	0.39%
Matthew Sassone	250,000	0.10%
Tim Hall	100,000	0.04%
Philip Cooper	2,666,667	1.09%
Total	<u>3,960,830</u>	<u>1.62%</u>

The numbers referred to in this table exclude any LiDCO Shares that will be allotted on the exercise of options granted pursuant to the Share Option Schemes. However, any such LiDCO Shares are included in the scope of the irrevocable undertakings.

The LiDCO Directors' irrevocable undertakings shall lapse and cease to be binding, inter alia, if (i) the Offer Document is not published within 28 days of the Announcement (or within such longer period as the Panel may agree); (ii) the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects; or (iii) Masimo announces that it will not proceed with the Offer.

James Wetrich is both a resident in, and citizen of, the United States (a Restricted Jurisdiction) and as such he is not permitted to participate in the Offer in respect of his own beneficial shareholding of 19,900 LiDCO Shares representing approximately 0.01 percent of the existing issued share capital of LiDCO and has therefore not been able to provide an irrevocable undertaking to accept the Offer.

(b) *Institutional and other LiDCO Shareholders*

Masimo has received irrevocable undertakings from the LiDCO Shareholders set out below to accept the Offer (or if Masimo exercises its right to structure the Offer as a Scheme of Arrangement, to vote in favour of such Offer) in respect of their beneficial holdings totalling 88,101,511 LiDCO Shares, representing in aggregate approximately 36.1 percent of LiDCO's issued ordinary share capital as at 30 October 2020, being the latest practicable date prior to publication of this document, comprised as follows:

Name	Number of LiDCO Shares	Percentage of current issued share capital of LiDCO
Mr P Brewer	15,025,000	6.15%
Mrs PA Brewer	2,500,000	1.02%
Mr J Ede-Golightly	13,215,000	5.41%
Eiffel Investment Group	19,293,816	7.90%
Mr R Greenshields	8,899,550	3.64%
Herald Investment Management Limited	16,666,667	6.83%
Dr T O'Brien	5,479,628	2.24%
Vermeer Partners	7,021,850	2.88%
Total	<u>88,101,511</u>	<u>36.07%</u>

These irrevocable undertakings shall lapse and cease to be binding, inter alia, if (i) the Offer Document is not published within 28 days of the Announcement (or within such longer period as the Panel may agree); (ii) the Offer lapses or is withdrawn without becoming or being declared unconditional in all respects; or (iii) Masimo announces that it will not proceed with the Offer.

The irrevocable undertakings entered into by Eiffel Investment Group, Herald Investment Management and Vermeer Partners shall cease to be binding in the event of a competing offer that is 10 percent higher than the Offer Price, unless Masimo increases the Offer such that the consideration per LiDCO Share is equal to or exceeds the competing offer prior to 5.00 pm on the fifth Business Day after the day on which the competing offer is made. The terms of the other irrevocable undertakings set out in this paragraph 5(b) shall continue to be binding in the event a higher competing offer is made for LiDCO.

6 Financing and cash confirmation

- (a) In accordance with Rule 24.8 of the Code, Cattaneo, financial adviser to Masimo and Masimo Corporation, is satisfied that sufficient financial resources are available to Masimo to enable it to satisfy full acceptance of the Offer.

The maximum cash payment by Masimo required to satisfy full acceptance of the Offer, including all options that are capable of exercise under the Share Option Schemes, of approximately £31.2 million will be funded entirely out of Masimo Corporation's cash resources made available to Masimo by way of an intercompany line of credit for the sum of \$45 million.

Cattaneo has received an undertaking from Masimo Corporation that the funds required to satisfy full acceptance of the Offer will remain available to Masimo until such time as all of Masimo's obligations to pay the consideration in respect of valid acceptances of the Offer have been satisfied in full.

- (b) The intercompany line of credit is unsecured and has a maturity date of 31 October 2025. The intercompany line of credit will bear interest at a rate equal to the United States mid-term applicable federal rate on the date the loan or advance of cash is made to Masimo, calculated in accordance with US Treas. Reg. Section 1.482-2. Interest will be calculated daily on the outstanding principal amount and will be compounded semi-annually. Interest will be due on the maturity date of the intercompany line of credit and will be payable in arrears. If all of the principal is repaid, either on or prior to the maturity date, accrued interest is due at the time of repayment.

Masimo may prepay the intercompany line of credit at any time on one business day's notice to Masimo Corporation without penalty or premium. Masimo Corporation may demand immediate repayment of the intercompany line of credit on three business days' notice to Masimo.

There will be an event of default under the intercompany line of credit if: (i) Masimo fails to pay any amount of principal and/or interest when due; (ii) the intercompany line of credit, at any time after its execution and delivery and for any reason, ceases to be in full force and effect or is declared to be null and beyond final appeal; or (iii) Masimo becomes insolvent, or admits in writing its inability to pay its debts as they come due, or makes an assignment for the benefit of creditors, or applies for or consent to the appointment of any receiver, trustee, or similar officer for all, or any substantial part, of its property.

If an event of default occurs under the intercompany line of credit: (i) Masimo will be assessed, and Masimo Corporation will be entitled to increase the interest rate due by an additional 150 basis points during the period the event of default continues and interest will be due on the overdue interest if the additional interest will not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law; (ii) Masimo Corporation may, in its sole discretion, accelerate repayment of all principal and interest accrued until that date; and (iii) Masimo will be prohibited from directly or indirectly: (A) applying any of its funds, property or assets to, or setting apart any funds, property or assets for, the purchase, redemption or retirement of, or making any distribution, by reduction of capital or otherwise in respect of any of its shares of capital stock or other securities, whether outstanding now or hereafter; or (B) declaring or paying, or setting apart any funds for the payment of, any dividends in any fiscal year on any class or classes of stock, until the event of default is cured or the Masimo Corporation is otherwise satisfied as to Masimo's ability to repay the line of credit.

The intercompany line of credit may be terminated at any time by mutual agreement between Masimo and Masimo Corporation.

7 Material Contracts

- (a) During the period beginning on the date falling two years before the commencement of the Offer Period and ending on the last Business Day prior to the date of this document, Masimo, LiDCO and each of their respective subsidiaries, as applicable, have entered into the following material contracts (other than contracts entered into in the ordinary course of business) set out in this paragraph 7.

(b) Save as set out in this paragraph and in paragraph 9 below, there are no contracts, other than contracts entered into in the ordinary course of business, which have been entered into by LiDCO or any of member of the LiDCO Group or any member of the Masimo Group (as the case may be) during the period beginning two years before the commencement of the Offer Period which are or may be material.

(c) *Masimo material contracts*

- i) the Initial Confidentiality Agreement and the Confidentiality Agreement (as described in paragraph 9(a) below);
- ii) the irrevocable undertakings set out in paragraph 5 above; and
- iii) the intercompany line of credit agreement (as described in paragraph 6(b) above).

(d) *LiDCO material contracts*

- i) the Initial Confidentiality Agreement and the Confidentiality Agreement (as described in paragraph 9(a) below);
- ii) new leases in relation to the following properties:

- (1) A lease dated 27 March 2020 relating to Unit D4, Mowlem Trading Estate, Leaside Road, Tottenham, London N17 0QJ (Title Number: NGL218971) entered into by LiDCO Limited with the designation of Light Industrial Class B1(c), and Warehousing B2 and B8 of the Schedule to the Town and Country Planning (Use Classes) Order. The landlords are Diageo Pension Trust (Property Custodian) Limited (as Trustee Custodian of the Diageo Pension Scheme) with company number 07047231 and Diageo Pension Trust Limited with company number 01024205 (as trustee of the Diageo Pension Scheme) both with registered offices at Lakeside Drive, Park Royal, London NW10 7HQ.

The term of the lease is ten years ending 26 March 2030 with rent up to 26 June 2020 having been nil and from 27 June 2020 until 26 June 2021 the rent is £40,851 per annum. From 27 June 2021, the rent will be £81,702 per annum and is subject to a rent review in 2025.

This lease contains typical repairing and maintenance obligations with a further requirement to paint the property in every fifth year of the term and in the final months of the term. The lease alteration covenants are typical with a requirement to seek approval from the landlords and a requirement to submit plans.

On the same day as the commencement of the lease, the Landlord granted a licence to carry out alterations to the premises, namely the installation of a mezzanine, the installation of a Daikin Multi System, the installation of an air conditioning system, and the installation of fencing around the property

- (2) A lease dated 20 April 2020 relating to Salisbury House, London Wall, London EC2 (Unit 402-3ETC) entered into by LiDCO Limited with the designation of Office space within Class B1(a) of the Schedule to the Town and Country Planning (Use Classes) Order 1987. The landlord is Workspace Salisbury Limited (registered in Jersey, company number: 109341) of 44 Esplanade, St Helier, Jersey JE4 9WG.

The term of the lease is from 1 May 2020 ending 30 April 2023 with rent up to 30 April 2021 at £95,270 per annum, from 1 May 2021 to 30 April 2022 at £100,033.50 per annum, and from 1 May 2022 to 30 April 2023 at £105,003.88 per annum. The lease contains typical covenants in relation to repairing and maintenance. The lease alteration covenants are typical with a requirement to seek written permission before alterations are commenced. There is no break period within this lease.

LiDCO applied for a licence for the period between 11 May 2020 and 31 May 2020 to allow for the construction of offices within the premises.

- iii) An agreement dated 11 March 2020 and made between LiDCO and the Nplus1 Singer Advisory LLP (together with its associates, “**N+1 Singer**”), pursuant to which N+1 Singer agreed to act as LiDCO’s nominated adviser and broker. The agreement is subject to review each year from the fifth anniversary and will be subject to a minimum increase. The agreement can be terminated on three months’ written notice, but not within the first six months of the contract.

8 Service contracts and remuneration

(a) *Non-executive directors*

- i) Peter Grant (Non-Executive Chairman) was appointed to the board of LiDCO on 6 March 2017. The annual fee payable to Mr Grant is £49,000. The minimum number of days Mr Grant is expected to spend on Company business is 24 days per annum. There is no notice period for either LiDCO or Mr Grant to terminate the appointment.
- ii) Phil Cooper (Chair of the Remuneration Committee) was appointed to the board of LiDCO on 8 August 2016. The annual fee payable to Mr Cooper is £33,000. The minimum number of days Mr Cooper is expected to spend on Company business is 24 days per annum. There is no notice period for either LiDCO or Mr Cooper to terminate the appointment.
- iii) James Wetrich (Independent Non-Executive Director) was appointed to the board of LiDCO on 14 August 2019. The annual fee payable to Mr Wetrich is £30,000. The minimum number of days Mr Wetrich is expected to spend on Company business is 24 days per annum. There is no notice period for either LiDCO or Mr Wetrich to terminate the appointment.

(b) *Executive directors*

- i) Matthew Sassone (Chief Executive Officer) entered into a service agreement with LiDCO on 20 April 2015. Mr Sassone is entitled to receive an annual salary of £215,373 and is entitled to participate in LiDCO's bonus schemes. Mr Sassone's employment is terminable by six months' notice given by either party. LiDCO may, at its discretion, terminate Mr Sassone's employment immediately by making a payment to him in lieu of his basic salary. Mr Sassone is entitled to permanent health insurance. His service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of six months following the termination of his employment.
- ii) Tim Hall (Chief Financial Officer) entered into a service agreement with LiDCO on 24 February 2019. Mr Hall is entitled to receive an annual salary of £169,950 and is entitled to participate in LiDCO's bonus schemes. Mr Hall's employment is terminable by six months' notice given by either party. LiDCO may, at its discretion, terminate Mr Hall's employment immediately by making a payment to him in lieu of his basic salary. Mr Hall is entitled to permanent health insurance. His service agreement includes standard summary termination provisions and post termination restrictive covenants which apply for a period of six months following the termination of his employment.

(c) Save as set out in this paragraph 8:

- i) no LiDCO Director is entitled to commission or profit sharing arrangements;
- ii) other than statutory compensation and payment in lieu of notice, no compensation is payable by LiDCO to any LiDCO Director upon early termination of their appointment; and
- iii) no service agreement or letter of appointment of any LiDCO Director was entered into or amended in the six month period prior to the date of this document.

9 Offer-related arrangements

(a) the Confidentiality Agreements;

- i) Masimo Corporation and LiDCO Limited (a subsidiary of LiDCO) entered into the Initial Confidentiality Agreement on 17 June 2020, pursuant to which each of Masimo Corporation and LiDCO Limited has undertaken, among other things, to: (i) keep confidential information relating to the other party and not disclose it (other than to certain permitted disclosees) except as required by applicable law; and (ii) use the confidential information for the sole and exclusive purpose of evaluating and considering the Offer. The confidentiality obligations of Masimo Corporation and LiDCO Limited under the Initial Confidentiality Agreement terminate two years after the date of the Initial Confidentiality Agreement; and
- ii) Masimo Corporation and LiDCO entered into the Confidentiality Agreement on 24 September 2020 pursuant to which Masimo undertakes, among things, to (i) keep confidential information relating to LiDCO and not disclose it except to: (x) its connected persons, (y) the Panel, and (z) as required to be disclosed by law or the rules of any applicable regulatory, governmental or supervisory organisation; and (ii) use the confidential information for sole purpose of considering, evaluating, advising on or furthering the Offer.

10 Consents

- a) Cattaneo has given and has not withdrawn its written consent to the issue of this document and the inclusion therein of references to its name in the form and context in which it is included.
- b) Smith Square Partners has given and has not withdrawn its written consent to the issue of this document and the inclusion therein of references to its name in the form and context in which it is included.

11 Other information

- (a) Masimo Corporation does not expect full acceptance of the Offer to have a material effect on its earnings or its assets and liabilities.
- (b) Neither Masimo, Masimo Corporation nor any persons acting in concert with Masimo or Masimo Corporation had entered into any agreement, arrangement or understanding (including any compensation arrangement) with any LiDCO Director or recent LiDCO Director, LiDCO Shareholder or recent LiDCO Shareholder, or any person interested or recently interested in LiDCO Shares, having any connection with, or dependence upon, the Offer.

12 Fees and Expenses

- (a) The aggregate fees and expenses which are expected to be incurred by Masimo in connection with the Offer are estimated to amount to approximately £860,000 (excluding applicable VAT, other taxes and disbursements). This aggregate number consists of the following categories (in each case excluding applicable VAT, other taxes and disbursements):
 - i) financial advice: £120,000;
 - ii) legal advice: £650,000;
 - iii) accounting advice: £50,000; and
 - iv) other costs and expenses: £40,000.
- (b) The aggregate fees and expenses which are expected to be incurred by LiDCO in connection with the Offer are estimated to amount to approximately £785,000 (excluding applicable VAT, other taxes and disbursements). This aggregate number consists of the following categories (in each case excluding applicable VAT, other taxes and disbursements):
 - i) financial and corporate broking advice: £515,000;
 - ii) legal advice: £250,000;
 - iii) accounting advice £7,000; and
 - iv) other costs and expenses: £13,000.

13 Documents on display

- (a) Copies of the following documents will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, free of charge, for inspection on Masimo's website at www.masimo.com/offerdocuments and on LiDCO's website at www.lidcodocuments.com while the Offer remains open for acceptance:
 - i) the memorandum and articles of association of each of Masimo and LiDCO;
 - ii) the Initial Confidentiality Agreement and the Confidentiality Agreement referred to in paragraphs 7(c) i) and 7(d) i) above;
 - iii) the irrevocable undertakings referred to in paragraph 7(c) ii) above;
 - iv) the intercompany line of credit agreement referred to in paragraph 7(c) iii) above;
 - v) the leases referred to in paragraph 7(d) ii) above;
 - vi) the agreement with N+1 Singer as referred to in paragraph 7(d) iii) above;
 - vii) the written consents of Cattaneo and Smith Square Partners referred to in paragraph 10 above;
 - viii) this document;
 - ix) the Announcement;

- x) the Form of Acceptance;
 - xi) the audited financial statements of LiDCO for the years ended 31 January 2020 and 31 January 2019; and
 - xii) the information incorporated into this document by reference.
- (b) Save as expressly referred to herein, neither the content of Masimo Corporation's or Masimo's website nor the content of any website accessible from hyperlinks on Masimo Corporation's or Masimo's website, is incorporated by reference into, nor forms part of, this document.
- (c) Save as expressly referred to herein, neither the content of LiDCO's website nor the content of any website accessible from hyperlinks on LiDCO's website, is incorporated by reference into, nor forms part of, this document.

2 November 2020

APPENDIX VI

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

Acceptance Condition	the Condition as to acceptances set out in paragraph 1(a) of Part A of Appendix I to this document
AIM	the market of that name operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies as published by the London Stock Exchange from time to time
Announcement	the announcement made by Masimo of its firm intention to make the Offer in accordance with Rule 2.7 of the Code dated 2 November 2020
Announcement Date	2 November 2020, being the date of the Announcement
Authorisations	authorisations, orders, grants, recognitions, confirmations, licenses, clearances, certificates, permissions or approvals
Board	as the context requires, the board of directors of LiDCO or the board of directors of Masimo and the terms “ LiDCO Board ” and “ Masimo Board ” shall be construed accordingly
Business Day	a day (excluding Saturdays, Sundays and UK public holidays) on which banks are generally open for business in the City of London
Cash Offer	the offer of 12 pence in cash for each LiDCO Share, under the Offer
Cattaneo	Cattaneo Corporate Finance Solutions Limited, financial adviser to Masimo Corporation and Masimo
certificated or in certificated form	a LiDCO Share which is not in uncertificated form (that is, not in CREST)
Closing Price	the closing middle market price of a LiDCO Share at the close of business on the day to which such price relates, as derived from the Daily Official List
CMA	the Competition and Markets Authority of the United Kingdom
Code or City Code	The City Code on Takeovers and Mergers
Companies Act	the Companies Act 2006, as amended
Conditions	the conditions to the implementation of the Offer as set out in Part A of Appendix I (Conditions of the Offer) of this document
Confidentiality Agreement	the confidentiality agreement entered into between LiDCO and Masimo Corporation on 24 September 2020
Connected Person	has the meaning given to that expression in section 1122 of the Corporation Tax Act 2010
CREST	the relevant system (as defined in the CREST Regulations) of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Manual	the CREST Manual published by Euroclear
CREST member	a person who is, in relation to CREST, a system member (as defined in the CREST Regulations)
CREST participant	a person who is, in relation to CREST, a systems participant (as defined in the CREST Regulations)
CREST payment	has the meaning given to it in the CREST Manual
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended

CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a sponsored member
Daily Official List	the AIM Appendix to the London Stock Exchange’s Daily Official List published by the London Stock Exchange
Dealing Disclosure	has the same meaning as in Rule 8 of the Code
Disclosed	the information disclosed by, or on behalf of, LiDCO: (i) in the annual report and accounts of LiDCO for the financial year ended 31 January 2020 or in the interim results of LiDCO for the six months ended 31 July 2020; (ii) in any other announcement to a Regulatory Information Service by, or on behalf of, LiDCO prior to the publication of the Announcement; (iii) as otherwise fairly disclosed to Masimo Corporation (or its respective officers, employees, agents or advisers) prior to the Announcement Date; or (iv) in the Announcement
dollar, \$ or cent	the lawful currency of the United States
Electronic Acceptance	the inputting and settling of a TTE instruction which constitutes or is deemed to constitute an acceptance of the Offer on the terms set out in this document
ESA instruction	an Escrow Account Adjustment Input (AESN), transaction type “ESA” (as described in the CREST Manual)
Escrow Agent	the Receiving Agent in its capacity as escrow agent (as described in the CREST Manual issued by Euroclear)
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Financial Conduct Authority or FCA	the United Kingdom Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
First Closing Date	1.00 pm on 23 November 2020
Form of Acceptance	in relation to LiDCO Shares, the form of acceptance and authority relating to the Offer which accompanies this document for use by LiDCO Shareholders with shares in certificated form in connection with the Offer
FSMA	the Financial Services and Markets Act 2000, including any statutory modification or re-enactment thereof for the time being in force
HMRC	Her Majesty’s Revenue and Customs
holder	a registered holder and includes any person(s) entitled by transmission
Initial Confidentiality Agreement	the mutual confidentiality agreement entered into between Masimo Corporation and LiDCO Limited (a subsidiary of LiDCO) on 17 June 2020
LiDCO	LiDCO Group Plc, a company incorporated in England and Wales (company number 02659005), whose registered office is Unit D4, Mowlem Trading Estate, Leaside Road, London N17 0QJ, United Kingdom
LiDCO Directors	the directors of LiDCO who are named in paragraph 2 (a) of Appendix V to this document or, where the context so requires, the directors of LiDCO from time to time, and “ LiDCO Director ” shall mean any one of them
LiDCO Group	LiDCO and its subsidiary undertakings
LiDCO Option Holders	holders of options under the Share Option Schemes

LiDCO Shares	the existing unconditionally allotted or issued and fully paid (or credited as fully paid) ordinary shares of 0.5 pence each in the capital of LiDCO and any further such ordinary shares which are unconditionally allotted or issued and fully paid (or credited as fully paid) while the Offer remains open for acceptance or before such earlier date as Masimo (subject to the Code) may determine, not, unless the Panel so permits, being earlier than the date on which the Offer is declared unconditional as to acceptances or, if later, the First Closing Date
LiDCO Shareholders or Shareholders	holders of LiDCO Shares from time to time
LiDCO Share Option Plan 2008	the LiDCO Group Plc Enterprise Management Incentive Scheme, as amended by a remuneration committee resolution dated 25 June 2008
LiDCO Share Option Plan 2013	the LiDCO Group Plc Share Option Plan 2013 (formerly called LiDCO Group Plc Enterprise Management Incentive Plan 2013) adopted by resolution of the LiDCO Board by resolution dates 9 May 2013, as amended by resolutions of the LiDCO Board dated 9 April 2014, 12 June 2015, 22 March 2017 and 1 September 2017 and 30 October 2020
London Stock Exchange	London Stock Exchange plc
Masimo	Masimo LHC Limited, a private limited company incorporated in England and Wales with registered number 12941519
Masimo Corporation	Masimo Corporation, a corporation registered in the state of Delaware, United States
Masimo Corporation Directors	the directors of Masimo Corporation who are named in paragraph 2 (e) of Appendix V to this document or, where the context so requires, the directors of Masimo from time to time, and “ Masimo Corporation Director ” shall mean any one of them
Masimo Directors	the directors of Masimo who are named in paragraph 2 (c) of Appendix V to this document or, where the context so requires, the directors of Masimo from time to time, and “ Masimo Director ” shall mean any one of them
Masimo Group	Masimo Corporation and all of its direct and indirect subsidiaries (including Masimo) to include, where the context requires, each one of them
Masimo Shares	ordinary shares of 1 pence each in the capital of Masimo
member account ID	the identification code or number attached to any member account in CREST
NASDAQ	the National Association of Securities Dealers Automated Quotations exchange
Offer	the recommended cash offer made by Masimo to acquire all of the LiDCO Shares on the terms and subject to the conditions set out in this document and, in the case of LiDCO Shares held in certificated form, in the Form of Acceptance, including where the context so permits or requires, any subsequent revision, variation, extension or renewal thereof
Offer Document	this document which sets out the terms and conditions of the Offer
Offer Period	the period starting on (and including 2 November 2020 and ending on whichever of the following dates shall be the latest: (i) 1.00 pm on the First Closing Date; (ii) the date on which the Offer lapses; and (iii) the date on which the Offer becomes or is declared unconditional as to acceptances
Offer Price	12 pence per LiDCO Share
Opening Position Disclosure	has the same meaning as in Rule 8 of the Code

overseas person	any person who is not resident in the United Kingdom, or who is a citizen, resident or national of a jurisdiction outside the United Kingdom or who is a nominee of, or custodian or trustee for, any citizen(s), resident(s) or national(s) of any other country
Overseas Shareholder	Shareholders who are resident in or citizens of a jurisdiction outside the United Kingdom
Panel	the Panel on Takeovers and Mergers
participant ID	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
Phase 2 CMA reference	a reference of the Offer to the Chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
pound, £ or pence	the lawful currency of the United Kingdom
Receiving Agent	Neville Registrars Limited, the Offeror's receiving agent for the purposes of the Offer, of Neville House, Steelpark Road, Halesowen, West Midlands B62 8HD, United Kingdom
Registrar	Link Asset Services, as LiDCO's Registrar, of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom
Regulatory Information Service	a Regulatory Information Service approved by the FCA and is on the list of Regulatory Information Services maintained by the FCA
Restricted ESA Instruction	has the meaning given to it in paragraph 7(g) of Part B of Appendix I to this document
Restricted Escrow Transfer	has the meaning given to it in paragraph 7(g) of Part B of Appendix I to this document
Restricted Jurisdiction	each of the United States, Canada, Australia and Japan and any other jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to LiDCO Shareholders in that jurisdiction
Share Option Schemes	the LiDCO Share Option Plan 2013 and the LiDCO Share Option Plan 2008
Smith Square Partners	Smith Square Partners LLP, the independent Rule 3 adviser to LiDCO
subsidiary, subsidiary undertaking, parent undertaking, associated undertaking and undertaking	shall be construed in accordance with the Companies Act
TFE instruction	a Transfer From Escrow instruction given by a holder of uncertificated LiDCO Shares through CREST (as described in the CREST Manual)
Third Party	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, administrative, fiscal, or investigative body, authority (including any national anti-trust or merger control authority), court, trade agency, association, institution or professional or environmental body, employee representative body or other person or body whatsoever in any relevant jurisdiction
Treasury Shares	any shares held by LiDCO as treasury shares as defined in section 724(5) of the Companies Act 2006
TTE instruction	a Transfer To Escrow instruction given by a holder of uncertificated LiDCO Shares through CREST (as described in the CREST Manual)
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland;

United States or US	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof
US Person	a US Person as defined in Regulation S under the US Securities Act
US Securities Act	the US Securities Act of 1933, as amended, and the rules and regulations promulgated under it.
Wider LiDCO Group	LiDCO and associated undertakings and any other body corporate, partnership, joint venture or person in which LiDCO and such undertakings (aggregating their interests) have a significant interest
Wider Masimo Group	Masimo Corporation and associated undertakings and any other body corporate, partnership, joint venture or person in which Masimo Corporation and such undertakings (aggregating their interests) have a significant interest

Certain other capitalised terms not defined above are defined and used elsewhere in this document.

In this document, “**this document**” means and includes the letter from the Chairman of LiDCO, the letter from Masimo, the Appendices thereto and the accompanying Form of Acceptance.

All references to legislation in this document are to English legislation unless the contrary is indicated.

Any reference to any provision of any legislation shall include any amendment, modification, re-enactment or extension thereof.

All references to times in this document are to London times.

Words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine or neutral gender.

Terms defined in the CREST Manual shall, unless the context otherwise requires, bear the same meanings where used in this document.

